

"Great outcomes don't happen by chance"

CONFLICT OF INTEREST POLICY

FSP name: KOCH INDEPENDENT WEALTH CC

FSP number:35789

1. Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, *Koch Independent Wealth CC* is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflict of interest. *Koch Independent Wealth CC* has put in place a policy to safeguard its clients' interests and ensure fair treatment of clients. The key information is summarised below. Detailed information can be obtained on request from the provider, compliance officer or key individual who is responsible to monitor and manage conflict of interest on behalf of *Koch Independent Wealth CC*.

2. Our objectives

Koch Independent Wealth CC is an authorized financial services provider, providing to its clients advice and intermediary services.

Like any financial services provider, *Koch Independent Wealth CC* is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern and so our policy sets out how:

- we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests;
- we have established appropriate structures and systems to manage those conflicts; and
- we will maintain systems in an effort to prevent damage to our clients' interests through identified conflict of interest.

3. Conflict of interest

Koch Independent Wealth CC strives towards ensuring it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing confidentiality barriers and by providing appropriate disclosure of the conflict to affected clients.

In determining whether there is or may be a conflict of interest to which the policy applies, *Koch Independent Wealth CC* considers whether there is a material risk of damage to the client, taking into account whether *Koch Independent Wealth CC* or a *Koch Independent Wealth CC* representative or employee –

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client;

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- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the legislated commission or reasonable fee for that service.

Our policy defines possible conflicts of interest as, *inter alia*:

- conflicts of interest between *Koch Independent Wealth CC* and the client;
- conflicts of interest between our clients if we are acting for different clients and the different interests conflict materially;
- conflicts of interest where product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client;
- holding confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

4. Management

Specific monetary measures we focus on:

- we may only receive commissions authorized in terms of applicable legislation; or
- fees authorized in terms of applicable legislation, or fees or remuneration for services rendered to a third party, if those fees are reasonably commensurate to the service being rendered; or
- fees for the rendering of a service in respect of which commission or fees above is not paid, if those fees are specifically agreed to by a client in writing and may be stopped at discretion of the client; or
- a limited immaterial financial interest as defined; or
- a financial interest for a consideration or fair value that is reasonably commensurate to the value of the financial interest that is paid by the provider or representative at time of receipt thereof.

We will not offer any financial interest to any representative for –

- giving preference to the quantity of business secured for the provider to the exclusion of quality service;
- giving preference to a specific product supplier where more than one supplier can be recommended to a client;
- giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

The measures *Koch Independent Wealth CC* have adopted to manage identified conflicts are further summarized below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified potential conflict of interest, we act impartially to avoid a material risk of harming clients' interests.

- Procedures:

We have adopted appropriate procedures throughout our business to manage potential conflict of interest. Our representatives and employees receive guidance and training in these procedures and they are subject to monitoring and review processes. There are specific measures and consequences in place for non-compliance with our conflict of interest policy.

- Confidentiality barriers:

Our representatives and employees respect the confidentiality of client information and disclose or use it with circumspect. No such information may be disclosed to a third party without the written consent of a client.

- Monitoring:

The key individual or compliance officer in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters. The policy will be reviewed annually

- Disclosure:

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Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients.

- **Publication:**

We will publish our conflict of interest management policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times.

- **Report:**

The provider, compliance officer or key individual will include a report on the conflict of interest management policy in the annual compliance report submitted to the Registrar.

- **Declining to act:**

We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

5. Particular management measures

- **Identification of conflict of interest:**

- create awareness and knowledge of applicable stipulations of the General Code of Conduct and relevant legislation relating to conflict of interest, through training and educational material;

- **Avoidance of conflict of interest:**

- ensure understanding and adoption of conflict of interest policy and management measures by all employees, representatives and associates;
- do regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance;
- keep a register of conflict of interest.

6. Consequences of Non-Compliance with the Policy

In the event of non-compliance with the abovementioned terms of the Policy, in addition to any civil or criminal consequences, employees and representatives will be subject to appropriate disciplinary action.

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