RI GLOBAL COMPETITION POLICY

Rabobank International

September 2012

1. Introduction

In publishing our Worldwide Compliance Standards, we referred to stakeholder expectations, which included:

"*...not just expectations of financial performance, but also of corporate behaviour. In all industries, companies are being increasingly judged on standards of conduct, and financial services is no exception. Regulators across the world have become more rigorous and disciplined about judging those whom they supervise on this basis.*"

The international and complex nature of our business and of the financial markets within which we operate, makes it particularly crucial that the conduct of our employees is beyond reproach. Integrity is one of our core values and lawful and ethical business practice is an essential part of our business relationships and dealings.

We are fully convinced of the benefit to our business of a fully competitive marketplace and we are fully committed to full compliance with all applicable competition laws.

Competition law is an essential part of our compliance effort outlined in our Mission Statement, the Code of Conduct of the Rabobank Group (Code) and the Rabobank International World Wide Compliance Standards. This RI Global Competition Policy thus further elaborates and complements other group compliance standards. It explains:

(i) what the competition rules mean for Rabobank;
(ii) why it is essential to comply with them; and
(iii) how to comply in practice.

I urge you to familiarise yourselves with the key principles and to be aware of the procedures to follow if you have any concerns.

Sipko Schat
Berry Marttin

2. Purpose of the RI Global Competition Policy

2.1. Key messages

2.1.1. Rabobank Group competes for the business of its customers. All countries where Rabobank International ("RI") is active have competition laws and trade regulations designed to protect such competition.

2.1.2. It is RI's policy to make its own commercial decisions on the basis of what we consider to be in the best interest of our clients, our Employees and our company, completely independent and free from any understandings or agreements with any competitor. This policy requires the absolute avoidance of any conduct which violates, or which might even appear to violate, those underlying principles of the competition laws and regulations. In certain instances this policy may be more strict than the applicable laws. Any deviation from this policy nevertheless requires the explicit consent by Rabobank Legal Department, who may consult (local) management as well.

2.1.3. Accordingly, it is the responsibility of each and every Employee of RI to understand these rules, and to fully comply with these rules. If there is any question or doubt as to what the rules are or how they are applied in a given situation, they have to seek help from Rabobank Legal Department (see under 11.1.1).

2.1.4. Except as expressly provided herein, no Employee, whatever his/her position, is authorised to deviate from RI's policy or to condone a departure by anyone else. Moreover, please note that a violation of competition law may result in significant administrative, criminal and civil penalties for RI and its Employees alike. Strict compliance with this policy is expected and it should be understood that management will take appropriate disciplinary action with respect to anyone who violates it.

2.1.5. The "rules of thumb" on competition law compliance contained in this policy need to be part of the general working knowledge of every Employee. The focus of this guide is on the *basic principles* and *practical examples* relevant to RI's daily working practice.

2.2. Why does free competition matter?

2.2.1. Market economies are based on the principle of free competition. Competition laws are intended to prevent that companies restrict free competition, for instance by entering into anticompetitive agreements.

2.2.2. It is not possible to circumvent these rules – they are fundamental in our day-to-day business. The enforcement of competition rules are seen as essential if customers are to enjoy the benefits of full and fair competition. A failure to observe applicable competition rules can lead to serious outcomes:

- **Fines:** Fines for breach of these rules can be massive, e.g. in the European Union at up to 10% of worldwide group turnover.

- **Personal risk:** The potential repercussions for breach of competition rules do not end with companies. In a growing number of jurisdictions, individuals can be fined, sentenced to prison and company directors can be disqualified. In certain cases, individuals can be extradited to stand trial in competition law investigations in countries such as the United States.

- **Reputational risk:** Furthermore, the potential repercussions for breach of competition rules are not limited to fines and criminal sanctions: press coverage of cartel allegations is damaging to a company's reputation and huge resources are absorbed in defending cartel investigations.

- **Contractual risk**: Any contractual provision which infringes competition laws is generally void and cannot be enforced in the courts. In certain circumstances and jurisdictions, the entire contract could also be invalidated.

