



CONFLICT OF INTEREST MANAGEMENT POLICY

OWNERSHIP:

This policy is owned by:

NfB Finance Brokers Eastern Cape (Pty) Limited [FSPs 16300] and

NfB Finance Brokers Port Elizabeth [FSPs 26362]

trading as NfB Private Wealth Management, duly authorised Financial Services Providers

(hereunder referred to as the FSPs).

As Key Individual of the aforementioned FSPs, I, Brendan Connellan hereby confirm the adoption of this policy.

Key Individual Signature

Date

INSTRUCTIONS:

- In terms of Section 3A(2)(a) of the General Code of Conduct “every provider, other than a representative, must adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the Act
- A nominated Key Individual must acknowledge the FSPs ownership of the policy, by completing the FSPs name on the first page, and signing the policy
- A nominated Key Individual must complete and sign the annexure sections of the policy (4 pages in total)
- All Key Individuals and executive directors of the FSPs must confirm the adoption of this policy, by signing the document below (print additional copies of this page should the need arise)
- All relevant employees must read and confirm that they understand the contents of the policy, by signing the personnel acknowledgement page (print additional copies of this page should the need arise)
- After implementing the policy, **retain a hardcopy** of this document as part of your compliance file
- The policy must be accessible for public inspection purposes
- Refer back to the policy whenever an actual or potential conflict of interest manifests itself
- This policy must be read and understood in conjunction with the General Code of Conduct
- This **policy must be reviewed annually** (the annexure section must be updated and signed annually)

POLICY ADOPTION:

By signing this document, I acknowledge the FSPs’s adoption of this policy

Name & Date	Director / Key Individual Signature
Anthony Godwin - 19 th April 2011	

By signing this document, I acknowledge the FSPs’s adoption of this policy

Name & Date	Director / Key Individual Signature
Gavin Ramsay - 19 th April 2011	

By signing this document, I acknowledge the FSPs’s adoption of this policy

Name & Date	Director Signature
Andrew Kent - 19 th April 2011	

By signing this document, I acknowledge the FSPs’s adoption of this policy

Name & Date	Director Signature

Frank Knox - 19 th April 2011	
--	--

By signing this document, I acknowledge the FSPs's adoption of this policy	
--	--

Name & Date	Director / Key Individual Signature
-------------	-------------------------------------

Brendan Connellan - 19 th April 2011	
---	--

By signing this document, I acknowledge the FSPs's adoption of this policy	
--	--

Name & Date	Key Individual Signature
-------------	--------------------------

Leona Trollip - 19 th April 2011	
---	--

By signing this document, I acknowledge the FSPs's adoption of this policy	
--	--

Name & Date	Key Individual Signature
-------------	--------------------------

Leonie Schoeman - 19 th April 2011	
---	--

By signing this document, I acknowledge the FSPs's adoption of this policy	
--	--

Name & Date	Key Individual Signature
-------------	--------------------------

Anthony Gray - 19 th April 2011	
--	--

PERSONNEL ACKNOWLEDGEMENT:

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Robert Masters - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Travis McClure - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Walter Lowrie - 19 th April 2011	
---	--

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Bryan Lones - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Glen Wattrus - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Duncan Wilson - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Marc Schroeder - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Philip Bartlett - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Desray Karshagen - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature

Glenda Lynch - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
Name & Date	Staff Signature
Mikayla Collins - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document	
Name & Date	Staff Signature
Julie McDonald - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document	
Name & Date	Staff Signature
Natalie Wilson - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document	
Name & Date	Staff Signature
Taryn de Villiers - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document	
Name & Date	Staff Signature
Bronwin Doyle - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document	
Name & Date	Staff Signature
Bronwyn Botha - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Dew Krog - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Nicole Boucher - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Prakashini Govind - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Cheron Stewart - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Bernadine Reynolds - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature
Nonhlanhla Canham - 19 th April 2011	

I acknowledge that I have read and understand the contents of this document

Name & Date	Staff Signature

Frances Marcus - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Joan van Goeverden - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Nontyatyambo Sobinta - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Pamela Tsesmelis - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Jenny Walton - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Robyne Moore - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document	
---	--

Name & Date	Staff Signature
-------------	-----------------

Michelle Cleland - 19 th April 2011	
--	--

I acknowledge that I have read and understand the contents of this document

Name & Date

Staff Signature

Louisa Mandimutsira - 19th April 2011

I acknowledge that I have read and understand the contents of this document

Name & Date

Staff Signature

Meredith Judd - 19th April 2011

I acknowledge that I have read and understand the contents of this document

Name & Date

Staff Signature

Barbara Groep - 19th April 2011

I acknowledge that I have read and understand the contents of this document

Name & Date

Staff Signature

Twanné Harding - 19th April 2011

I acknowledge that I have read and understand the contents of this document

Name & Date

Staff Signature

Quentin Barnard - 19th April 2011

I acknowledge that I have read and understand the contents of this document

Name & Date

Staff Signature

Craig Abbott - 19th April 2011

I acknowledge that I have read and understand the contents of this document

Name & Date

Name & Date

Claire Lones - 19th April 2011

DEFINITIONS:

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 performance of his, her or its obligations to that client; or
- b) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client,

including but not limited to -

- i) a financial interest;
- ii) an ownership interest;
- iii) 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 -

- a) an ownership interest;
- b) training, that is not exclusively available to a selected group of providers or representatives, on -

- i) products and legal matters relating to those products;
- ii) general financial and industry information;
- iii) specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodations associated with that training

Ownership interest: means-

- a) any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or an proprietary interest held as an approved nominee on behalf of another person; and
- b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Third party: means -

- 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.

Associate: means -

- a) in relation to a natural person, means -

- i) a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
- ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
- iii) a parent or stepparent of that person;
- iv) a person in respect of which that person is recognised in law or appointed by a court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person
- v) a person who is the spouse, life partner or civil union partner of a person referred to in (ii), (iii) and (iv)
- vi) a person who is in a commercial partnership with that person

b) in relation to a juristic person (*i.e. this is the option relevant to NFB*),

- i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary.
- ii) which is a closed corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act.
- iii) Which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
 - had such first-mentioned juristic person been a company; or
 - in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company
- iv) means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.

c) in relation to any person,

- i) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph
- ii) includes any trust controlled or administered by that person

Distribution channel: means -

- a) any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client
- b) any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier
- c) any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier

FOREWORD:

In terms of the General Code of Conduct a provider and a representative **must** avoid, and where this is not possible, mitigate any conflict of interest between the provider and a client or the representative and a client. i.e. where a conflict of interest can be avoided without negatively impacting on a client,

it **MUST** be avoided.

