

ALFA FINANCIALS (PTY) LTD.

# CONFLICT OF INTEREST POLICY

Version 1.0  
May 2016

# CONFLICT OF INTEREST POLICY

## INTRODUCTION

- 1.1 Alfa Financials (Pty) SA (“The Company”) is an Authorized Financial Services Provider with the Financial Services Board under Lic. no. 45695 and thus governed by the Financial Advisory and Intermediary Services Act (“FAIS Act”).
- 1.2 This policy is issued pursuant to Board Notice 58 of 2010, which amends the General Code of Conduct for Financial Services Providers and Representatives published in Notice 80 of 2003, as amended by Notice 43 of 2008 and reflects compliance with, the General Code of Conduct (“Code of Conduct”) under the Financial Advisory and Intermediary Services Act, 2002 (“FAIS”), in terms of which a Financial Services Provider (“FSP”) must have acted with due care and skill and in their Clients best interests.
- 1.3 Under the abovementioned policy, the Company is required to take all reasonable steps to detect and avoid conflicts of interest which may arise between:
  - a. The Company, including its managers, agents, employee and representatives, or any person directly or indirectly linked to them by control, and it’s Client; or
  - b. One Client of the Company and another Client.
- 1.4 This policy should be read and understood by all employees.

## DESCRIPTION

- 2.1 According to the abovementioned FAIS policy, Conflict of Interest means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a Client:
  - a. influence the objective exercise of his, her or its obligations to a Client; or
  - b. prevent a provider or representative from rendering an unbiased and fair financial service, or
  - c. from acting in the interests of that Client; including but not limited to a financial or ownership interest, or any relationship with a third party.

## MANAGING CONFLICTS OF INTEREST

- 3.1 The Company has set up internal policies and has an in-house Compliance Officer who is responsible for identifying and managing potential conflicts of interest. The above will also maintain and update the relevant internal procedures and ensure compliance with such procedure.
- 3.2 In order to manage possible conflicts of interest, The Company has adopted the following processes, procedures, and organizational arrangements:

- a. When the Company executes an order for any Client, it shall not provide any preferential treatment to any Client that results in the detriment of any other Client;
- b. The Company maintains operational procedures to manage actual potential conflicts. This includes procedures to maintain an appropriate degree of independence between members of The Company's staff who are involved in separate activities. This is effectively implemented through the operation of information barriers, physical separation of staff and the segregation of duties and responsibilities;
- c. The Company has established internal rules for keeping and protecting confidential information and for identifying and monitoring the movement of Client information. Furthermore, The Company shall not disclose details of any Client to anyone outside The Company, its entities and approved third party providers;
- d. The Company executes all orders in accordance with its policies and procedures which comply with relevant rules and regulations in relation to the transactions executed for its customers. The Company's procedures provide for fair and prompt execution of all Client orders. Those orders executed on behalf of Clients are promptly and accurately recorded and allocated unless the characteristics of the order or prevailing market conditions make this impractical, or the interest of the Client requires otherwise;
- e. The Company's procedures are established to ensure that The Company and its employees and affiliates do not misuse any information relating to pending Client orders;
- f. All employees are prohibited from accepting gifts or other incentives from any person who may have a material interest which might conflict with any duty which The Company or its employees owe to Clients in connection with the Client's investment business;
- g. The Company ensures that it does not give incentives to activities that may lead to conflicts. The Company does not and will not offer remuneration packages that reward behavior that disadvantages the interests of customers or members in The Company's favor, or other Clients. Staff will be rewarded on the basis of merit and long-term value-adding performance alone;
- h. All employees receive instructions and guidance regarding managing of conflicts of interest;

## **DISCLOSURE AND DOCUMENTATION OF CONFLICTS OF INTEREST**

- 4.1 Potential Conflicts of Interest situations should be reported to the Compliance Officer immediately by all employees.
- 4.2 In the unlikely event that the Company's arrangements to manage conflicts of interest are not sufficient to ensure that risks of damage to its Clients' interests can be prevented, the Company will, in that case, clearly disclose the general nature and/or sources of conflicts of interest to its Client before undertaking business with that Client.

4.3 Conflicts identified and steps taken, the documented conflicts of interest given in writing to Clients, and any reports made or given with regards to conflict of interest will be kept on record for a period of 5 years from the date of creation and are maintained by the Compliance Officer.