- **Civil liability:** Last but far from least, a negative finding of infringement of competition rules can lead to a rush of civil damages claims for losses suffered by customers in multiple jurisdictions. This risk is not only significant in the United States (with "treble damage sanctions"). The European Commission is also keen to encourage private antitrust damage actions.

3. Definitions

For the purpose of this policy the following definitions apply.

Compliance Department
Group Compliance (Directorate Supervision) of Rabobank.

Employee
Anyone employed by Rabobank, working within RI, whether under a permanent, secondment, contractual basis or temporary contract, and including agents acting on behalf of Rabobank International.

Group Legal
Directorate Legal and Tax of Rabobank

Rabobank Legal Department
Group Legal as well as the local legal Departments

Local Compliance Department
Local Compliance Department of Rabobank International

Local Legal Department
Local Legal Departments of a branch or entity of Rabobank International

Rabobank or Rabobank Group
Coöperatieve Centrale Raiffeisen-Boerenleenbank B.A. (trade name: Rabobank Nederland, including Rabobank International) and all Employees (staff, contract and temporary) officers, local member banks, majority owned subsidiaries, branches and other divisions, business lines or departments.

Rabobank International ("RI")
The part of Rabobank Group that deals with Rural and Retail Banking activities outside the Netherlands and (international) Wholesale activities.

4. Responsibility for compliance with this policy

This part describes the role and responsibilities of each Employee related to this Global Competition Policy.

Management Teams RI

The Management Teams of RI (MT Wholesale and MT Rural and Retail) are responsible for compliance with all legislation and regulations and management of this Global Competition Policy. The Management Teams accordingly endorse and approve this policy for all business units and business lines of RI.

(Senior) management

(Senior) management of the respective business unit or business line of RI is directly responsible for compliance with this Global Competition Policy.

Rabobank Legal Department

Rabobank Legal Department (where applicable via the local legal Department) is responsible for supporting management in translating this Global Competition Policy into further operational guidelines and procedures and monitors if applicable work instructions are in place. Furthermore and where applicable, the Head of the local Legal Department shall provide advice and support (including training) upon request. The Head of the local Legal Department should where needed create business line specific guidance in addition to this Global Policy.

Group Legal (Directorate Legal and Tax) of Rabobank is responsible for the content of this Global Competition Policy and the 2-yearly review. In case of any doubt as to the scope, the content or the interpretation of this Global Competition Policy advice must be sought, in the first instance, from Group Legal

Compliance RI

Compliance RI is responsible for communicating this Global Policy throughout the RI-network via Intuition and monitoring the personal confirmation of the Employees involved.

5. Agreements or coordination with competitors

Collusion

5.1.1. Almost all competition rules in countries where RI is active contain a prohibition on *anti-competitive* agreements or coordination between companies. This prohibition covers all types of "agreements": formal written agreements, oral agreements and decisions taken by trade or industry associations. When competitors exchange information regarding proposed commercial decisions, this may amount to anti-competitive coordination, even if there is no agreement. Other forms of direct or indirect cooperation which have a similar effect to an agreement are also covered.

5.1.2. Note also that if a competitor communicates information about its proposed strategy (e.g. a proposed price increase) to another competitor, this may create a legal exposure, even if the recipient has not responded. Being in "listening mode only" does not help.

> ***Example of an agreement, coordination or normal market behaviour***
>
> If RI implements an increase of interest on loans and this is followed by interest increases by other banks, this is not *necessarily* a sign of coordination. However, if banks have communicated with each other on these interest increases, it may amount to prohibited behaviour. This is even the case if only one bank announced its intention to increase interests to other banks and these other banks adopted the same approach.
>
> However, if interest rates (as an element of price) rise globally due purely to market conditions and increased risk perception and RI follows this trend without any communication with other banks, this unilateral behaviour is not problematic.
>
> This is a fine line. Discussions between competitors can easily amount to prohibited coordination and result in significant financial and reputational damage. Therefore, it is not permitted for Employees to engage in discussions with other banks on RI's (future or actual) commercial strategy or policy.