In order to adhere to this requirement, the FSPs must ensure that adequate arrangements are in place for the management of conflicts of interests that may arise wholly or partially, in relation to the provision of any financial services to clients by the FSPs, or any Representative of the FSPs, as part of the financial services business of the FSPs.

The conflict of interest management policy contains the following provisions:

- Mechanisms for the identification of conflicts of interest
- Measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest
- Measures for the disclosure of conflicts of interest
- The processes, procedures and internal controls to facilitate compliance with the policy
- Consequences of non-compliance with the policy by the provider's employees and representatives
- The basis on which a representative will qualify for a financial interest
- A list of all the associates of the FSPs
- A list of all parties in which the FSPs hold an ownership interest
- A list of all third parties that holds an ownership interest in the FSPs

MANAGEMENT PROCESS

IDENTIFICATION:

In terms of Section 3A(2)(b)(i)(aa) of the General Code of Conduct, a conflict of interest management policy must provide mechanisms for the identification of conflicts of interest.

Due to the intangible nature of an actual or potential conflict of interest, any such manifestation will only be identified once the subjective realisation of its presence has been acknowledged by an individual. The legal duty to avoid whenever possible an actual or potential conflict of interest is therefore, to a large extent, dependent on whether a particular individual believe or perceive a conflict of interest to begin with. It is for this reason that **Key Individuals must apply honest and sage judgement whenever confronted with a situation that may give rise to an actual or potential conflict of interest.**

Representatives

Throughout the process of rendering a financial service to a client, a Representative must apply his or her mind to answering the following questions:

Read the points below in conjunction with the guidance notes that follow this section:

- “Is there any situation that exists that influences the objective performance of my obligations to my client”?
- “Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client”?
- “Is there any situation that exists that prevents me from acting in the interest of my client”?
 - If the answer to any one of these questions is “no” - No further action would be required
 - If the answer to any one of these questions is “yes” - The following two questions must also be answered:
- “Is the situation caused by an actual or potential relationship with a 3rd party”? (see definition of 3rd party)
- “Is the situation caused by an actual or potential financial or ownership interest”? (see definition of financial and ownership interest)
 - If the answer to any one of these questions is “yes” - An actual or potential conflict of interest has been identified

(note that a conflict of interest is not limited to a financial or ownership interest)

Key Individuals

Throughout the process of rendering a financial service to a client, a Key Individual must apply his or her mind to answering the following questions:

Read the points below in conjunction with the guidance notes that follow this section:

- “Is there any situation that exists that influences the objective performance of the representative’s obligations to his or her client”?
- “Is there any situation that exists that prevents the representative from rendering an unbiased and fair financial service to his or her client”?

- “Is there any situation that exists that prevents my representative from acting in the interest of his or her client”?
 - If the answer to any one of these questions is “no” - No further action would be required
 - If the answer to any one of these questions is “yes” - The following two questions must also be answered:
- “Is the situation caused by an actual or potential relationship of the FSPs with a 3rd party”? (see definition of 3rd party)
- “Is the situation caused by an actual or potential financial or ownership interest of the FSPs? (see definition of financial and ownership interest)
 - If the answer to any one of these questions is “yes” - An actual or potential conflict of interest has been identified

(note that a conflict of interest is not limited to a financial or ownership interest)

Guidance Notes on “objective performance”, “unbiased and fair” & “financial interest”:

The contextual definition of the terms “influences the objective performance” and “unbiased and fair financial services” are not to be found within legislation and its interpretive meaning must therefore be sourced from elsewhere.

It is generally accepted that the word “objective” refers to a situation where an individual’s personal feelings or opinions are completely removed from the equation. The “objective performance” of an FSPs obligations therefore implies a situation where financial services are rendered without the influence of unrelated feelings or opinions. In the same vein, “unrelated feelings and opinions” denote separate, external persuasions or motivations where no causal link or nexus can be found between the particular feeling or opinion and the financial service that is rendered within the best interests of the client. Put differently, if an unrelated feeling or opinion of an individual, influences the performance of such said individual’s obligations, it cannot be said to be an objective performance of that individual’s obligation.

The word “bias” indicates an inclination or prejudice in favour of a particular person or viewpoint. Similarly, the word “fair” indicates a situation of just circumstances or treating people equally.

Unbiased financial services therefore imply financial services that do not lend itself to a particular preference towards a person or viewpoint, if an accompanying, reasonable justification for such

preference cannot be found. Consequently, all unbiased financial services must necessarily comprise services that are capable of being motivated by readily discernable, logical reasons and explanations. "Fair" financial services on the other hand imply a situation where the same conclusion or outcome is consistently reached given the same exact set of circumstances. In other words, financial services cannot be said to be fair if a pattern of favouritism begin to present itself vis-à-vis a particular person or service. Any unexpected inconsistencies towards a group of clients and/or a particular client must therefore again, have to be motivated by logic reasons and explanations.

The FSPs or its representatives may only receive or offer the following financial interest from or to a third party:

- *Commissions* as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act
- *Fees* as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act if those fees are reasonably commensurate to a service being rendered.
- *Fees* for the rendering of financial services in respect of which the abovementioned commissions and fees are not paid, provided that the client agreed to such fees in writing and may be stopped at the discretion of the client.
- *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
- *An immaterial financial interest* (i.e. a 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 provider who is a sole proprietor, or a representative for that representative's direct benefit, or a provider who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.)
- *A financial interest not referred to above*, 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.

The FSPs may not offer any financial interest to a representative of that provider for:

- Giving preference to the *quantity of business* secured for the provider to the exclusion of the quality of the service rendered to clients.
- Giving preference to a *specific product supplier*, where a representative may recommend more than one product supplier to a client

- Giving preference to a *specific product of a product supplier*, where a representative may recommend more than one product of that product supplier to a client

Mechanisms for Identification:

The mechanisms implemented to identify actual or potential conflicts of interests for the FSPs are:

