

Conflict of Interest Management Policy

Momentum Wealth International Limited

CHAPTER 25

Record of periodical review by Staff					
<u>Reviewed by</u>	<u>Date</u>	<u>Approved by</u>	<u>Reviewed by</u>	<u>Date</u>	<u>Approved by</u>
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Momentum Wealth International Limited

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 Momentum Wealth International Limited is licensed by the Guernsey Financial Services Commission to conduct Investment Business
 Momentum Wealth International Limited is an authorised Financial Services Provider pursuant to the Financial Advisory and
 Intermediary Services Act No. 37 of 2002 in South Africa
 A member of the MMI Holdings Group
 MWI01062011

Conflict of Interest Policy

Document Information

Policy Level	Momentum Wealth International Limited
Applicable Principal Risk	Regulatory
Principal Risk Owner	Board of directors
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Contact Information

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1. DEFINITIONS

<p>Conflict of Interest</p>	<p>Means any situation in which Momentum Wealth International Limited (hereinafter referred to as “MWIL”) or a representative/employee has an actual or potential interest that may, in rendering a financial service to a client, -</p> <ul style="list-style-type: none"> a.) influence the objective performance of MWIL’s/his/her obligations to that client; or b.) prevent a MWIL or a representative/employee from rendering an unbiased and fair financial service to the client, or from acting in the interests of that client, <p>Including, but not limited to -</p> <ul style="list-style-type: none"> i.) a financial interest / material interest; ii.) an ownership interest; iii.) any relationship with a third party.
<p>Financial Interest</p>	<p>An interest is defined as being material if it is reasonable to conclude that an employee, assuming he/she did not disregard such an interest, could be induced by the interest to make a recommendation or enter into a transaction knowing it to be contrary to the client's best interests or, without giving proper consideration of whether or not it is in the client's interests.</p> <p>Means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –</p> <ul style="list-style-type: none"> a.) an ownership interest; b.) training, that is not exclusively available to a selected group of providers or representation, on –

	<ul style="list-style-type: none"> i.) products and legal matters relating to those products; ii.) general financial and industry information; iii.) specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.
Immaterial financial interest	<p>Means any Financial Interest with a determinable monetary value, the aggregate of which does not exceed £100-00 in any calendar year from the same third party and in that calendar year received by –</p> <ul style="list-style-type: none"> 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.
Third Party	<p>Means –</p> <ul style="list-style-type: none"> a.) a product supplier; b.) another provider; c.) an associate of a product supplier or a provider; d.) a distribution channel; or 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 / Material Interest to a provider or its representatives.
Employees	<p>Means all employees of MWIL and its appointed outsource agents.</p>

2. INTRODUCTION

The existence of Conflicts of Interest when not properly managed or controlled may lead to the prejudice of clients, the undermining of confidence in the financial services industry and bring into doubt MWIL's commitment to the fair treatment of its clients. This document provides guidance to all MWIL Employees to assist them to identify, avoid and mitigate actual and potential Conflicts of Interests as required by the Licensees (Conduct of Business) Rules, 2014, as issued by the Guernsey Financial Services Commission pursuant to the Protection of Investors (Bailiwick of Guernsey) Law 1987 as amended, and Board Notice 58 of 2010 issued in terms of the Financial Advisory and Intermediary Act No. 37 of 2002 (hereinafter referred to as the FAIS Act).

3. POLICY PURPOSE

The purpose of this policy is to provide a framework for the avoidance and mitigation of Conflicts of Interest within MWIL, in order to:

- a.) avoid any situation in which MWIL has an actual or potential interest that may, while rendering a financial service to a client, -
 - i.) influence the objective performance of its obligations to that client; or
 - ii.) prevent it from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client,

Including, but not limited to –

- i.) a Financial Interest or Material Interest ,
 - ii.) an ownership interest; or
 - iii.) any relationship with a Third Party,
- b.) provide guidance on the process for the identification, control measures and disclosure of actual, potential or perceived Conflicts of Interest;
 - c.) ensure compliance with regulatory requirements of the Licensees (Conduct of Business) Rules, 2014 and the FAIS Act and its subordinate legislation; and
 - d.) avoid legal liability, penalties, fines and reputational risk arising from any Conflict of Interest.

