



Governance

Business Code of Conduct & Ethics Manual

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Introduction

This document consists of the business code of conduct that govern the business (SAFEFIN MANAGEMENT SERVICES LTD – ‘SMS’) and ethical conduct of directors, committee members and staff (i.e. officers and employees).

The scope of a business’ Code of Conduct & Ethics includes the individual legal duties of each director, committee member and staff member, as well as identifying unlawful or prohibited conduct in view of being compliant as a business as whole.

The Code forms part of the SMS's board level policy. Therefore, its form and content must be reviewed and approved by the board. All directors, committee members and staff must be familiar with the contents of the Code, and agree to abide by its terms (preferably in writing). It is important that ethical and lawful conduct be evidenced in all SMS’s practices, in order to protect the reputation and credibility of the organization and preserve community trust and to be compliant to section 7(1) (a) of the Financial Services Act 2007.

According to the code, there are nine governing principles that businesses need to adhere to and establishing a proper business code of conduct is the first step in demonstrating such conduct.

Elements of a Code of Conduct

A Code of Conduct should address all important ethical issues and legal duties with respect to the behavior and conduct of individual directors and staff members of SMS. The nine principles set out in the code of the section 7(1) (a) of the Financial Services Act 2007 are as follows;

1. Skill, Care and Diligence
2. Business Integrity.
3. Conflict of Interests.
4. Communicating with Customers.
5. Protection of Customer's Assets
6. Compliance
7. Financial Resources
8. Internal Affairs
9. Relationship with the FSC Mauritius

These elements are each discussed in depth below in the materials which follow.

The nine principles must be communicated to all directors, committee members, and staff of SMS. This involves two recommended activities:

- Require all directors, committee members and staff to review the Code of Conduct, and sign a declaration of ethical conduct acknowledging its contents.
- Annually, require all directors, committee members and staff to review the Code of Conduct, and sign a declaration acknowledging its contents.

By signing a declaration, directors, committee members and staff acknowledge that they have read the Code, understood its contents, and agree to abide by its terms. It is important that they also be given the opportunity to review the Code of Conduct prior to signing the declaration, and be given the opportunity to raise questions on its significance with either an officer or staff member in charge of implementing the Code.

1. Skill, Care and Diligence

The first principle set out in the nine principles required of directors, officers and committee members of SMS) must act with due skill, care and diligence towards their customers and other stakeholders

It is possible that an individual with specialized knowledge, education or work experience may be expected to fulfill the duties of his or her office in a particularly skilled manner in meeting this standard of care.

2. Business Integrity

Directors, committee members and staff members must observe high standards of honesty, integrity and fairness and ensure that all business transactions are carried out and recorded fairly and accurately. This principle includes any obligation to avoid misleading and deceptive acts or representations.

3. Conflicts of interests

Each and every director, committee member, officer or employee has an obligation of loyalty to SMS and must subordinate their personal interests when they conflict with or threaten to conflict with the best interests of SMS.

Directors and officers hold positions of respect within their organization, and have been given the unique opportunity to serve, to counsel and to lead. By acceptance of their respective positions, they have assumed fiduciary, legal and moral responsibilities to conduct the affairs of SMS for the best interests of the members at large, and to avoid conflicts of interest, real or implied.

Conflicts of interest rules are set out in the Act.

“4.3 Licensees must avoid situations of conflict of interests, and in case a conflict arises, licensees are required to ensure the fair treatment of all their customers.”

The Code of Conduct must acknowledge these rules, and should also incorporate policies to safeguard against violation of them.

4. Communicating with Customers

SMS must seek the necessary information about their customers' individual circumstances and financial objectives. SMS must also ensure that customers are provided with accurate, timely and comprehensible information that would enable them to make informed decisions.

This principle includes any obligation of SMS:

- To know their customers and to fulfil any suitability requirements;
- To acquire and to provide information, including information about risks, required by the customer to make informed investment decisions;
- To provide timely and accurate reports to the customer about business undertaken with the customer.

5. Protection of Customer's Assets

SMS must ensure that, in cases where it has control over its clients' assets, these are, at all times, properly segregated and identifiable. This includes ensuring that client's money is properly segregated. SMS must segregate the clients' assets which they hold from their own. The aim is to ensure that client's assets are protected from risk of loss and that they can be easily identified in case of insolvency of SMS or the client.

6. Compliance

SMS must observe high standards of market conduct and must comply with all regulatory requirements applicable to the conduct of its business activities so as to promote the best interests of customers and the integrity of the market. SMS must ensure compliance with all

applicable laws, including, but not limited to the relevant Acts, regulations, rules and guidelines issued thereunder. All relevant laws sets out by the governing bodies such as the Financial Services Commission, Mauritius Institute of director, the finance Ministry, the Financial Intelligence unit among others.

7. Financial Resources

SMS must ensure that adequate financial resources are maintained at all times, adequate financial resources to meet its financial obligations and that an appropriate risk management policies is designed to benefit the business.

8. Internal Affairs

SMS must manage its business in a responsible and sustainable manner while ensuring that adequate controls are maintained. SMS must also ensure that, at all times, proper systems and procedures are in place in respect of operations, record keeping, human resources, training, compliance as well as such other matters as the Commission may deem necessary.

9. Relationship with the FSC

SMS must endeavour that any dealings with the Commission is in a co-operative manner and must comply with their disclosure obligations in a prompt manner

SAFEFIN MANAGEMENT SERVICES LTD

DECLARATION OF ETHICAL CONDUCT

I, _____, hereby acknowledge that I have carefully read and understood Safefin Management Services Ltd's Code of Conduct dated _____. I agree to faithfully abide by the terms of the Code of Conduct and to discharge my duties honestly and in good faith and in the best interests of Safefin Management Services Ltd. I will promptly and fully disclose any fiduciary relationship, activity or personal financial interest that might impair or affect my judgment or influence my decisions. I understand that I will be in possession of sensitive information relating to Safefin Management Services Ltd and its members and I will treat such information as confidential and will not disclose it to third parties or use it for my own personal benefit or the benefit of any other person. I will use the utmost care and discretion in the handling of such confidential information.

Dated at _____ this _____ day of _____,

Declarant

Witness