- The board of directors of the FSPs conduct **two monthly reviews** on all contracts held with 3rd parties and re-examines whether this relationship influences the FSPs' objective performance towards its clients. **Such review will be held at the two monthly board of management meeting after receiving feedback from all Key Individuals.**
- The board of directors of the FSPs conducts **two monthly reviews** on all contracts held with 3rd parties and re-examines whether this relationship influences the FSPs' ability to render fair and unbiased financial services towards its clients. **Such review will be held at the two monthly board of management meeting after receiving feedback from all Key Individuals.**
- The board of directors of the FSPs conducts **two monthly reviews** on all contracts held with 3rd parties and re-examines whether this relationship influences the FSPs' ability to act in the interest of the client. **Such review will be held at the two monthly board of management meeting after receiving feedback from all Key Individuals.**
- The board of directors of the FSPs conducts **two monthly reviews** on all relationships held with 3rd parties, where an ownership interest is present, and re-examines whether this relationship influences the FSPs' objective performance towards clients. **Such review will be held at the two monthly board of management meeting after receiving feedback from all Key Individuals.**
- The board of directors of the FSPs conducts **two monthly reviews** on all relationships held with 3rd parties where an ownership interest is present, and re-examine whether this relationship influences the FSPs' ability to render fair and unbiased financial services towards its clients. **Such review will be held at the two monthly board of management meeting after receiving feedback from all Key Individuals.**
- Declarations are signed by all Key Individuals confirming the presence or absence of any actual or potential conflict of interest on **a quarterly basis.**
- A list of all the FSPs' associates is attached as an annexure hereto and is **updated annually.**
- A list of all parties in which the FSPs holds an ownership interest is attached as an annexure hereto and is **updated annually.**

- A list of all third parties that holds an ownership interest in the FSPs is attached as an annexure hereto and is **updated annually**.
- All gifts received from 3rd parties, with an estimated value of R50 or more, are recorded in the FSPs' gift registers which is kept on the FSPs' compliance file.
- All employees must disclose in writing to the board of directors (via **Brendan Connellan**) of the FSPs **on an on-going basis**, any conflicts of interest that they may become aware of.
- All records associated with the identification of an actual or potential conflict of interests is kept on the compliance file which is available for inspection purposes.

The mechanisms implemented to identify actual or potential conflicts of interests for Representatives are:

- Declarations are signed by all Representatives confirming the presence or absence of any actual or potential conflict of interest **on a quarterly basis**.
- All Representatives must disclose in writing to the board of directors of the FSPs **on an on-going basis**, any conflicts of interest that they may become aware of.

AVOIDANCE AND MITIGATION:

In terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy must provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.

Once an actual or potential conflict of interest has been identified the following measures will be followed in order to determine whether the conflict of interest is avoidable:

- The board of directors of the of the relevant FSP or FSPs will convene and review the actual or potential conflict of interest in an open and honest forum:
- All information surrounding the actual or potential conflict of interest must be disclosed to all interested parties.
- All information surrounding the actual or potential conflict of interest must be disclosed to the FSPs's Compliance Officer.

- The following consequences must be considered during the review process:
 - The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on clients;
 - The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the integrity of the financial services industry;
 - The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the FSPs.
- The board of directors of the FSPs must apply its mind whether the FSPs can obtain a more advantageous transaction, contract or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction, contract or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the board of directors of the FSPs shall determine by a majority vote whether the transaction, contract or arrangement is in the best interest of the FSPs and any affected client/s and accordingly make its decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination.

If the board of directors of the FSPs has determined that the actual or potential conflict of interest is avoidable, the following processes must be adhered to:

- The board of directors must approve, by a majority vote, the removal of the underlying cause of the actual or potential conflict of interest;
- The underlying cause of the actual or potential conflict of interest must be removed as soon as reasonably possible;
- Any negative impact on clients owing to ;the removal of the actual or potential conflict of interest must be kept to a minimum
- The reason(s) why the actual or potential conflict of interest was determined to be avoidable must be recorded;
- All determinations and interventions as it pertain to the avoidance of the conflict of interest must be documented and kept on the compliance file;
- Similar situations that give rise to actual or potential conflicts of interests must be avoided in the future.

If the board of directors of the FSPs has determined that the actual or potential conflict of interest is unavoidable, the following mitigation processes must be adhered to:

- The board of directors of the FSPs will convene and review an appropriate mitigation process given the unavailability of the particular set of circumstances;
- The reason(s) why the actual or potential conflict of interest is considered to be unavoidable must be recorded and kept on the compliance file;
- The FSPs's compliance officer must be made aware of the conflict's unavailability as well as the reasons for such said unavailability.
- The mitigation process will include the adoption of the following measures:
 - The actual or potential conflict of interest must remain only for as long as it is absolutely necessary given the unavailability of the actual or potential conflict of interest;
 - Alternative arrangements to a proposed transaction, contract or arrangement that is the subject of the conflict of interest must be investigated on a continuous basis;
 - The rendering of financial services must at all times be conducted as to the best interest of the client (in as far as this is possible, given the unavailability of the actual or potential conflict of interest);
 - All representatives must be made aware of the actual or potential conflict of interest, and the reasons for its unavailability;
 - Full disclosure of the actual or potential conflict of interest must be made to the client at the earliest reasonable opportunity;
 - Full disclosure of the actual or potential conflict of interest must be made to the Financial Service Board during the relevant FSP's annual compliance report.

DISCLOSURE:

In terms of Section 3A(2)(b)(i)(cc) of the General Code of Conduct, a conflict of interest management policy must provide measures for the disclosure of conflicts of interest.

The FSPs must make appropriate disclosures to third parties including clients, as part of its arrangement to manage conflicts of interest. It is acknowledged that while disclosure alone will often not be enough, disclosure must be treated as an integral part of managing conflicts of interest. The FSPs is therefore committed to ensure that clients are adequately informed about any conflicts of interest that may affect the provision of financial services to them.

It is furthermore acknowledged that, whilst a clearly identified conflict of interest will not necessarily cause the provision of financial advice to a client to be significantly compromised, it should nonetheless be disclosed to the client. The client must be afforded the opportunity to decide for him/herself whether the conflict of interest is significant and to what extent he/she will rely on the advice or intermediary service.

On the discovery and identification of a conflict of interest, and the subsequent determination of its unavailability, the following disclosure processes will be implemented on behalf of the FSPs:

- Full disclosure of the actual or potential conflict of interest must be made to all the Key Individuals of the FSPs and where such information is provided orally, the FSPs must confirm such information in writing within 30 days.
- Full disclosure of the actual or potential conflict of interest must be made to all representatives of the FSPs.
- Full disclosure of the actual or potential conflict of interest must be made to the compliance officer of the FSPs.