4. POLICY SCOPE

This policy applies to MWIL and its Employees when rendering financial services to clients and in all dealings with Third Parties where a Conflict of Interest or a potential Conflict of Interest exists.

MWIL and its Employees may only receive or offer the following Financial Interest from or to a Third Party:

- a.) Fees for the rendering of a financial service if those fees
 - i.) are specifically agreed to by a client in writing; and
 - ii.) may be stopped at the discretion of that client.
- b.) 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;

- c.) Subject to any other law, an Immaterial financial interest; and
- d.) A Financial Interest, not referred to under subparagraph (a.) 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.

5. AVAILABILITY

This policy is available to MWIL clients and Employees on the Momentum website (www.momentum.co.gg), or as a hard copy, on request, from MWIL Compliance at paula.clark@momentum.co.gg or telephone +44 (0) 1481 735490.

6. POLICY GOVERNANCE

The Directors of MWIL have a duty to avoid, manage or minimize Conflicts of Interest and should, wherever possible, arrange their personal and business affairs so as to avoid direct and indirect Conflicts of Interest. Any actual or potential Conflicts of Interest should be declared to the Board in accordance with legislation and be dealt with in accordance with this MWIL policy.

6.1 Ownership

Ownership of this policy vests with the Board of MWIL.

6.2 Drafting and Amendments

The MWIL Compliance Department is responsible for the co-ordination, the drafting of and the amendments to the policy, from time to time to ensure that strategic and operational changes in business are catered for and to ensure alignment with changes to applicable legislation.

6.3 Approval

This policy is approved by the Board of MWIL.

7. IMPLEMENTATION

The Board of MWIL is responsible for the implementation of the policy.

8. MANAGEMENT OF CONFLICT OF INTEREST

8.1 Mechanisms for the Identification of Conflict of Interest

- 8.1.1 The MWIL Board of Directors, with the assistance of compliance, is responsible for identifying actual or potential Conflict of Interest situations that will or could result in a material risk causing damage or detriment to a client's interest, and to avoid, manage or minimize such Conflicts of Interest.

- 8.1.2 In determining whether there is or may be a Conflict of Interest to which the policy applies, MWIL will consider whether:
- An intermediary or employee receives or will receive from a person other than the client, a Financial Interest in relation to a service provided to the client in the form of monies, goods or services, other than the legislated and disclosed commission or reasonable fee for that service.
 - The activity is to the detriment of the client.
- 8.1.3 Management is responsible for reviewing business relationships with other Financial Services Providers (FSPs) and Third Parties to ensure they do not constitute a Conflict of Interest under this policy.
- 8.1.4 "Chinese Walls" are artificial barriers to the flow of information between different functional areas within companies or groups of companies. Management is responsible for implementation of "Chinese Walls" to contain specific information within separate parts of the Company, when disclosure internally is inappropriate.
- 8.1.5 The MWIL Compliance Department will conduct monitoring to determine compliance with this Conflict of Interest Policy from time to time. Any actual or potential Conflict of Interest incidences identified during the monitoring exercise will be recorded and brought to the attention of business for avoidance action or mitigation where avoidance is not possible. Where necessary these incidents will be escalated through the appropriate governance and risk forums within the MMI Group. Also where necessary, the Compliance Department will seek external legal advice for MWIL.
- 8.1.6 All MWIL Directors must declare their interests on a regular basis, in other FSPs in order to identify instances of Conflict of Interest. In addition any Conflict of Interest identified on a quarterly basis or during a Board meeting must be declared and dealt with in accordance with MWIL's Articles of Incorporation.
- 8.1.7 All MWIL Key Individuals and representatives must sign a declaration on an annual basis as provided in Annexure C disclosing compliance with this Conflict of Interest Policy.
- 8.1.8 All Employees must declare any situations which constitute a Conflict of Interest at the appropriate forums, at the beginning of any arrangements or at the beginning of any decision-making process. Where there is any doubt about whether a Conflict of Interest may arise or may be perceived to arise, such situations must be brought to the Compliance Department's attention and should be disclosed at the appropriate forums at the beginning of any arrangements or at the beginning of any decision-making process.
- 8.1.9 All Employees must comply with MWIL's Gifts & Benefits Procedure which requires all gifts over the value of £25 to be declared and approved by Management, see Chapter 12 of MWIL Policies and Procedures manual.