Intra-group arrangements

5.1.3. Intra-group agreements are not covered by the prohibition on anti-competitive agreements. These are seen as agreements inside one economic unit which do not disrupt competition on the market. However, this does not apply if an entity is not part of the Rabobank Group.

Anti-competitive behaviour

5.1.4. What makes an agreement *anti-competitive*? Agreements or coordination with competitors on prices (such as e.g. interest rates and commission charges for banking services) or other commercial conditions, output and allocation of customers or territories are almost by definition regarded as anticompetitive. Therefore, each Employee should refrain from entering into such agreements. The same applies to discussions or information exchange on these topics. Agreements or coordination with competitors on the market behaviour of RI in general or on the terms and conditions offered to customers, or even on the identity of specific customers, are also strictly prohibited.

Each Employee should ask him or herself before engaging in any discussion with a competitor, whether the topic will provide the other party with competitively useful information that they could not have obtained through public sources. Any discussion on competitively sensitive issues (such as prices/interest rates charged, market shares, identity of customers, trading conditions) should absolutely be avoided when talking to a competitor.

Examples of prohibited practices

An example of a prohibited agreement that is specific to RI's business comprises e.g. the development of a pricing strategy by various competing banks aimed at aligning their respective bid and offer prices for so-called (OTC) spread derivative products. In doing this, competing banks may take away uncertainty about each other's future behaviour and be able to (better) predict market movements. Therefore, Employees of RI are prohibited to engage in such conduct.

Another example of a prohibited agreement comprises the coordination of "asymmetrical interest rate adjustments", i.e. delays in reducing lending rates following deposit rate cuts. Certain banks have in the past, through setting up joint committees in which a large number of banks were represented, coordinated their behaviour in response to interest rate adjustments. They coordinated a delayed reaction on deposit rate cuts in order to attain a profit as a result of the temporarily increased spread, thus avoiding competition between them within that timeframe.

The coordination of commission charges for intra-currency exchange services has also been deemed as contravening the competition rules in the past. In this particular case, various banks had agreed to implement a global commission for the buying and selling of euro-zone banknotes with the aim of recovering about 90% of the exchange margin income that was lost after the abolition of the spread on 1 January 1999 (preceding the introduction of the single currency in Europe). The European Commission found this agreement to have as its object the direct fixing of prices, therefore being caught by the cartel prohibition.

Permissible joint arrangements

5.1.5. Certain types of joint arrangements with competitors are allowed. Examples of such joint arrangements may comprise, for example, the setting up of credit registers, the setting up of certification authorities and jointly setting up certain payment services (e.g. credit cards). However, it is important that such arrangements are evaluated by Rabobank Legal Department before entering into them, as well as over time, to make sure that this Global Competition Policy is properly followed.

Example joint arrangements

For example, syndicated loan arrangements comprise a type of agreement requiring prudence as regards possible exchange of competitively sensitive information. Banks form a consortium and collectively agree to give an undertaking a loan against the same loan conditions. This may bring significant benefits for the borrower in terms of loan conditions, because the banks are able to spread the size of the loan as well as their individual risks. However, the bargaining position of the borrower depends on the number of banks that could potentially offer syndicated loan agreements. Banks should thus always be aware of their competing interests and be careful not to share competitively sensitive information that can be of use to other banks outside the context of the specific syndicated loan deal. i.e. discussions should be limited to the specific loan and

discussions with other (potential) syndicates or possible members of other syndicates are not permitted.

Good conduct

5.1.6. If topics come up at meetings or informal discussions with competitors which should not be discussed, it is important to protest and, if the discussion continues, leave the meeting and contact Rabobank Legal Department in order to discuss orally about what occurred (see under 11.1.1).

