



NICHE
ASSET MANAGEMENT

CONFLICTS OF INTEREST MANAGEMENT POLICY

1. APPLICABILITY

This policy is applicable to Representatives and Key Individuals associated with or employed by **NICHE ASSET MANAGEMENT (PTY) LTD**

2. PREAMBLE

NICHE ASSET MANAGEMENT (PTY) LTD is a financial service provider licensed by the Financial Services Board in terms of the Financial Advisory and Intermediary Services Act, 2002(FAIS). **NICHE ASSET MANAGEMENT (PTY) LTD** and its representatives/employees are committed to comply with the regulatory requirements that are governing our business. Avoiding conflicts of interest regulation has been identified by the FSB as a key requirement to address undue influence that could impact advice and intermediary services provided to clients.

This policy is drafted in terms of section 3A (2) (a) of the FAIS Act General Code of Conduct for Financial Service providers and Representatives.

3. PURPOSE

The Policy deals with conflict of interest between **NICHE ASSET MANAGEMENT (PTY) LTD**, its Representatives and our customers when giving advice and providing advice and intermediary services to them. The objective of the policy is to provide a framework within which to address areas where conflict may arise. It aims to establish broad principles and guidance, and it prescribes processes that are essential to ensuring compliance with the Code Conduct applicable to Financial Advisory and Intermediary Services Act, 2002(FAIS) as well as to highlight the consequences of non-compliance .

4. DEFINITIONS

“Conflict of Interest” means any situation in which a provider or a representative has an actual or potential interest that may, in rendering service to a client,-

1. Influence the objective performance of their obligations towards such clients; or
2. Prevent a person from rendering an unbiased and fair service to that client, or from acting in the interests of that client, including but not limited to-
 - (a) A financial interest;
 - (b) An ownership interest;
 - (c) Any relationship with a third party.

“Financial Interest” 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-

An ownership interest;

Training, that is not exclusively available to a selected group of providers or representatives, on:

- (a) Products and legal matters relating to those products;
- (b) General financial and industry information
- (c) 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” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same third party in that calendar year received by:

- (a) A Customer,
- (b) A provider who is a sole proprietor; or
- (c) A representative for that representative’s direct benefit;
- (d) 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” includes -

- (a) Another insurer or a FAIS representative of an insurer;
- (b) An intermediary of a FAIS representative of an intermediary;
- (c) A financial service provider (FSP);
- (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

“Employees” for the purpose of this policy, will include Insurance Representatives, Key Individuals and Relevant directors

“Representatives” means any person, including a person employed or mandated by such first-mentioned person, who renders a financial service to a client for or on behalf of a financial service provider, in terms of conditions of employment or any other mandate, but service in a subsidiary or subordinate capacity which serve

- (a) Does not require judgment on the part of the latter person; or
- (b) Does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.

5. MANAGING CONFLICT OF INTEREST

a) Identify a conflict

All representatives, especially Key Individuals, need to be aware of the potential for a conflict of interest in any activity, relationship or process you are involved in.

Before you provide financial service to any customer and during your relation, you need to ask:

- Are my interest and those of the company aligned with the customer’s needs
- Am I acting independently, objectively and professionally towards the customer
- Am I acting in the customer’s interest or mainly my own interest or the company’s or someone else’s?

You are not acting in the customer’s interest if you have an actual or potential interest that can prevent you from acting fairly, independently and objectively.

b) Avoid a conflict

Representatives, who are faced by what is clearly a conflict of interest situation, must resist from continuing with any participation in such situation or activities. Should any representative not be certain about an intended transaction of theirs being a possible transgression of this policy, the representative must approach the immediate manager or compliance officer who will evaluate the intended transaction and decide whether it is viable to proceed with the transaction or if conflict is too severe, decline the act.

c) Manage a conflict

If the representative realizes that there is a potential or actual conflict of interest situation, one must, fully disclose any such potential or actual existence of conflict of interest to the company by reporting the conflict to their immediate superior.

Once a conflict of interest has been identified, it needs to be appropriately and adequately managed. The manager should manage the conflict of interest in consultation with the Compliance Officer by doing evaluation and deciding on the steps to take.

d) The evaluation must include:

- If it is possible to avoid the conflict by ending it.
- If possible to end, what action has been taken to do so
- Reasons why conflict cannot be avoided, and
- What can and has been done to control the conflict(Mitigation measures),and
- How the mitigation measures will lessen the effect of the conflict on the customer, and
- What to tell the customer about the conflict.(Disclosure)
- When and how the customer will receive these disclosures.

e) Mitigate or Control a conflict

In situations where it is impossible to avoid conflict of interest, it must be managed. If the Compliance Officer and management decide that the particular conflict can be mitigated, they need to develop control measures to reduce any negative effect on the customer, and an appropriate system to inform customers about the conflict, it's possible effects and what has been done to reduce the possible effects.

A Representative or Key Individual will, in writing, at the earliest reasonable opportunity disclose to a client any conflict of interest in respect of the client. This disclosure must include:

- The measure taken, in accordance with this policy to avoid or mitigate the conflict;
- The nature of any relationship or arrangement with the client that gives rise to a conflict of interest.
- Informing the client of the existence of the policy and how it can be accessed.

6) WHAT KEY INDIVIDUALS AND REPRESENTATIVES CAN ACCEPT FROM A THIRD PARTY

- 1) No cash may be accepted by a Representative from any third party,
- 2) A maximum of R1000 (one thousand Rand) may be received from any third party in any one calendar year. The R1000 may be spent on the following financial interest:
 - i. A token gift(Branded pens, Diaries etc) or consumable items(box of chocolate, bottle of wine etc)
 - ii. Hospitality(Lunches, tickets to sporting events etc)

7) APPROVAL

Before any financial interest is accepted from a third party by a Representative, approval must be obtained from the Key Individual. If there is doubt whether to receive the financial interest, please consult the Compliance Officer.

8) RECORD KEEPING

A record of all conflicts and financial interest offered and received must be and retained in the central register held by the Key Individual. This record must be kept for a Minimum period of 5 years.

9) NON-COMPLIANCE WITH THE POLICY

- 1) Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable and avoidance, limitation or circumvention of this policy will be deemed non-compliance.
- 2) Any knowledge or suspicion of a contravention of this policy must immediately be reported to the Key Individual or Compliance Officer.

ADOPTED ON BEHALF OF NICHE ASSET MANGEMENT (PTY) LTD BY:

Name:	Gregory M. Sarjoo
Designation:	Chief Executive Officer
Signature:	
Date:	09 June 2017