



ROSEBANK
WEALTH GROUP
Clients First. Always.

FSP 41055

REGISTRATION NUMBER: 2009/011830/07

CONFLICT OF INTEREST MANAGEMENT POLICY

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A. INTRODUCTION

1. This document embodies the Conflict of Interest Management Policy for Rosebank Wealth Group (Pty) Ltd (“*RWG*”).
2. “Conflict of interest” means any situation in which *RWG* or its representatives has an actual or potential interest that may, in rendering a financial service to a client influence the objective performance of his, her or its obligations to that client; or prevent *RWG* or its representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to
 - i. a financial interest;
 - ii. an ownership interest;
 - iii. any relationship with a third party (“third party” means
 - a. a product supplier,
 - b. another provider,
 - c. an associate of a product supplier or a provider;
 - d. a distribution channel;
 - e. any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.)
3. The primary objectives of this Policy are:
 - i. To provide guidance on the behaviours expected in accordance with *RWG* standards;
 - ii. To promote transparency and to avoid business-related COI;
 - iii. To ensure fairness in the interests of employees and *RWG*;
 - iv. To document the process for the disclosure, approval and review of activities that may amount to actual, potential or perceived COI;
 - v. To provide a mechanism for the objective review of personal outside interests.

4. *RWG* is committed to ensuring that all business is conducted in accordance with good business practice. To this end *RWG* conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimize and manage all real or potential conflict of interest (COI). *RWG* and its representatives must therefore avoid (or mitigate where avoidance is not possible) any COI between *RWG* and a client or its representative and a client.

B. FINANCIAL INTEREST

1. *RWG* or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of the Financial Sector Conduct Authority from time to time and as set out in Annexure A hereto.
2. "Financial interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –
 - i. an ownership interest
 - ii. training that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products; general financial and industry information; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.
3. *RWG* may not offer any financial interest to its representatives for giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients; OR giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; OR giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.
4. Any financial interest received by an employee of *RWG* must within 10 days of that receipt be recorded in the gift registry of *RWG* attached hereto as Annexure B.

C. MECHANISMS FOR IDENTIFYING COI

1. *Key individuals and representatives are required to assess all aspects of their responsibilities and their business relationships with a view to identifying actual or potential conflicts (and circumstances that might be perceived as conflicts).*

D. RESOLVING COI

1. The first and most important line of defense against COI or commitment must be by the key individuals and representatives themselves.

RWG in conjunction with Independent Compliance Services will assess the seriousness of identified possible conflicts and how the conflict(s) should be managed.

Typically, this can involve:

- a) *Do current disclosures constitute adequate management*
- b) *What further disclosures would constitute adequate management*
- c) *Decide whether the disclosure alone can adequately manage the conflict. Where it cannot, all stakeholders can decide how the conflict should be avoided or whether the conflict should be referred for prompt board consideration.*

E. POTENTIAL COI THAT COULD AFFECT RWG

1. The following are potential COI that could affect RWG:
 - i. Directorships or other employment;
 - ii. interests in business enterprises or professional practices;
 - iii. share ownership;
 - iv. beneficial interests in trusts;
 - v. personal Account Trading;
 - vi. professional associations or relationships with other organizations;
 - vii. personal associations with other groups or organizations, or family relationships;
 - viii. Front running;
 - ix. Rebates;
 - x. Kickbacks; and
 - xi. Commission

F. DISCLOSURE OF COI:

1. At the earliest reasonable opportunity, RWG and its representative must, in writing, disclose to a client any COI in respect of that client including –
 - i. Measures taken to avoid or mitigate the conflict;
 - ii. Any ownership interest or financial interest that the provider or representative may be or become eligible for;
 - iii. The nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI.

2. At the earliest reasonable opportunity, *RWG* and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.
3. Notification of an actual or potential COI should be made to a person with responsibility for the issue or area, such as the relevant management team, supervisor, head of the department or key individual.
4. In accordance with an employee's obligation to act in the best interest of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with *RWG*.
5. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures as governed by relevant industrial awards or agreements.

G. PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY

1. Every staff member must have a copy of the Conflicts of interest Management Policy.
2. If a potential COI arises, the transaction must first be discussed with management before entering into the transaction.

H. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE PROVIDER'S EMPLOYEES AND REPRESENTATIVES

1. Non-compliance with this policy and the procedures described in it may be considered to be misconduct and employees may be subject to disciplinary action that may lead to dismissal.

I. LIST OF ALL *RWG* ASSOCIATES

Perna Financial Ltd, registered in the British Virgin Islands, is a wholly owned subsidiary of RWG.

J. NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLD AN OWNERSHIP INTEREST

RWG does not hold an ownership interest in any third party.

K. NAMES OF ANY THIRD PARTIES THAT HOLDS AN OWNERSHIP IN THE PROVIDER

No third party holds an ownership in RWG.

L. INCLUDE THE NATURE AND EXTENT OF THE OWNERSHIP INTEREST REFERRED TO IN PARAGRAPHS K AND L

Not applicable

ANNEXURE A - FINANCIAL INTEREST

The Commissioner of the Financial Sector Conduct Authority issued Board Notice 58 of 2010 (BN 58) under section 15 of the Financial Advisory and Intermediary Services Act, 2002 (FAIS). BN 58 amends the General Code of Conduct for Authorised Financial Services Providers and Representatives under FAIS and determines that a financial services provider or its representatives may only receive or offer financial interest from or to a third party as follows:

- i. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
- ii. Commission authorised under the Medical Schemes Act;
- iii. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act, if those fees are reasonably commensurate to a service being rendered;
- iv. Fees for the rendering of a financial service in respect of which commission or fees referred to in sub-paragraph (i), (ii) or (iii) is not paid, if those fees –
 - aa. are specifically agreed to by a client in writing; and
 - ab. may be stopped at the discretion of that client.
- v. fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;
- vi. subject to any other law, an immaterial financial interest*; and
- vii. a financial interest, not referred to under sub-paragraph (i) to (vi), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

Note

* “immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by –

- a) a provider who is a sole proprietor; or
- b) a representative for that representative’s direct benefit;
- c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