8.1.10 The Complaints Resolution Team must escalate complaints relating to Conflicts of Interest to management and the MWIL Compliance Department.

8.1.11 Training will be provided to all Employees, specifically key individuals and representatives on this policy and its objectives and such training must enable Employees to identify Conflicts of Interest.

8.1.12 A register must be implemented to track the Financial Interests offered to or received from Third Parties.

8.2 Measures for the Avoidance of Conflicts of Interest

The purpose of this section is to outline measures for the avoidance of Conflict of Interest. In the event that avoidance of a Conflict of Interest is not possible, reasons must be given and measures disclosed for the mitigation of the impact of the Conflict of Interest.

8.2.1 MWIL will at all times strive to avoid Conflict of Interest by implementing the following:

- Promoting a culture that embraces the principles of Treating Clients Fairly.
- Promoting a culture of compliance and promoting the MMI values with specific reference to 'Excellence' and 'Integrity'.
- Aligning business practices and relationships with the Licensees Conduct of Business Rules, 2014 and the FAIS General Code of Conduct and this policy.
- Training and ensuring that levels of awareness relating to Conflict of Interest requirements are maintained.

8.2.2 Where conflict cannot be avoided, the following rules would apply:

- If a breach of this policy is identified, appropriate disclosure will be made to clients and other interested stakeholders and the conflict will be managed accordingly;
- The Compliance Department is to be advised on instances where a Conflict of Interest cannot be avoided. The Compliance Department must also be supplied with written reasons and steps to mitigate the Conflict of Interest; and
- The Compliance Department will report on and keep records of all actual and potential activities that result in Conflict of Interest.

8.2.3 It is important to note that in certain instances fee structures and arrangements with Third Parties may be regarded as a Conflict of Interest at face value due to the business relationship with the relevant Third Party. In order to avoid and/or mitigate a Conflict of Interest MWIL will apply the fee arrangement principles outlined below. Where a Conflict of Interest cannot be avoided, MWIL undertakes to disclose the conflict to the client:

- a) All fee structures and arrangements must be established on the principle that any consideration, fair value or remuneration that is charged or levied to the client must be reasonably commensurate to the value of the Financial Interest taking into account the service being rendered. Duplication of costs will be avoided and appropriate disclosure will be made to the client.

- b) The basis or quantum of any rebates received from Fund Managers must be disclosed to the client. This may include off-setting the administration fee charged by MWIL. Appropriate disclosure must be made to the client detailing the rebate arrangements.

8.3 Measures for the disclosure of Conflicts of Interests

- 8.3.1 All pre-existing arrangements that result in Conflict of Interest will be terminated / discontinued in accordance with this policy. Where conflict cannot be avoided, in pre-existing arrangements or in current or future arrangements, full disclosure will be made to clients by MWIL or the other FSP, as per the agreement with such other FSPs.
- 8.3.2 Employees acting on behalf of MWIL are obliged to disclose any instance where that Employee has an interest in or receives a benefit from an FSP or Third Party with which MWIL has a business relationship, provided the interest/benefit is a Financial Interest.
- 8.3.3 Where an Employee is aware that a Third Party is receiving a Financial Interest and/or benefit, the Employee is obliged to disclose this to his/her superior and the MWIL Compliance.

8.4 Processes, procedures and internal controls to facilitate compliance with the policy

The following processes and requirements are to be adhered to ensure compliance with policy:

- 8.4.1 Awareness will be raised and training will be conducted from time to time to ensure ongoing compliance with the policy.
- 8.4.2 All the arrangements with financial advisers that fall within the definition of Immaterial financial interest must be recorded on the MWIL register prior to the activity and where this is practically impossible, recorded immediately after the activity. This applies also to arrangements between MWIL and other FSPs other than financial advisers.
- 8.4.3 MWIL Compliance will be required to sign-off on all marketing initiatives (whether in joint partnership with other external parties or not), including but not limited to, roadshows, competitions, prizes and gifts.
- 8.4.4 Where there is any doubt about whether a Conflict of Interest may arise or may be perceived to arise, such situations must be brought to the Compliance Department's attention. The relevant area, together with at least one MWIL Director and a member of the MWIL Compliance Department must review the situation to determine if an actual or potential Conflict of Interest exists. Once this has been determined appropriate controls to avoid or mitigate must be taken. Records of all deliberations and discussions must be maintained by the Compliance Department.