On the discovery and identification of a conflict of interest, and the subsequent determination of its unavailability, the following disclosure processes will be implemented on behalf of the client:

- Full disclosure of the actual or potential conflict must be made to the client at the earliest reasonable opportunity.
- The disclosure must be made before or when the financial service is provided, but in any case at a time that allows the client a reasonable time to assess its effect
- The disclosure must be formulated in such a way as to be considered prominent, specific and meaningful to the client.
- The disclosure must be made in such a way as to allow the client to make an informed decision as to whether to continue with the financial services.
- The disclosure must indicate the nature of the relationship or arrangement with a 3rd party that gives rise to the conflict of interest.
- The disclosure must indicate whether the conflict of interest is based on a financial and/or ownership interest.
- The disclosure must indicate any ownership interest held with a product supplier in accordance with section 4(1)(d) of the General Code of Conduct.
- Where the disclosure is provided orally, the disclosure must be confirmed in writing within 30 days of such said disclosure.

- The written disclosure must be communicated by hardcopy, telefax or any appropriate electronic medium that is accurately and readily reducible to written or printed form.
- The written confirmation of the disclosure must be provided by means of standard forms or format, in a clear and readable print size, spacing and format.
- The reasons for the conflict of interest's unavoidability must be made available to the client on request.
- The conflict of interest policy must be made available to the client on request.
- The FSPs's gift register must be made available to the client on request

FACILITATION OF COMPLIANCE WITH THE POLICY:

In terms of Section 3A(2)(b)(i)(dd) of the General Code of Conduct a conflict of interest management policy must provide processes, procedures and internal controls to facilitate compliance with the policy.

The processes associated with the implementation and continued compliance of the conflict of interest management policy must be performed by the board of directors of the FSPs as well as the appointed Compliance Officer.

Internal controls and processes include the following:

- The board of directors of the FSPs will ensure that the policy is kept on the compliance file, and the appointed Compliance Officer will confirm its adoption as part of the FSPs's quarterly feedback report.
- The board of directors of the FSPs will ensure that all relevant staff sign the policy, and the appointed Compliance Officer will confirm such signature as part of the FSPs' quarterly feedback report.
- The board of directors of the FSPs will ensure that the annexure section of this policy is completed, and the appointed Compliance Officer will confirm such completion as part of the FSPs' quarterly feedback report.
- The board of directors of the FSPs will ensure the annual review of all contracts held with 3rd parties, and the appointed Compliance Officer will confirm such review as part of the FSPs' feedback report.
- The board of directors of the FSPs will ensure that all declarations confirming the presence or absence of any actual or potential conflict of interests are signed on a two monthly basis, and

the appointed Compliance Officer will confirm such declarations as part of the FSPs' quarterly feedback report.

- The board of directors of the FSPs will ensure that a list of all the FSPs' associates is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of the FSPs's feedback report.
- The board of directors of the FSPs will ensure that a list of all the parties in which the FSPs hold an ownership interest is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of the FSPs' feedback report.
- The board of directors of the FSPs will ensure that a list of all third parties that holds an ownership interest in the FSPs is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of the FSPs' feedback report.
- The board of directors of the FSPs will ensure that all gifts received from 3rd parties, with an estimated value of R50 or more are recorded in the FSPs' gift register. The appointed Compliance Officer will confirm that such register is in place as part of the FSPs' quarterly feedback report.
- The board of directors of the FSPs will ensure that all records associated with the identification of actual or potentials conflicts of interest are kept on the compliance file. The appointed Compliance Officer will confirm such records as part of the FSPs' quarterly feedback report.
- The board of directors of the FSPs will ensure that the proper disclosure requirements are communicated to the client. The appointed Compliance Officer will confirm such disclosures as part of the FSPs' quarterly feedback report.

The policy will be:

- Overseen by the board of directors of the FSPs who carry the responsibility for the implementation, reviewing and updating of the policy's associated processes.
- Reviewed at least annually, and where necessary, updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control conflicts of interest
- Regularly reviewed by the appointed Compliance Officer, and where necessary, updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control conflicts of interest.
- The Annexure section of this policy must be reviewed, updated and signed by the nominated Key Individual on an annual basis
- The Annexure section of this policy must be reviewed, updated and signed by the appointed Compliance Officer on an annual basis

CONSEQUENCES OF NON-COMPLIANCE:

In terms of Section 3A(2)(b)(i)(ee) of the General Code of Conduct a conflict of interest management policy must provide for the consequences of non-compliance with the policy by the FSPs' employees and representatives.

If there is reason to believe that an employee or a representative has failed to disclose actual or possible conflicts of interest, the FSPs' board of directors shall afford that person the opportunity to explain the alleged failure to disclose.

If after hearing the response of the employee or representative and making such further enquiries as may be warranted in the circumstances, and where the board of directors of the FSPs determines that the employee or representative has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

CONFLICT OF INTEREST

FINANCIAL INTEREST POLICY

NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]

Definitions:

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:

- c) influence the objective performance of his, her or its obligations to that client; or
- d) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client,

including but not limited to -

- iv) a financial interest;
- v) an ownership interest;
- vi) 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 -

- c) an ownership interest;
- d) training, that is not exclusively available to a selected group of providers or representatives, on -
 - iv) products and legal matters relating to those products;
 - v) general financial and industry information;
 - vi) specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodations associated with that training

It is not the policy of the FSP to encourage any form of financial interest as incentive for giving / receiving of business. [This will only be acceptable in terms of the below requirements being met and this being noted in the gift register as well as motivation for acceptance.](#)

FINANCIAL INTEREST	FSP POLICY ON ACCEPTANCE	RESPONSIBLE PERSON (S)
Cash / Cash Equivalent	Prior to acceptance, this must be approved in writing by the KI	Brendan Connellan
Voucher	Prior to acceptance, this must be approved in writing by the KI	Brendan Connellan
Gift	Prior to acceptance of any gift over the value of R50, this must be approved in writing by the KI	Brendan Connellan
Service Advantage	Prior to acceptance, this must be approved in writing by the KI - this is especially the case for "favours" from suppliers etc	Brendan Connellan
Benefit	Prior to acceptance, this must be approved in writing by the KI	Brendan Connellan
Discount	Prior to acceptance, this must be approved in writing by the KI	Brendan Connellan
Domestic or foreign travel / hospitality / Accommodation	The FSP does not condone acceptance of this and it would require authorisation from TWO Key Individuals for acceptance	Brendan Connellan and Anthony Godwin or Gavin Ramsay
Sponsorship	Prior to acceptance, this must be approved in writing by the KI	Brendan Connellan
Other incentive	Prior to acceptance, this must be approved in writing by the KI	Brendan Connellan
Training	Prior to acceptance, this must be approved in writing by the KI - especially if there is a monetary value attached / or is to take place away from the office - unless the training is open to all FSP's and their representatives of a particular product provider.	Brendan Connellan