DOs and DON'Ts in contacts with competitors

- ✓ **DO make it clear at all times to your competitor that you cannot and will not discuss competitively sensitive information.**
- ✓ **DO immediately object to any discussions that relate to subjects outlined above; continue only when you are absolutely comfortable the discussion has resumed a proper direction.**
- ✓ **DO report immediately and orally to Rabobank's Legal Department any improper discussion with, or attempts by, a competitor.**
- ✓ **DO use information obtained from a competitor's former employees with extra care.**
- ✗ **DON'T ever discuss or exchange information relating to price, other terms of trade (e.g. interest rates, commissions), output, market divisions, bids, or plans. This includes (but is not limited to) conversations regarding:**
  - **individual company prices, price changes, price differentials, or data that bear on price or costs; or**
  - **pricing strategies, pricing levels, price changes; or**
  - **the allocation of markets, territories, market shares, or (groups) of customers.**
- ✗ **DON'T copy business announcements to your competitors and do not accept competitors' communication of changes to their own products/pricing.**
- ✗ **DON'T indicate to a competitor that you will follow their lead if they adjust their prices.**
- ✗ **DON'T reach a "hands off" agreement in relation to a competitor's customers, in return for similar treatment of your own, or for any other consideration.**
- ✗ **DON'T agree with your competitors to boycott (refuse to deal) or to treat a given customer unfavourably.**
- ✗ **DON'T agree with your competitors to refrain from dealing with certain categories of customers.**

6. Oral and written communications

6.1.1. Employees must not only comply with competition laws, but they must also be seen to do so.

6.1.2. The use of inappropriate words/terms in internal or external communications can be misinterpreted or mischaracterised as indicative of an anticompetitive intent. It is necessary to use care in written (e-mails, PowerPoint presentations) and oral communications to avoid any statement which could be misconstrued.

6.1.3. All documents are potentially subject to seizure by regulators (or discoverable in a law suit), including outdated drafts of letters and memoranda, electronic documents, handwritten notes, phone messages, phone, e-mail, personal diaries, or calendars. Please note that documents can be retrieved even when deleted. Employees may also be questioned with regard to their conduct and statements.

6.1.4. The targeted destruction of competitively sensitive materials is not allowed regardless of any ongoing investigation. Destruction of sensitive documents (even as part of a general retention/destruction policy) or the appearance of a cover-up in the context of an investigation or litigation could result in very high fines as well as possible criminal penalties.

DOs and DON'Ts in oral and written communications

- ✓ **DO indicate clearly the source of any sensitive information, such as market shares, prices, transaction volumes. Such sources may include public statistics, market intelligence or internal estimates. You must not collect, retain or publish sensitive information pertaining to our competitors, which has been improperly obtained.**
- ✓ **DO write carefully and clearly in memoranda, letters and e-mails and assume that everything written may be disclosed publicly in an adversarial proceeding.**
- ✓ **DO remember that competition law rules also apply in social settings.**
- ✗ **DON'T use expressions which have an ambiguous or controversial meaning, especially when it relates to any of our competitors', or our, competitive behavior.**
- ✗ **DON'T suggest that our marketing or pricing decisions are based on any grounds other than those arising exclusively from Rabobank's individual strategy.**

7. Industry bodies

7.1.1. RI participates in various industry working groups and trade associations, such as national or international banking federations. This is perfectly legal. However, anyone attending meetings of trade associations should be aware that he or she is not allowed to discuss competitively sensitive issues. The rules on trade association meetings are in this respect the same as those on discussions with competitors; see section 3.

7.1.2. New government (legislative) proposals and regulations , statements made by central banks and lobbying strategies can be discussed in trade associations. Market developments *in general* can be discussed as well, e.g. overall market size and developments, technological innovations in the public domain and technical standards, safety, environmental and quality control matters, but **not** *individual* company strategies or confidential information. Competitive threats affecting all competitors can be debated with competitors but not to the extent that the future strategic behaviour of individual companies is made known and agreements or coordinated behaviour patterns are thereby created.

