CANNON ASSET MANAGERS

CONFLICT OF INTEREST POLICY

Updated: April 2019
Cannon Asset Managers’ Conflict of Interest Policy is designed to assist staff in identifying situations that could present potential conflicts of interest, avoiding or otherwise managing such conflicts, and so complying with the requirements set out in the Companies Act No. 71 of 2008 and the Financial Advisory and Intermediary Services Act No. 37 of 2002.

INTRODUCTION

A “conflict of interest” exists when the private interests of a principal or agent of Cannon Asset Managers interferes in any way – or even appears to interfere in some way – with the interests of Cannon Asset Managers, its responsible persons and its clients, infringing on South African law and/or the regulations and company policies by which Cannon Asset Managers is bound.

Responsible persons include directors, officers of the company, employees, key individuals and all responsible persons as envisaged in FAIS, as well as their close family and associates. This includes, amongst others, any person or group of persons who can influence the activities of Cannon Asset Managers and its responsible persons by way of a financial interest, an ownership interest or any relationship with a third-party.

Third-party refers to product or other providers, associates of a providers, and/or any person who, in terms of an agreement with any of the parties above, provides a financial interest to the provider or its responsible person. This includes all services providers who have service level agreements with the provider to render services to clients on behalf of the provider.

CONTROLS AND PROCEDURES PERTAINING TO CONFLICTS OF INTEREST

In terms of the General Code of Conduct for Authorised Financial Services Providers and their responsible persons, companies must avoid and, where this is not possible, mitigate, any conflict of interest between the company or responsible person and a client.

At the earliest reasonable opportunity, the company is required to disclose to the client(s), in writing, and in such a way that the client(s) clearly understand(s):

i. any conflict of interest in respect of that client;
ii. any ownership interest or material financial interest that the company or responsible person may be or become eligible for; as well as
iii. the measures taken in accordance with this policy to avoid or mitigate the conflict.

The table below details:

i. the areas where conflicts of interest may arise;
ii. the systems and processes to identify them such conflicts of interest; and
iii. where need be, how these conflicts and their mitigation and management are communicated to the client(s).

While it is not possible to foresee all possible situations in which conflicts may arise, all responsible persons are expected to adhere to the letter and the spirit of all laws, regulations and company policies by which Cannon Asset Managers is bound and to refer the person(s) named below as representatives for compliance and communication should they have concerns or queries pertaining to conflicts of interest on their own behalf or on the part of another responsible person or third party.
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GIFTS, GRATUITIES AND ENTERTAINMENT

The giving or receipt of common courtesies, occasional meals or reasonable entertainment appropriate to the business relationship and associated with business discussions are regarded as consistent with sound business practice.

Responsible persons, their family members and/or their associates should endeavour to avoid situations that might cause, or be perceived to cause, a loss of independence or objectivity and are expressly prohibited from accepting any personal favours or other preferential treatment because of their position with Cannon Asset Managers which may place the responsible person under an obligation. Modest gifts and/or entertainment may be accepted on infrequent occasions, and only if it is clear that the gift is unsolicited and the person is not trying to influence or reward the employee inappropriately in connection with any business decision or transaction.

The acceptance of all gifts by an employee is subject to the prior approval of his/her manager and, where applicable, the Compliance Officer. Gifts and/or entertainment may not exceed R1,000 in the aggregate per annum from any one third party, and all gifts and/or entertainment must be disclosed to the Compliance Officer.

FAIR DEALING AND INSIDER TRADING

Each employee must endeavour to respect the rights of and deal fairly with Cannon Asset Managers’ customers, suppliers, competitors and other employees and deal fairly and justly. No employee should take unfair advantage of anyone through manipulation, concealment, abuse of privileged information, misrepresentation of material facts, or any other illegal or unethical practice.

Unauthorised use or distribution of proprietary information is a violation of company policy and, if found to be illegal, could result in civil and/or criminal penalties. Proprietary information includes non-public information that might be of use to competitors or harmful to Cannon Asset Managers or its customers or suppliers if disclosed, such as information that clients have entrusted to the company, intellectual property (such as trade secrets, patents, trademarks, and copyrights), as well as business, marketing and service plans, designs, databases, records, salary information and any unpublished financial data and reports.

Employees and company representatives may not take advantage of opportunities that are discovered through the use of company property, information or position without the consent of Cannon Asset Managers’ Board of Directors. No employee may use corporate property, information, or position for personal or related party gain, and no employee may compete with Cannon Asset Managers directly or indirectly. Employees owe a duty to Cannon Asset Managers to advance the company’s interests and that of their clients when the opportunity to do so arises.

COMPLIANCE AND NON-COMPLIANCE WITH POLICY

Each responsible person shall at least annually, or as deemed necessary by the Cannon Asset Managers, complete the requisite declaration forms identifying, mitigating and managing conflicts of interest. Non-compliance with any of the measures set out here, or violation of or the laws, regulations and other policies by which Cannon Asset Managers is bound, will result in disciplinary actions by the board that could lead to dismissal.

REVIEW OF POLICY

This policy will be reviewed at least annually, or otherwise more regularly. Any changes to the policy shall be communicated immediately to all responsible persons.