[Kindly make application by email. All written approvals in to be filed with the gift register.](#)

GENERAL CONFLICT OF INTEREST IDENTIFICATION POLICY
NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]

IDENTIFICATION OF CONFLICT OF INTEREST	DOCUMENTS	RESPONSIBLE PERSON AND DATE TO BE COMPLETED
All conflicts of interest and potential conflicts of interest to be identified in accordance with the Conflict of Interest legislation for Key Individuals (Associates / Third Parties / Distribution Channels)	Annexures to be completed and signed by Key Individual(s)	BRENDAN CONNELLAN in conjunction with Board of Directors Date: originally 19 th July 2010 and from 19 th April 2011, at each two monthly board meeting.
All conflicts of interest and potential conflicts of interest to be identified in accordance with the Conflict of Interest legislation for Representatives (Associates / Third Parties / Distribution Channels)	Annexures to be completed and signed by Representative(s)	ALL REPRESENTATIVES Date: originally 19 th July 2010 and from 19 th April 2011, ongoing.
All contracts with suppliers / product providers to be reviewed in terms of the Conflict of Interest legislation	Review contracts - sign them off and keep this on the Contracts File	BRENDAN CONNELLAN in conjunction with Board of Directors Date: at each two monthly board meeting.
Identify any conflicts of interest that are unavoidable		BRENDAN CONNELLAN in conjunction with Board of Directors Date: at each two monthly board meeting.
Note the rationale for these conflicts of interest	To be signed off by all Key Individuals	BRENDAN CONNELLAN in conjunction with Board of Directors Date: at each two monthly board meeting.
All employment contracts to be reviewed in terms of any incentive structures	Review contracts and sign them off in terms of Conflict of Interest	BRENDAN CONNELLAN in conjunction with Board of Directors Date: ongoing, initial completion 1 st July 2011. Thereafter, ongoing.
It is not the policy of this FSP to accept any gifts / non -cash incentives. Acceptance of any gifts / non - cash incentives are to be signed off by Key Individuals and registers to be updated (should this meet the approval of the KI's)	Gift register	BRENDAN CONNELLAN Date: ongoing
Policies to be revisited and signed off annually		BRENDAN CONNELLAN in conjunction with Board of Directors Date: first board meeting of each year
Issues of non - compliance to be noted in Conflict of Interest Register and brought to the Compliance Officer's attention	Conflict of Interest Non - Compliance Register	BRENDAN CONNELLAN in conjunction with Board of Directors Date: at each two monthly board meeting and ongoing.

**STANDARD OPERATING PROCEDURE
CONFLICT OF INTEREST POLICY**
NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS
PORT FIDARBETH FSP 263621

INSTRUCTIONS:

- As part of the continued compliance with Section 11 & 12 of the General Code of Conduct, the FSP is expected to structure internal controls and procedures in such a way that all applicable laws are complied with
- Familiarise yourself with the procedure below and ensure that all relevant staff understand the document
- Retain a copy of the procedure on your compliance file
- This operating procedure must be read and understood in conjunction with the General Code of Conduct
- Consult with your Compliance Officer should you have any queries

PURPOSE:

Ensuring that the FSP remain compliant with legislation relating to Conflict of Interests

RELEVANT STATUTORY PROVISIONS:

Section 3 & 3A of the General Code of Conduct

RESPONSIBLE PERSONS:

All Key Individuals & Compliance Officer

ASSOCIATED DOCUMENTS:

- Conflict of Interest Management Policy (**Policies**)
- Key Individual Declaration (**Practice Documents**)
- Representative Declaration (**Practice Documents**)
- Gift Register (**Registers**)
- Key Individual Disclosure Document (**Templates**)
- Representative Disclosure Document (**Templates**)

PROCESS:

- Print a copy of the Conflict of Interest Management Policy
- All Key Individuals must read and acknowledge ownership of the policy by signing the document
- A nominated Key Individual must complete and sign the annexure section of the policy (4 pages in total)
- The appointed Compliance Officer must sign the annexure section of the policy (4 pages in total)
- All personnel must read and sign the policy
- Retain the signed copy of the policy on the FSP's compliance file
- The policy must be reviewed annually (i.e. the printing, signing and updating of information on the personnel)

acknowledgment and annexure sections of the policy must be conducted on an annual basis)

- The FSP must follow the processes outlined within the policy:
 - × Mechanism for identification must be followed
 - × Measures for avoidance must be followed
 - × Reasons for unavailability must be recorded and filed within compliance file
 - × Measures for disclosure must be adopted and implemented
 - × Consequences for non-compliance must be communicated
 - × Basis of Representative's financial interest must be indicated on the annexure section
 - × A list of all the FSP's associates must be updated on an annual basis
 - × A list of all the parties in which the FSP holds an ownership interest must be updated on an annual basis
 - × A list of all third parties that holds an ownership interest in the FSP must be updated on an annual basis

- Print a new copy of the Key Individual Declaration every quarter (every 3 months)
- All Key Individuals must sign the Key Individual Declaration
- Retain the signed copy of the declaration on the compliance file

- Print a new copy of the Representative Declaration every quarter (every 3 months)
- All Representatives must sign the Representative Declaration
- Retain the signed copy of the declaration on the compliance file

- Print a copy of the gift register
- Retain a copy of the Gift Register on the compliance file
- The individual who received the non-cash incentive (e.g. a bottle of whiskey) must complete the relevant sections on the Gift Register
- Print new copies of the Gift Register should the need arise

- Update the Key Individual's disclosure document to reflect any unavoidable conflict of interests as outlined within the conflict of management policy
- Update the Key Individual's disclosure document to reflect that a conflict of interest management policy and a gift register is available to the client for inspection purposes

- Update the Representative's disclosure document to reflect any unavoidable conflict of interests as outlined within the conflict of management policy
- Update the Representative's disclosure document to reflect that a conflict of interest management policy and a gift register is available to the client for inspection purposes

BRENDAN CONNELLAN

.....
KEY INDIVIDUAL OF FSP 16300 and FSP 23632

**BASIS OF REPRESENTATIVES FINANCIAL INTEREST:
NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS
PORT ELIZABETH [FSP 26362]**

In terms of Section 3A(2)(b)(ii) of the General Code of Conduct, a conflict of interest management policy must specify the type of and the basis on which a representative will qualify for a financial interest that the provider will offer a representative and motivate how that financial interest complies with section 3A(1)(b).