7.1.3. Because participation in trade associations increases the risk of competition law infringements, competition authorities closely monitor them. Membership of trade organisations must be periodically reviewed by management together with Rabobank's Legal Department. If you participate in any trade association, you should report this to your manager.

7.1.4. During trade association meetings, consolidated, anonymous and preferably independently collated historical market data can be exchanged with competitors, but only if individual market positions of competitors cannot be seen or worked out from the information. In particular, prices or price formulae calculations should not be recommended to trade association members. Membership rules of trade associations are also important. They should be objective, legitimate and precise so that competitors cannot legitimately claim to be unfairly excluded.

DOs and DON'Ts in relation to industry bodies

- ✓ **DO consult with management before joining a trade association on behalf of Rabobank International. If you have any concerns, contact Rabobank's Legal Department.**
- ✓ **DO insist on a complete draft agenda well in advance of the trade association meeting that sets forth specifically the matters to be discussed with sufficient clarity to assess appropriateness of the discussion in light of the audience.**
- ✓ **DO strictly follow the agenda – its use as an accurate record of the purpose and the subject matter of the meeting is undermined by discussion of off-agenda items.**
- ✓ **DO ensure that minutes of the meeting are taken in draft form and thereafter reviewed before finalized. Leave the meeting when discussions stray into dangerous territory and make sure to have your departure confirmed in the meeting's minutes.**

✓	**DO report immediately and orally to Rabobank's Legal Department such a departure.**
×	**DON'T disclose or discuss sensitive market information when attending trade association meetings or provide Rabobank commercial data (or agree to receive data).**
×	**DON'T engage in sidebar discussions at the trade association meeting or at ancillary social events or meals by yourself with one or more representatives of competing companies.**

8. Market intelligence

8.1.1. Individual Employees should not obtain market intelligence from RI's competitors, whether directly or indirectly.

8.1.2. For example, brokers intermediate between market parties. It is essential to their role to provide market intelligence. Generally, this is pro-competitive and unproblematic. However, in order to avoid that RI exposes itself to allegations of anticompetitive behaviour, brokers should not serve as a conduit for the exchange of sensitive information between banks ("hub and spoke" situations). If a broker provides information on individual competitors of RI which RI should not be discussing directly with these banks (see under section 3), this can be very problematic. Likewise, RI should not permit brokers to provide competitively sensitive information on Rabobank to its competitors. As a rule of thumb, Employees should only receive information from brokers on competitors to the extent that this is reasonably necessary to engage in a transaction accommodated by this broker. Likewise, RI should only provide information to a broker which is relevant in connection with a transaction to be entered into with the help of the broker, and on the condition that this information is only provided to potential counterparties of RI in a transaction.

DOs and DON'Ts in relation to market intelligence

- ✓ **DO obtain necessary market intelligence from public sources and not your competitor.**
- ✓ **DO keep written records of the source of any such information and circumstances in which it was provided to you.**
- ✗ **DON'T meet with, or in any way correspond with your competitor regarding market intelligence.**
- ✗ **DON'T use customers or intermediaries such as brokers as conduits to exchange sensitive information with your competitors.**

9. Clients

9.1.1. RI has an own interest that its clients remain financially healthy. Obviously rigorous competition between clients and their competitors can affect the financial situation of RI's customers and may result in increased exposure for Rabobank as lender.

9.1.2. Nevertheless, RI cannot promote or even be involved in anticompetitive activities of its customers. It does not have the role to regulate competition on the markets on which its customers are active. It should therefore limit itself to its own role.

9.1.3. This means that RI may interfere, if a client engages in market conduct which deteriorates its financial position. However, RI should never suggest to its clients that they should come to an anticompetitive agreement. RI should also refrain from facilitating a cartel or taking any action which may result in reduced competition on the market on which its clients operate. Any intervention on the part of RI should be targeted at individual clients and be motivated by their own financial situation only.

9.1.4. Exclusivity arrangements with clients may restrict competition depending on the specific market conditions. Employees, on behalf of RI, may only enter into exclusivity arrangements with clients or third parties after having obtained approval from Rabobank's Local Legal Department.