8.4.5 Compliance monitoring will be conducted in terms of the compliance monitoring programme and findings will be reported to ManCo, the Board and other forums as appropriate.

8.5 Consequences of non-compliance with the policy

The Board of Momentum Wealth International Limited is required, in respect of the Code of Corporate Governance issued by the Guernsey Financial Services Commission, to implement and maintain an effective conflicts of interest policy which sets out standards of expected behavior, including, amongst other matters, the treatment of any non-compliance with this policy.

Non-compliance with the policy may result in financial and reputational risks which may adversely impact and affect MWIL. As a result a breach in compliance with this policy will be brought to the attention of management and remedial action will be taken against the relevant Employees in order to protect the client. In instances where external Third Parties are involved, the Compliance Department in consultation with the relevant governance structures may bring the matter to the attention of the regulator.

9. LIST OF ASSOCIATES

Please see Annexure “A” for a list of associates as defined in Board Notice 58 of 2010 issued in terms of the FAIS Act.

MWIL and its Employees may not avoid, limit or circumvent or attempt to avoid, limit or circumvent compliance with this section through an associate or an arrangement involving an associate.

10. NAMES OF THIRD PARTIES IN WHICH MWIL HOLDS AN OWNERSHIP INTEREST

Please see attached Annexure “B” for a list of Third Parties that MWIL holds an ownership interest as defined in Board Notice 58 of 2010 issued in terms of the FAIS Act.

11. NAMES OF THIRD PARTIES THAT HOLD AN OWNERSHIP INTEREST IN MWIL

Please see attached Annexure “B” for a list of Third Parties that hold an ownership interest in MWIL as defined in Board Notice 58 of 2010 issued in terms of the FAIS Act.

12. AWARENESS

MWIL must ensure that its Employees, representatives and associates are aware and understand the contents of this policy.

13. TRAINING

Training will be provided to affected Employees to ensure that they understand their responsibilities under this policy. General awareness training will be provided to all Employees in accordance with the MMI Conflict of Interest Policy training which caters for awareness and understanding of the requirements set out in Section 3A of the FAIS General Code of Conduct.

14. MONITORING

The Compliance Department of MWIL is responsible for monitoring compliance with this policy within MWIL.

15. POLICY REVIEW

This policy will be reviewed annually. The Compliance Department will collate the required information, and if necessary draft the requested amendments for approval by the Board of MWIL or its duly appointed delegate.

16. REPORTING

There are three types of reports that may be prepared by the MWIL Compliance Department in accordance with this Conflict of Interest Policy. These reports are as follows:

- 16.1 A report to the Regulator in accordance with statutory obligations
- 16.2 A report to the MWIL Board and possible escalation through the various risk and governance structures established within MMI Group Limited.
- 16.3 A report to the Investment & Savings Risk Management department to be escalated through the appropriate Governance and Risk Structures within MMI Group Limited and MMI Holdings.