Identify the type(s) of financial interest for which the FSPs's representatives qualify, and tick the appropriate corresponding boxes below. The nominated Key Individual and appointed Compliance Officer must sign and date the annexure.

The FSPs's representatives qualify for the following type(s) of financial interests	
<i>Commissions</i> as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act	<input checked="" type="checkbox"/> Y
<i>Fees</i> as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act if those fees are reasonably commensurate to a service being rendered.	<input checked="" type="checkbox"/> Y
<i>Fees</i> for the rendering of financial services in respect of which the abovementioned commissions and fees are not paid, provided that the client agreed to such fees in writing and may be stopped at the discretion of the client.	<input checked="" type="checkbox"/> Y
<i>Fees or remuneration</i> for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered	<input checked="" type="checkbox"/> Y
<i>An immaterial financial interest</i> (i.e. a 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 provider who is a sole proprietor, or a representative for that representative's direct benefit, or a provider who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.)	<input checked="" type="checkbox"/> Y
<i>A financial interest not referred to above</i> , 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.	<input checked="" type="checkbox"/> Y

As Key Individual of the FSPs I, Brendan Connellan, confirm the financial interests as indicated above and acknowledge compliance with section 3A(1)(b) of the General Code of Conduct.

_____ - 19/04/2011
Key Individual Signature & Date

Compliance Officer Signature & Last Review Date

**NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and
NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]**

LIST OF ASSOCIATES:

In terms of Section 3A(2)(b)(iii) of the General Code of Conduct, a conflict of interest management policy must include a list of all the FSPs' associates

Refer back to the definition of an "associate" and complete the form below. The nominated Key Individual and appointed Compliance Officer must sign and date the annexure.

Associate's Name	Type of Relationship
NVest Financial Holdings (Pty) Limited	Group Holding Company
NFB Finance Brokers Eastern Cape (Pty) Ltd	Group Company - this is FSP 16300
NFB Finance Brokers Port Elizabeth (Pty) Ltd	Group Company - this is FSP 26362
NVest Securities (Pty) Ltd Independent Executor and Trust (Pty) Ltd	Group Company - manages equity portfolios on behalf of the clients of the group.
NFB Insurance Brokers (Border) (Pty) Ltd	Group Company - offers short term insurance advice and intermediary services to clients of the group.
Beach Road Administrators (Pty) Ltd	Group company - offers an administration service to NFB Insurance Brokers Border.
NFB Asset Management (Pty) Ltd	Group Company - manages unit trusts and white-labelled offshore funds; such funds being held by NFB clients.
NFB Finance Brokers Western Cape (Pty) Ltd	Group Company - at this stage just a cost centre.
NFB Capital (Pty) Ltd	Group company - sources, administers and manages properties and debentures for the group.
NVest Securities Nominee Equity (Pty) Ltd	Nominee company for NVest Securities to house client securities.
NVest Securities Nominee Money (Pty) Ltd	Nominee company for NVest Securities to house client securities.
NFB Debentures 21 (Pty) Ltd	Property holding company recently formed.

Refer to attached group organogram for more information on the entities listed above.

As Key Individual of FSP 16300 and FSP 26362, I, Brendan Connellan, confirm the list of the FSPs's associates as indicated above.

_____ - 19/04/2011
Key Individual Signature & Date

Compliance Officer Signature & Last Review Date

**NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and
NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]**

OWNERSHIP INTEREST (FSPs):

In terms of Section 3A(2)(b)(v) of the General Code of Conduct, a conflict of interest management policy must include the names of any third parties in which the provider hold an ownership interest.

Refer back to the definition of "third party" & "ownership interest" and complete the form below. The nominated Key Individual and appointed Compliance Officer must sign and date the annexure.

Name of 3 rd party in which the FSPs holds an ownership interest:	Nature and extent of ownership interest:
N/A	N/A

As Key Individual of the FSPs I, **Brendan Connellan**, confirm the list of names of all third parties in which the FSPs hold an ownership interest.

Key Individual Signature & Date

Compliance Officer Signature & Last Review Date

KEY INDIVIDUAL DECLARATION **TEMPLATE**

**NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS
PORT ELIZABETH [FSP 26362]**

INSTRUCTIONS:

- As part of the continued compliance with Section 18(c) & (e) of the FAIS Act as well as Section 3A(2)(b)(i)(dd) of the General Code of Conduct all Key Individuals must initial and sign a new copy of this document on a quarterly basis.
- Retain the signed document on your compliance file for inspection purposes.

HONESTY & INTEGRITY:

Have you within the last five years been found guilty in any civil or criminal proceedings by a court of law (whether in the Republic or elsewhere) of having acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>
Have you within the last five years been found guilty by any statutory professional or financial services industry body (whether in the Republic or elsewhere) of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>
Have you within the last five years been denied membership of any professional or financial services industry body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>
Have you within the last five years been found guilty by any regulatory or supervisory body (whether in the Republic or elsewhere) on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>
Have you within the last five years had your authorisation to carry on business refused, suspended or withdrawn by any such body, on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>
Have you within the last five years had any license issued by any regulatory or supervisory body (whether in the Republic or elsewhere) suspended or withdrawn by that body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>
Have you within the last five years been disqualified or prohibited by any court of law (whether in the Republic or elsewhere) from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="button" value="YES"/> <input type="button" value="NO"/>	<input style="width: 100%; height: 40px;" type="text" value="INITIAL"/>

CONFLICT OF INTERESTS:

As the duly approved Key Individual of *(tick next to applicable FSP)*:

NFB Finance Brokers Eastern Cape (Pty) Limited - FSP 16300

NFB Finance Brokers Port Elizabeth (Pty) Limited - FSP 26362

I, (name) _____ hereby confirm that I am not aware of any actual or potential conflict of interests, that has not been sufficiently mitigated and disclosed as required by the General Code of conduct.

