



**NOAH CAPITAL MARKETS (PTY) LTD
("NOAH")**

Conflict of Interest Management Policy

INTRODUCTION

1. This document embodies the Conflict of Interest Management Policy for Noah Capital Markets (Pty) Ltd (“NOAH”).
2. All employees must take all necessary steps to eliminate any practice and or services that may create a conflict between their interests and the interests of an existing or potential client.
3. “Conflict of Interest” (“COI”) means any situation in which NOAH, its employees, representatives or associates has an actual or potential interest that may, in rendering a financial service to a client, influence the objective performance of his/her/its obligations to that client; or prevent NOAH, its employees, representatives or associates 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”) such as
 - 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.
4. The primary objectives of this policy are:
 - i. To provide guidance on the behaviours expected in accordance with NOAH standards;
 - ii. To promote transparency and to avoid business-related COI;
 - iii. To ensure fairness in the interests of clients, NOAH, it’s representatives, employees and associates of NOAH;
 - 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.
5. NOAH is committed to ensuring that all business is conducted in accordance with good business practices. To this end NOAH conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders by avoiding or mitigating all real or potential COI. NOAH, its employees, representatives or associates must therefore avoid or manage where avoidance is not possible, any COI between NOAH and a client or the representative and a client.

A. FINANCIAL INTEREST

1. NOAH, its employees, representatives or associates, may only receive or offer financial interest from or to a third party as determined by the Registrar of Financial Services Providers from time to time and as set out in Annexure A hereto. Any brokerage, fees and commissions in respect of securities trading services shall be charged in a manner provided for in terms of the JSE Rules and Directives.
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; specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.
3. NOAH may not offer any financial interest to its representatives, associates or clients for giving preference to the quantity of business secured for NOAH to the exclusion of the quality of the service rendered to clients; OR give preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; OR give preference to a specific product of a product supplier, where a representative may recommend more than one product to a client.

B. MECHANISMS FOR IDENTIFYING COI

1. Compliance maintains a register of identified conflicts of interest. The register is updated with all new conflicts as soon as it is identified and is reviewed on an annual basis.
 - a. All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify management of any conflicts they become aware of. Managers will escalate the conflict to the compliance officer who will assess the implications of the conflict and how the conflict should be managed.
2. A gifts and inducements log is maintained, registering the solicitation, offer or receipt of certain benefits.
3. A Research policy covering the production and dissemination of independent research by the NOAH Group is in place.
4. A robust personal account trading policy, which includes pre-trade approval, restricted holding periods and access to records by compliance for monitoring purposes, is applicable to all employees of NOAH.

C. RESOLVING COI

1. The first and most important line of defense against COI must be commitment by the employees.
2. All employees must familiarise themselves with the COI management policy and adhere to it at all times.
3. Once a conflict of interest is identified, advise all parties concerned should be advised, subject to legitimate withholding of confidential information.
4. If a COI can't be avoided disclosure should be made in accordance with this Policy – see section G below.

D. POTENTIAL COI THAT COULD AFFECT NOAH

The following are potential COI that could affect NOAH:

- i. Directorships or employment outside of the NOAH Group;
- ii. interests in business enterprises or professional practices;
- iii. share ownership;
- iv. beneficial interests in trusts;
- v. personal account dealing;
- vi. professional associations or relationships with other organisations;
- vii. personal associations with other groups or organisations, or family relationships;
- viii. front running;
- ix. rebates;
- x. kickbacks;
- xi. commission;
- xii. any situation where NOAH, its employees, representatives or associates are likely to make a financial gain or avoid a financial loss at the expense of a client.

E. MEASURES TO AVOID COI:

1. Chinese walls restricting the flow of confidential and inside information within the NOAH Group;
2. Personal account dealing requirements applicable to all officers and employees;
3. Procedures governing access to electronic data;
4. Segregation of duties;
5. The prohibition of external business interest conflicting with the services provided by NOAH, unless prior board approval has been granted;
6. The provision of induction and annual refresher training for officers and employees of the NOAH Group on their compliance obligations including COI management.

