



DSI CODE OF CONDUCT

ARTICLE 7 OF THE DSI GENERAL REGULATIONS

1 October 2009

Article 7: Code of Conduct

- 7.1 General responsibilities.
 - 7.1.1 The registered individual acts on the basis of integrity, expertise and dignity in his or her dealings with investors, clients, potential clients, employers, employees and other registered individuals.
 - 7.1.2 At all times, the registered individual acts professionally and honestly in such a way that he or she is a credit to the good reputation and objectives of DSI.
 - 7.1.3 The registered individual commits to maintaining and improving his or her knowledge and expertise. If the registered individual supervises or leads others, he or she will encourage his or her subordinates to act in accordance with the Code of Conduct and to maintain and improve their knowledge and expertise to the best of their ability.
 - 7.1.4 The registered individual is familiar with and abides by the laws, regulations and guidelines drawn up by the competent agencies and which are applicable to the professional group.
 - 7.1.5 The registered individual shall not cooperate with actions or transactions that are in conflict with or opposed to the laws, regulations and guidelines referred to in the first section.
- 7.2 Responsibilities towards clients and potential clients
 - 7.2.1 The registered individual ensures that he or she serves the interests of his or her client first, and practices the required care in his or her dealings with the client.
 - 7.2.2 The registered individual must carefully study the client's financial situation before providing recommendations or making investment decisions regarding the client's investment management. In his or her recommendations and investment decisions, the registered individual must take the client's experiences and objectives into consideration.
 - 7.2.3 The registered individual shall at all times come to a professional opinion in a careful and considered manner when providing advice or making investment decisions.
 - 7.2.4 The registered individual provides balanced and soundly justified advice based on facts of material importance. In order not to mislead the client, the registered individual shall always inform the client of important facts or circumstances that are in conflict with his or her advice.
 - 7.2.5 The registered individual shall prevent the entanglement of his own interests with those of its clients and, if his or her employer has drawn up a code to prevent the mingling of business and private interests, shall strictly observe it.

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- 7.2.6 The registered individual shall treat information provided by a client with care and confidentiality. The registered individual may deviate from these provisions if required by law, court order or a judgment of a competent disciplinary board, or if there is a dispute between the registered individual and the client before a court or disciplinary body.
- 7.3 Responsibilities towards the investors and the securities market
- 7.3.1 The registered individual must contribute to building confidence in the proper functioning of the securities markets, the effective functioning of the market and the proper protection of the interests of the investing public through fair market behaviour, even if doing so would entail the loss of certain immediate financial benefits.
- 7.3.2 The registered individual has the duty to preserve the investors' confidence in the fairness of the securities markets through honest dealings and by constant compliance with professional ethics standards. The registered individual is obliged to refuse to cooperate with those who attempt to deviate from the principles of fair market behaviour, and may not lend him- or herself to practices which may frustrate or impair the normal functioning of the securities markets.
- 7.3.3 The registered individual may not manipulate the securities market, whether by means of one or more transactions, by spreading or promoting rumours, by distributing non-public, price-sensitive information, or in any other manner.
- 7.3.4 Information about the investment results achieved by the registered individual or the participant must always be true, accurate and complete. Preferably, the method of providing information should be based on existing standards, such as the Association of Investment Analysts (VBA PPS 1998) and the Global Investment Performance Standards.
- 7.4 Responsibilities regarding the tasks of the registered Compliance Professional
- 7.4.1 The general responsibilities described in paragraph 7.1 of this Code shall apply accordingly to the registered individual.
- 7.4.2 The registered individual is obliged to do everything that can reasonably be expected of him or her to ensure that persons in his or her profession can act in accordance with applicable laws, regulations and guidelines laid down by the competent authorities (hereafter: 'the applicable regulations').
- 7.4.3 The registered individual is obliged to do everything that can reasonably be expected of him or her to ensure that he or she is informed of actions within his or her jurisdiction that are not in accordance with the applicable regulations.

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- 7.4.4 If the registered individual is aware of acts within his or her jurisdiction which are not in accordance with the applicable rules, he or she must immediately recommend appropriate measures and, if necessary, resist any direct or indirect pressure from other persons who can reasonably be regarded as undermining the principles of integrity, independent judgment and determination.
- 7.4.5 When choosing and recommending such appropriate measures as referred to in the preceding paragraph, the registered individual must at least be guided by the following principles, which are part of the foundation of a properly functioning compliance position:
- a. rule compliance: the measure is primarily aimed at addressing the non-compliance of the contested act through the applicable regulations;
 - b. proportionality: the proposed measure is proportionate to the nature and scope of the applicable regulations in question;
 - c. expertise and ingenuity: the registered individual possess the expertise and product knowledge necessary not only to choose measures and alternatives in accordance with the principles described in a. and b. above, but which also meet the legitimate professional needs and wishes of the field for which the registered individual is responsible as a compliance professional;
 - d. perseverance: the registered individual shall not desist from his or her task until such time as he or she is convinced that the measure he or she has recommended has been implemented satisfactorily by those in the field responsible for its implementation;
 - e. escalation: if the registered individual has reason to suppose that the recommended measure has not been sufficiently or completely implemented by those responsible in a timely manner, then he or she shall without hesitation or reluctance bring the matter to the attention of the higher management or supervisory body within the institution in which he or she is employed and which can in his or her opinion adequately deal with the matter, inasmuch as doing so is applicable in consultation with the management of the compliance department in which he or she is employed. In exceptional cases where the integrity and independent functioning of the registered individual as a compliance professional is decidedly at stake, the registered individual may consider it necessary to seek independent external advice on the proper handling of the conflict of interests which the registered individual reasonably believes to exist.