Key Individual Signature & Date

Compliance Officer Signature & Date

REPRESENTATIVE DECLARATION **TEMPLATE**

NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]

INSTRUCTIONS:

- As part of the continued compliance with Section 18(c) & (e) of the FAIS Act as well as Section 3A(2)(b)(i)(dd) of the General Code of Conduct all Representatives must initial and sign a new copy of this document on a quarterly basis.
- Retain the signed document on the FSP's compliance file for inspection purposes

HONESTY & INTEGRITY:

Have you within the last five years been found guilty in any civil or criminal proceedings by a court of law (whether in the Republic or elsewhere) of having acted fraudulently, dishonestly, unprofessionally, dishonourably or in breach of a fiduciary duty?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL
Have you within the last five years been found guilty by any statutory professional or financial services industry body (whether in the Republic or elsewhere) of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL
Have you within the last five years been denied membership of any professional or financial services industry body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL
Have you within the last five years been found guilty by any regulatory or supervisory body (whether in the Republic or elsewhere) on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL
Have you within the last five years had your authorisation to carry on business refused, suspended or withdrawn by any such body, on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL
Have you within the last five years had any license issued by any regulatory or supervisory body (whether in the Republic or elsewhere) suspended or withdrawn by that body on account of an act of dishonesty, negligence, incompetence or mismanagement?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL
Have you within the last five years been disqualified or prohibited by any court of law (whether in the Republic or elsewhere) from taking part in the management of any company or other statutorily created, recognised or regulated body, irrespective whether such disqualification has since been lifted or not?	<input type="checkbox"/> YES <input type="checkbox"/> NO	INITIAL

CONFLICT OF INTERESTS:

As the duly approved Representative of *(tick next to applicable FSP)*:

NFB Finance Brokers Eastern Cape (Pty) Limited - FSP 16300

NFB Finance Brokers Port Elizabeth (Pty) Limited - FSP 26362

I, *(name)* _____ hereby confirm that I am not aware of any actual or potential conflict of interests, that has not been sufficiently mitigated and disclosed as required by the General Code of conduct.

Representative Signature & Date

Compliance Officer Signature & Date

TWO MONTHLY MONITORING IN TERMS OF CONFLICT OF INTEREST
NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]

ISSUES TO BE MONITORED	2 months ending 19 th May 2011	18 th July 2011	12 th September 2011	14 th November 2011
Any changes to identified associates / new ones identified?	No			
Any changes to identified third parties / new ones identified?	No			
Any changes to distribution channels / new ones identified?	No			
Any changes to unavoidable conflicts / new ones?	No			
Contracts Reviewed - once per year - any new ones?	No			
Employment contracts reviewed - once per year - any new employees?	None that work on an incentivised basis.			
Have all conflicts of interest been disclosed?	Yes			
Have all employees been trained?	In progress.			
Is the gift register up to date?	Yes			
Have there been any issues of non - compliance and has the register been updated?	No			
Is the Conflict of Interest Policy available for all staff to	Yes			

access?				
Is the Conflict of Interest Policy available for all clients to access?	Yes			

NAME: _____

POSITION: _____

1st QUARTER SIGNATURE: _____ CO INITIAL: _____

2nd QUARTER SIGNATURE: _____ CO INITIAL: _____

3rd QUARTER SIGNATURE: _____ CO INITIAL: _____

4th QUARTER SIGNATURE: _____ CO INITIAL: _____

UNAVOIDABLE CONFLICT OF INTEREST IDENTIFICATION AND POLICY

NFB FINANCE BROKERS EASTERN CAPE (PTY) LTD [FSP 16300] and NFB FINANCE BROKERS PORT ELIZABETH [FSP 26362]

TYPE OF UNAVOIDABLE CONFLICT OF INTEREST	RATIONALE AS TO WHY IT IS UNAVOIDABLE	STEPS TO MITIGATE AND METHOD OF DISCLOSURE
<p>Representatives of NFB Finance Brokers Eastern Cape and NFB Finance Brokers Port Elizabeth provide advice and intermediary services on several local Funds of Funds and offshore white labeled funds. These funds are managed by NFB Asset Management, an associate company as identified in the list of associates.</p>	<ol style="list-style-type: none"> 1. The route was chosen by management as being the best way for NFB to actively and effectively manage its client's investments on an ongoing basis given: <ol style="list-style-type: none"> a. The number of clients invested with NFB who need to have their investment portfolios managed; b. The geographical spread of the clients; and c. The number of investment platforms utilized and the fact that by doing this outside of funds of funds or model portfolios, the process is impractical and clumsy. 2. It is the only way to consistently ensure that clients in similar risk profiles are managed on the same basis without timing and investment constraint differences. 3. It is the only way to ensure that discretionary management does not result in CGT implications for local Collective Investment Scheme investors. 4. It is the only way of formally ensuring that investors have the benefit of greater transparency in the manner in which their investments are managed and the quantum of costs that are levied. 5. The only way to have access to specialized, dedicated asset management expertise and investment research on an ongoing cost effective basis. 6. It's the only way to effectively implement the predetermined investment process without the administrative constraints of LISP's (capped funds, funds not on platforms, timing of switches). 7. It's the only effective way to control the portfolio management advice implemented by junior advisors. 8. It is the only way of effectively ensuring that NFB maintains control and consistency in terms of the manner in which our clients are invested and that the overall investment house-views of the company are followed. 	<ol style="list-style-type: none"> 1. Full disclosure must be given to investors with regard to: <ol style="list-style-type: none"> a. The fact that the Representative has an interest in the product, b. The nature of the interest and full disclosure of fees earned and c. The nature of the product and all relevant details relating to the product. <p>This should be done in the Record of Advice supplied to a client as part of the advice-giving process.</p> 2. Confirm a pricing policy that will ensure the following: <ol style="list-style-type: none"> a. No fee increases to NFB will take place without prior notice to clients; b. No performance fees will be levied on these investments; c. All fund manager rebates will be re-invested back into the funds and d. As far as possible the aggregated scale will be utilized to negotiate favorable deals with underlying managers for the benefit of the client to ensure lower than average fees payable by clients. 3. The FSP must ensure that it will only recommend the in-house solutions where this is in the interests of the clients.

