

[Investec Trust (Jersey) Limited notepaper]

From Paul Kelly

Dear [first name of your usual day to day compliance contact]

Investec Trust (Guernsey) Limited ("Investec Guernsey")

I am writing to notify you about a matter which has arisen with Investec Guernsey because it also raises two Jersey issues. Investec Guernsey is, of course, regulated by the Guernsey Financial Services Commission. In so far as this letter refers to matters upon which the Investec Trust Group has received advice or the contents of that advice, then this letter is not a waiver of legal professional privilege either generally or in relation to the specific issues touched upon.

The first Jersey issue is that Ian Burns (see below) is also a principal person of Investec Trust (Jersey) Limited ("**Investec Jersey**"). Accordingly it is appropriate that Investec Jersey notify you of matters relating to Ian Burns.

The second Jersey issue is that a company administered by Investec Guernsey maintained bank accounts with Standard Chartered (Jersey) Limited. Accordingly, while it falls outside of Investec Jersey's responsibility, it wishes to notify you about this further Jersey link. The accounts were held in the name of [LBA CI? Or LBA Systems Limited (a BVI company)]

This matter concerns a client relationship which commenced in the late 1970's between Andrew MacGill and Bachmann Trust Company Limited ("**Bachmann**"), a company authorised under the relevant Guernsey legislation to conduct trust company business. Ian Burns was employed at Bachmann from around 1989 and became a key relationship manager/director for Mr MacGill. Mr MacGill is the founder of the LBA Systems group of companies. When Ian Burns transferred to Investec Guernsey in November 2001, Mr MacGill and his structure followed. Investec Guernsey provides trustees and directors for the structure.

The concerns relate to the activities of LBA Systems. Concerns have been raised in relation to the offensive and defensive security materials supplied, allegations of corruption and the tax position of the structure. The LBA Systems group of companies have entered into extensive arrangements with the Kenyan government and its various agencies and personnel which have given rise to these concerns. The publication of the Githongo report in relation to corruption in Kenya on the internet has brought these issues to the attention of Investec Guernsey. Although there are also Guernsey bank accounts, the Jersey bank accounts have been used in relation to the transactions and therefore are also

No. 1 also
activities - trading
activities -
corruption?

10/5

*

[name all contacts for the JFSC in each jurisdiction if possible] The Investec Trust Group is working with its advisors in all relevant jurisdictions to swiftly resolve these issues.

NO. [Any production orders received?]

Investec Guernsey has been advised to file a Suspicious Activity Report (“SAR”) in Jersey reflecting the operation of the Jersey bank accounts referred to above. Investec Jersey has also been advised that, out of an abundance of caution and only due to Ian Burns’ role within Investec Jersey, it should also file an SAR in those heavily qualified terms in respect of the operation of the Jersey bank accounts. The drafting of both SARs is in hand.

Finally, I assure you of Investec Jersey’s full co-operation with the JFSC in relation to this and all other aspects of its business.

Yours etc.