F. DISCLOSURE OF COI:

1. At the earliest reasonable opportunity, NOAH and its representatives 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 (other than an immaterial financial interest) that NOAH or its employees, representatives or associates may have or become eligible for;
 - iii. The nature of any 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, NOAH and its representative must, in writing, inform a client of the COI 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, and 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 NOAH.
5. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures.
6. Where a COI arises, NOAH will, if it is aware of it, disclose the fact to a client prior to undertaking investment business for that client or, if the management of NOAH does not believe that disclosure is appropriate to manage the conflict, NOAH management may choose not to proceed with the transaction or matter giving rise to the conflict.
7. Where a COI arises and the client is informed of the COI, the client will have the right to withdraw from such transaction.

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

1. Every employee must have knowledge of and access to the COI Management Policy.
2. Once a conflict has been identified it needs to be appropriately and adequately managed. Written disclosure of all potential COI must be submitted to the Compliance Department who will assess each conflict as to whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential risks for NOAH.
3. Compliance and Management will decide whether it is viable to go ahead with the transaction or not
4. All directors and staff are required to declare their outside interests when they join the NOAH Group and on an annual basis.

5. The Compliance Department conduct periodic telephone monitoring of the recorded telephone lines, as well as other means of communication.
6. All staff maintaining personal dealing accounts outside of NOAH are required to instruct their broker to send copies of contract notes and periodic statements to the company for reconciliation purposes.
7. NOAH's COI Management Policy is located on the website (www.noahcap.co.za) and is subject to annual review.

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

Non-compliance with this policy and the procedures described in it may be considered to be subject to NOAH's disciplinary policies.

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

1. Religare Capital Markets Europe Limited
2. NCM Limited

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

Noah Capital Markets (Pty) Ltd is 100% owned by NCM Limited

ANNEXURE A – FINANCIAL INTEREST

The Registrar of Financial Services Providers 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*¹; 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.

ANNEXURE B – GENERAL STANDARDS OF CONDUCT

(JSE Rules – 8.10 General standards of conduct)

In the conduct of our business, observe high standards of integrity and fair dealing:

We shall –

1. not provide material inducements of a non-business nature to any person to obtain any business;
2. not knowingly circulate information, which is false or misleading;
3. not knowingly countenance any attempt to manipulate the market, nor influence persons for such a purpose;
4. conduct our activities in a manner that is compatible with the object of the Act and with full respect for the reputation of the JSE and
5. not participate in any dealings with other members, stockbrokers, clients, the media or other persons which may be of such a nature as to defame the JSE or any of its officers or employees

In our dealings with our clients:

We shall –

1. act honestly and fairly
2. act with due skill, care and diligence
3. act in the interests of clients and the integrity of the financial services industry;
4. seek from clients information regarding their financial situations, investment experience and objectives as regards to the services to be offered
5. exercise independent professional judgment
6. act promptly on and in accordance with the instructions of a client, and exercise any discretion in a responsible manner
7. make adequate disclosure of relevant material information;
8. avoid conflicts of interest and when they cannot be avoided, ensure fair treatment to clients by disclosure, confidentiality or declining to act. We must not unfairly place our interest above those of our clients

ANNEXURE C – ACKNOWLEDGEMENT

EMPLOYEE ACKNOWLEDGEMENT OF RECEIPT AND UNDERSTANDING

I, _____, being a staff member of Noah Capital Markets (Pty) Ltd, herewith confirm that I understand the Conflict of Interest Management Policy

I herewith confirm that I:

- a) am aware of and have read NOAH’s Conflict of Interest Management Policy

- b) have received the Disciplinary Procedures and I have read and understand NOAH Disciplinary Procedures for Non Compliance with NOAH’s Conflict of Interest Management Policy

Signature

Date