<p>1% override (i.e. upfront fee, paid by the product provider out of fees that the product provider would otherwise have earned) earned by the FSP's Representatives on placing offshore business with Glacier and Old Mutual International (OMI).</p>	<ol style="list-style-type: none"> 1. The NFB Group has done business with these entities for many years and existing clients don't always wish to start investments with new product providers. 2. The NFB Group manages offshore model funds on the OMI platform and this is currently not available on any other platform. 3. The income is important to the company as it allows us to still earn from the investment, without costing the client more and allows us to offer the client lower fees by reducing fees to the client to ensure that costs are minimal and do not have too great an impact on investment performance. 	<ol style="list-style-type: none"> 1. Full disclosure must be given to investors with regard to: <ol style="list-style-type: none"> a. The fact that the Representative has an interest in the product, b. The nature of the interest and full disclosure of fees earned and confirmation that the fee is not paid by the client but by the product provider and c. The nature of the product and all relevant details relating to the product. 2. The FSP must ensure that the Representatives only recommend these solutions where this is in the interests of the client.
<p>NFB is wholly owned by NVest Financial Holdings (Pty) Limited [NVFH]. NVFH owns several companies to form a group of associated companies. As a result of this relationship, NFB may outsource various functions to, refer business to, earn commissions from or make use of various products or services offered by, one or more of these group companies.</p>	<p>A large part of the NVest Financial Holdings Group of companies has grown out of an understanding of what the needs of NFB clients are and the formation of various companies to meet these needs.</p> <p>NVest Securities (Pty) Limited [wholly owned by NVFH]: NFB utilise the products and services of this JSE registered stock broking company for the trading, management and administration of client share portfolios, money market investments and other related securities. Unavoidable because:</p> <ol style="list-style-type: none"> 1. There is an enormous need and demand for managed direct share portfolios from NFB clients; 2. The company is the only well established stock broking company in the East London region and has extremely strong administration and portfolio management processes in place to ensure that clients receive the best possible service and management of their investments; 3. Owing to large volumes of investment, NFB are able to negotiate fee structures very favourable to our clients. 4. We have been able to develop and tailor investment solutions for our clients that are not available through any other product provider. <p>NFB Insurance Brokers Border (Pty) Limited [68% owned by NVFH]: NFB refer clients to utilise the products and services of this Financial Services Provider for Commercial and Personal Lines Short Term Insurance. Unavoidable because:</p> <ol style="list-style-type: none"> 1. The business has been a part of the Group since 1996 and complements the balance of the NFB business. 	<ol style="list-style-type: none"> 1. Disclosure of this conflict is made and explained in the Service Level Agreement that all clients are given. 2. The FSP must ensure that the Representatives only recommend these options as solutions where this is in the interests of the client and the Record of Advice should clearly demonstrate why the solution is in the best interests of the client. 3. All fees that are pre-determinable, such as those fees earned from NVest Securities are to be disclosed to the clients in writing in the Record of Advice that clients received as part of the advice process. 4. Ensure that besides the referral fees payable by the associate companies to all referring agents, internal and external, no additional preferential fees are given for the referral of business within the companies.

	<p>2. Referring business within the group ensures a high level of control in terms of the service that our clients receive.</p> <p>3. The majority of other brokers offer both short term insurance as well as long term insurance, medical aid and investment advice and thus referring business would be referring clients to competition, which would not be a prudent decision.</p> <p>Independent Executor and Trust (Pty) Limited [70% owned by NVFH]: NFB refer clients to this group company for the drafting of Wills and Administration of Deceased Estates. Unavoidable because:</p> <p>1. The business was specifically purchased into the Group owing to a long-time relationship with the existing business as a result of a need from our clients for a very strong service offering in terms of Wills and administration of deceased estates.</p> <p>2. The business forms part of the overall service offering of our group of companies.</p> <p>NFB Asset Management (Pty) Limited [50% owned by NVFH]: NFB utilize the products and services of this Financial Services Provider which manages and administers collective investment schemes and other funds, as appropriate. NFB earn the standard trail fees as disclosed on the relevant fund fact sheets. Unavoidable because: see reasons given above in respect of the usage of white labeled funds and funds of funds.</p> <p>It is believed that by having associations with the above companies, the service to our clients is enhanced and would be to the detriment of our clients were they not available.</p>	<p>5. Ensure that representatives are at no point rewarded via incentives for referring within the group.</p>
<p>Companies formed for the purpose of pooling investor funds and used as Special Purpose Vehicles etc. e.g. Berkshire Hathaway Tranches, NFB Properties and intended NVest Investment Tranche 2 Limited (US share portfolio).</p>	<p>These companies are formed out of an identified need and/or opportunity available to NFB clients and only once a thorough due diligence is performed to ensure and understand potential risks, opportunities, costs etc of each. It would be remiss of the company not to identify opportunities for our clients or better alternatives to what can be found elsewhere in the market.</p>	<p>1. Ensure that there are no unfair and fees which are not market related offered as additional incentives to financial advisors in order to encourage the marketing of such SPV's.</p> <p>2. The FSP must ensure that the Representatives only recommend these options as solutions where this is in the interests of the client and the Record of Advice should clearly demonstrate why the solution is in the best interests of the client.</p> <p>4. Full disclosure must be given to investors with regard to:</p>

		<p>a. The fact that the Representative has an interest in the product,</p> <p>b. The nature of the interest and full disclosure of fees earned and</p> <p>c. The nature of the product and all relevant details relating to the product.</p> <p>This should be done in the Record of Advice supplied to a client as part of the advice-giving process.</p> <p>5. All products/SPV's/tranches to be signed off by the Board of Management who need to be in agreement that the option is appropriate for the needs of the clients to be targeted as being appropriate and that the option is in the interests of the clients and not to their detriment.</p>

NAME: _____

DATE: _____

SIGNATURE: _____

POSITION: _____

CONFLICT OF INTEREST NON - COMPLIANCE REGISTER

Tick appropriate FSP:

NFB Finance Brokers Eastern Cape (Pty) Limited - FSP 16300

NFB Finance Brokers Port Elizabeth (Pty) Limited - FSP 26362

This register will be maintained by the Key Individuals (KI's) of the organisation, in conjunction with the Compliance Officer (in terms of any non-compliance found as a result of file and other internal audits). *This version is merely the template and the official register will be maintained by a nominated KI.*

DATE	TYPE OF NON - COMPLIANCE	PERSON(S) INVOLVED	ACTION TAKEN	SIGNED OFF BY

GIFT REGISTER - TEMPLATE

NFB Finance Brokers Eastern Cape (Pty) Limited - FSP 16300

NFB Finance Brokers Port Elizabeth (Pty) Limited - FSP 26362

As part of the continued compliance with Section 3A(2)(b)(i)(cc) of the General Code of Conduct, an FSP must maintain a conflict of interest management policy that includes measures for the disclosure of conflicts of interest. *This version is merely the template and the official register will be maintained by a nominated KI (Brendan Connellan) who representatives and staff members need to make application to and get approval for any gifts that are offered before accepting them.*

Date of receipt	Type of gift / Non – cash consideration	Estimated monetary value	Gift received from	Gift received by

TRAINING REGISTER - TEMPLATE

NFB Finance Brokers Eastern Cape (Pty) Limited - FSP 16300
 NFB Finance Brokers Port Elizabeth (Pty) Limited - FSP 26362

As part of the continued compliance with Section 18(e) of the FAIS Act & Section 43 of FICA, the FSP must keep a record of training provided to all employees.

Learner Name	Position (KI / Rep / Non - registered Personnel / Sub-agent)	Date of training	Training provided by	Learning material signed off by trainee	Other details