

# Membership Code of Conduct

Membership of AVCA implies support for the development of Africa's venture capital and private equity industries by encouraging entrepreneurs and investing in viable economic activity. In addition, members should contribute to the creation of a favourable climate for companies seeking venture capital and private equity.

Membership of AVCA creates a responsibility on the part of the member firm, and individuals in the firm to act in a manner which is both ethical and beneficial to the image and interests of the venture capital and private equity industry and its participants. This Code of Conduct represents a set of minimum principles with which compliance is expected for all members and their employees. Acting within the rule of law and within the laws, regulations and guidelines of a particular jurisdiction in which an AVCA member firm operates is the minimum expected of all members and their employees.

1. Membership of AVCA implies support of venture capital and private equity development, advancement of technology and productivity, the creation of entrepreneurial opportunities in Africa as a means of financing innovation amongst all enterprises which have significant growth potential in terms of products, technology, business concepts and services
2. Members will conduct their business in a responsible way and will not engage in practices which would be damaging to the image and interests of the venture capital and private equity industries
3. Members will assure a high standard of their investment portfolio and will avoid financing enterprises or participating in activities which are contrary to these goals. They will take a long-term view of the economy and private equity and venture capital industries, rather than engage in short-term speculation
4. Each member shall promote and maintain ethical standards of conduct and deal fairly and honestly with all business concerns seeking its assistance, with all companies to or with whom it makes loans or investments, and with all other private equity and venture capital companies
5. Members will not disclose to third parties any confidential, financial or technical information acquired in the course of negotiations with potential investees, or in the course of business with investees, unless they have received explicit permission for such disclosure
6. No member shall malign, defame or unfairly criticise any other member in any dealings with proposed clients or otherwise
7. No venture capital or private equity fund may be used to promote the welfare or assist its directors, managers, employees, nominees, and representatives, except insofar as they benefit from the success of the fund according to established compensation and profit sharing contracts
8. When two or more members participate in loans or investments, the sponsoring member and all other participating members shall make full disclosures of all facts known to them about the proposed client company and all relationships between the proposed client company, its managers, directors, stock-holders, employees, nominees or representatives, with the sponsoring members and other participating members of any of their managers, directors, stockholders, employees, nominees or representatives
9. Members will not accept subscribed investment capital in their funds from unspecified sources and will not represent major "blind" pools of capital
10. Members will be accountable to their investors by fully disclosed operating and financial reports
11. No member will take advantage of its position in AVCA or abuse any information addressed to AVCA
12. Unethical conduct will be deemed to include any evasive device intended to conceal non-compliance with the Code of Conduct and any regulations enacted by the proposed professional standards committee, designated by the committee of AVCA for its enforcement
13. Members will abide by the Code of Conduct and all rulings and regulations issued by the proposed Ethics Committee designated by the AVCA Executive Committee
14. AVCA, its board members, officers, directors, employees, temporary employees and representatives comply with the requirements of the Bribery Act 2010 and where appropriate other similar laws and regulations. In all dealings with AVCA, members will comply with the requirements of the Bribery Act 2010 and where appropriate other similar laws and regulations

Each member shall require its directors, managers, employees, nominees and representatives to abide by the same rules.

**As at January 2016**

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African Private Equity and Venture Capital Association (AVCA) is a not-for-profit association registered in England and Wales with the registration number 07877196.