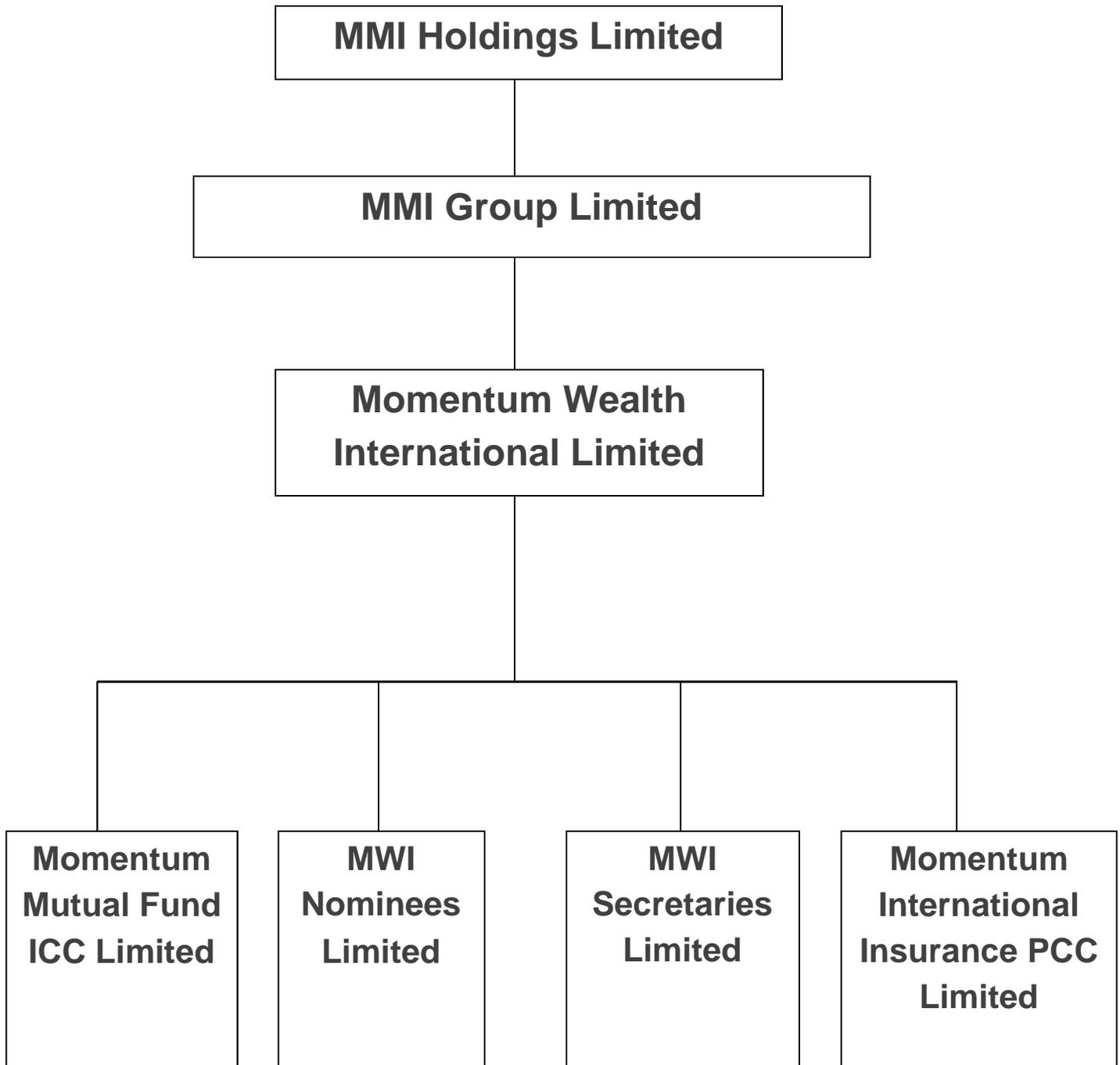
ANNEXURE "A" - LIST OF ASSOCIATE COMPANIES



MMI group companies
list 25 AUGUST 2016.>

ANNEXURE "B" – THIRD PARTIES THAT HOLD OWNERSHIP OF INTEREST IN MOMENTUM WEALTH INTERNATIONAL LIMITED

All ownership depicted is 100%



ANNEXURE C – Annual Conflict of Interest Declaration for Key Individuals & Representatives

Momentum Wealth International Limited - FAIS Review for Key Individuals & Representatives					
The following questionnaire is formulated around sections of the General Code of Conduct in terms of FAIS.					
Review Period - 1 January 20XX - 31 December 20XX					
Name					
No.	Question	Answer Yes/No / n/a	Explanation	Compliance Finding	Business Comment
1	During the reporting period, did you offer or receive any financial interest, not fully transparent to the client, for giving preference to the quantity of business secured for MWIL to the exclusion of the quality of financial service rendered to clients as contemplated section 3A(1)(b)(i) of the General Code of Conduct (GCoC)?				
2	During the reporting period, did you offer or receive any financial interest, not fully transparent to the client, for giving preference to MWIL products over the products of other suppliers as contemplated section 3A(1)(b)(ii) of the GCoC?				
3	During the reporting period, did you offer or receive any financial interest, not fully transparent to the client, for giving preference to a specific product of MWIL, where the provider was able to recommend more than one product of that product supplier to the client as contemplated in section 3A(1)(b)(iii) of the GCoC?				
4	During the reporting period, did you at any time fail to comply to with the MWIL Conflict of Interest Policy?				

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