

# Conflict of Interest Management Policy

## 1. Definitions

NLD IFA means NLD Independent Financial Advisors (Pty) Ltd (registration number 2021/928975/07).

Applicable Legislation includes the requirements of the Financial Advisory and Intermediary Services Act 37 of 2002 – BN 80 of 2003 as may be amended or replaced from time to time: The General Code of Conduct for Financial Services Providers and Representatives

Board means the Boards of directors of NLD IFA.

Compliance means NLD IFA's compliance function.

Conflict of Interest means any situation in which a provider or representative has an actual or potential interest that may, in rendering a financial service to a client, influence the objective performance of their obligations to that client or prevent a provider or representative 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 a Financial Interest, an Ownership Interest and/or any relationship with a Third Party.

Employee means any staff member (temporary or permanent), executive director, contractor (including persons employed by a contractor) or any person who assists in carrying on the business of NLD IFA and who receives compensation from NLD IFA for the services rendered.

Gift means anything of value for which the recipient is not required to pay the retail or usual and customary cost. A Gift may include meals or refreshments, goods, services, tickets to entertainment or sporting events, or the use of a residence, vacation home, or other accommodation.

Intermediary means both retail and institutional Intermediaries and includes independent financial advisors, asset and employee benefit consultants, LISPs, multi-managers and anyone else entrusted with making or influencing the manager selection decision.

Management means the executive directors and senior managers of the NLD IFA.

Ownership Interest means any equity or proprietary interest for which fair value was paid at the time of acquisition, other than an equity or proprietary interest held as an approved nominee on behalf of another person. It includes any dividend, profit share or similar benefit derived from an equity or Ownership Interest.

Policy means this Conflict of Interest Management Policy.

Third Party means a financial product supplier, another financial services provider, an associate of a financial product supplier or financial services provider, a distribution channel, any person who in terms of an agreement or arrangement with a person set out above provides a Financial Interest to NLD IFA or its Employees, a current or prospective client of NLD IFA, or an Intermediary.

# NLD

Independent Financial Advisors

## 2. Introduction

The purpose of this Policy is to provide guidance in identifying and handling areas of potential Conflicts of Interest involving NLD IFA and its Employees, which may arise in the rendering of financial services to clients. The Applicable Legislation requires that NLD IFA takes steps to avoid and/or mitigate any such Conflicts of Interest. Furthermore, NLD IFA's integrity and reputation depends on NLD IFA and its Employees doing the right thing, even when this is not easy. This Policy is to assist Employees in making decisions about their conduct in relation to NLD IFA's business and is based on the principle that no one at NLD IFA should ever sacrifice integrity, or give the impression that they have, even if they thought it would help business. This Policy applies to all NLD IFA Employees.

## 3. Identifying a Conflict of Interest (including a potential or perceived Conflict of Interest)

NLD IFA faces a Conflict of Interest when it has an actual or potential interest which, when dealing on behalf of clients or for clients with Third Parties, prevents NLD IFA from providing a fair and unbiased service. There are various scenarios where a Conflict of Interest may arise.

- 3.1 Receipt of Gifts and Entertainment by Employees: An Employee should avoid situations that might cause, or perceive to cause, a loss of independence or objectivity. Modest Gifts and/or entertainment from Third Parties, within the prescribed limits set out in this Policy, may be accepted by Employees on infrequent occasions only if the Third Party is not trying to influence or reward the Employee inappropriately in connection with any business decision or transaction and the Gift is unsolicited. Gift or entertainment funding that is received by an Employee from any Third Party may not exceed R 1 000. The limit applies per annum and in aggregate from any one Third Party. Where the amount is unknown, Employees must estimate the cost based on the fair market value of the Gift and/or entertainment and enter it into a Gift Register held at the offices on NLD IFA. All Gifts, especially those from a non-Third Party to an Employee must first be approved by the NLD IFA Compliance Officer
- 3.2 Ownership Interests in Third Parties: NLD IFA declares that it has no beneficial interest, ownership or part ownership, incentivisation schemes nor owns shares in any Third Party with which it has a contractual agreement to act on behalf of an NLD IFA client. In this regard NLD IFA is free from any potential contractual Conflict of Interest and is therefore able to always put the interests of the client first.
- 3.3 South African retirement fund clients. Retirement fund clients are prohibited from accepting invitations to entertainment events.
- 3.4 Avoiding and mitigating Conflicts of Interest. If an Employee comes across a business practice or situation that they believe to be a Conflict of Interest involving NLD IFA, the Conflict of Interest must be avoided. In the case of Gifts and/or entertainment received from Third Parties that exceed the monetary limits, the Conflict of Interest can be avoided by refusing the Gift or entertainment or donating the excess amount to a charitable organisation. The Compliance Officer must be consulted in these cases. If all attempts at avoiding the Conflict of Interest have been exhausted and the Conflict of Interest is considered unavoidable, the Employee must immediately report this to the Compliance Officer and seek guidance on what further action to take so that the Conflict of Interest can be mitigated as far as possible.



Independent Financial Advisors

#### 4. Tip-Offs, non-compliance and awareness

Employees must immediately report any potential or actual violations of this Policy to the head of Compliance. If the matter concerns a breach or potential breach on the part of the head of Compliance, it must be reported to the Board. Alternatively, Employees may make use of the Tip-Off Procedure. NLD IFA is committed to investigating all such reports and notifying the appropriate authorities where required. It is a condition of employment with NLD IFA that Employees comply with this Policy. Non-compliance will result in the appropriate disciplinary measures in terms of NLD IFA disciplinary code and procedures. All Employees must know and understand this Policy.

**CONTACT US:** [enquire@nld.co.za](mailto:enquire@nld.co.za)

# NLD

Independent Financial Advisors