DOs and DON'Ts in relation to clients

✓ **DO limit your activities to those that belong to your role.**

✗ **DON'T interfere in potentially anticompetitive agreements of clients or provide information to clients motivated by anything else than their own financial situation.**

10. Infringement of this policy

10.1.1. Violation of competition law has severe consequences, not only for RI (high fines, damages claims, reputation, etc.) but also for any Employee who is personally involved in this violation.

10.1.2. Employees who act in breach of the applicable law or this Competition Policy, can face legal or disciplinary action or dismissal.

11. Whom to contact in case of competition law compliance questions

11.1.1. If you have any questions in regard of this Global Competition Policy , please do not hesitate to contact any of the following persons at the (Local) Legal Departments orally (or by e-mail, but only in case of non-sensitive issues after oral consultation). The same applies if you come across any practices of others which you perceive as being in violation of this Policy:

Netherlands:
Mr. Jeroen Sluijter (J.Sluijter@rn.rabobank.nl), Head Legal Group Services

International:
Mr. Willibrord van Nierop (Willibrord.van.Nierop@rabobank.com), Head Legal Rural & Retail
Mr. Floris Carlier (F.J.Carlier@rn.rabobank.nl), Head Legal Wholesale Banking & Finance

North America Wholesale:
Mr. Andrew Sherman (Andrew.Sherman@rabobank.com), General Counsel RI-NAW Legal

Mexico:
Mrs. Marilupe Morales (AnaMaria.Morales@rabobank.com), Head of Legal Mexico

Asia:
Mrs. Suzanne Pearson (Suzanne.Pearson@rabobank.com), Regional Legal Counsel, Asia

Hong Kong:
Mrs. Suzanne Pearson (Suzanne.Pearson@rabobank.com) Head of Legal Hong Kong

Singapore:
Mr. Taur-Jiun Wong (Taur-Jiun.Wong@rabobank.com), Head of Legal Singapore

Indonesia:
Mr. Anthony Setiadi (Anthony.Setiadi@rabobank.com), Head of Legal Indonesia

India:
Mr. Sridhar Marimuthu (Sridhar.Marimuthu@rabobank.com), Head of Legal India

China:
Mr. Xin Xia (Xin.Xia@rabobank.com), Head of Legal China

Japan:
Mrs. Ruth Rooyackers (Ruth.Rooyackers@rabobank.com), Head of Legal Japan

London:

Mr. Mark Seabrook (Mark.Seabrooke@rabobank.com), Head of Legal London

Argentina:
Mr. Hernan Canitrot (Hernan.Canitrot@rabobank.com), Head of Legal & Compliance Argentina

Belgium:
Mr. Ivo Van den Nest (Ivo.Van.den.Nest@rabobank.com), Head of Legal & Compliance Belgium

Chile:
Mr. Miguel Coddou (Miguel.Coddou@rabobank.com), Head of Legal Chile

Brazil:
Mrs. Daniela Doria (Daniela.Doria@rabobank.com), Head of Legal Brazil

Australia:
Mr. Greg Kelly (Greg.Kelly@rabobank.com), General Counsel Australia & New Zealand

Rabo Agri Finance:
Mr. John Manning (John.Manning@rabobank.com)

RNA:
Mr. Dan Weiss (Dan.Weiss@rabobank.com), General Counsel RNA

Poland:
Mr. Marek Malecki (Marek.Malecki@rabobank.com), Head of Legal Poland

Ireland:
Mrs. Tara Glynn (tara.glynn@accbank.ie), Head of Legal Ireland

[Annex]

[To be confirmed via Intuition]

RI Global Competition Policy

Personal Confirmation

(a) I have received a copy of the RI Global Competition Policy..

(b) I will comply fully with the provisions of the RI Global Competition Policy.

(c) I am aware that any serious breach of the RI Global Competition Policy, may render me liable to disciplinary action.

Name in Capitals: .....

Position: .....

Date: .....

Signature: .....