

**CODE OF CONDUCT FOR CYTONN INVESTMENTS  
MANAGEMENT LIMITED FINANCIAL ADVISORS**

**BACKGROUND**

This code of conduct is informed by the need to provide the best investment advice to clients of The Cytonn Investments Management Limited 'Cytonn Investments' on their choice of an optimal solution which best meets their financial services needs. The code has been adopted by Cytonn Investments and has been prepared against the background of international best practice and recommended standards on the sale of financial services products and solutions, within Cytonn Investments. It has also been informed by the need to cultivate high standards of professional conduct that will benefit all existing and prospective customers as well as the respective Advisors.

Cytonn Financial Advisors are expected and required to conduct themselves according to the language and spirit of this Code and seek to avoid even the slightest appearance of improper behavior. Compliance to this Code must come before other business considerations. Even well intentioned actions that violate the law or this Code may result in negative consequences for the Cytonn Investments.

The specific areas addressed in this code are not new. The Advisors of Cytonn Investments will always be expected to comply with the specific values and practices as such compliance is consistent with the values of the Cytonn Investments values. While the standards set forth in this Code cover a wide range of business practices and procedures, this Code cannot and does not cover every issue or law that may arise or every situation where ethical decisions must be made.

This Code will be strictly enforced throughout the company.

**CYTONN INVESTMENTS SHARED VALUES:**

A core part of the Cytonn Investments culture is the adherence to the shared values below:

**Cytonn Investments Shared values:**

Integrity  
Entrepreneurship, Customer focus  
Accountability, Excellence

The continued commitment by all the staff of Cytonn Investments is important to the Company's mission of *delivering innovative financial solutions that speaks to our*

***Clients needs.***

Introduction

- I. The terms Advisor used in this code means both Tied Advisors and Independent Advisor;
- ii. The Products referred to in this code covers the entire product range offered by Cytonn Investments at any given time;
- iii. The code applies to both tied and Independent Advisors;
- iv. Cytonn has undertaken to enforce the code and to ensure that all Advisors observe the code for the sake of cultivating industry and company's professional best practice standards.
- v. In the event of complaints from customers that an Advisor has acted in breach of the code, the Advisor shall be required to cooperate with the company in establishing the facts. The complainant shall be informed that he can refer the complaint to the company, if not so referred. It shall be an overriding obligation of an Advisor at all times to conduct business with utmost good faith and integrity.
- vi. The Business of Financial Services is hereby declared to be a public trust in which Advisors of all companies have a common obligation to work together in serving the best interests of the customers, by understanding and observing the laws governing Financial Services in letter and its spirit, by presenting accurately and completely every fact essential to a client's decision, and by being fair in all relations with colleagues and competitors, always placing the customer's interests first.
- vii. Rebating is hereby declared to be unethical and defined as giving or offering to give any inducement not included in the product to persuade or induce a person to purchase a product, and this practice is declared to be unethical.
- ix. Defamation is hereby declared to be unethical and defined as making, publishing or circulating any oral, written or printed statement which is false, or maliciously critical of or derogatory to the financial condition of any Financial Services Company, or which is calculated to injure any person engaged in the business of Financial Services.
- x. Misrepresentations are hereby declared to be unethical and defined as making, publishing, or circulating any false, deceptive or misleading statements or illustrations: (1) as to the terms, benefits or other advantages of any product

already issued, or to be issued; (2) or as to the financial conditions of any Financial Services Company; (3) or with respect to any person in the conduct of his financial services business, and these practices are declared to be unethical.

- xi. Wherever an Advisor submits a written application for any prospective client, such application should contain the following information: the Company whose product is proposed to issue; the date of the application, and the signature and address of the Advisor submitting it.

## 1. GENERAL SALES PRINCIPLES

- 1.1 The Advisor shall at all times comply with all applicable laws and regulations in which he/she may solicit business and before soliciting any such business, he/she shall obtain and thereafter maintain in effect any license or qualification which he/she may be required to hold by law.
- 1.2 The Advisor shall at all times use his/her best efforts to promote the financial services industry and to do nothing contrary to the industries' interest.
- 1.3. The Advisor shall promptly transmit to the Company all applications for investments received by him/her together with any payment made to him/her thereon.
- 1.4. **The Advisor shall not accept any business payments in cash from the Client.** This Code rejects the instance of a fiduciary capacity that may arise or be thought to arise in the Advisor. In this regards, the Advisor shall refuse to accept cash payments and in addition shall not perform any banking tasks for the client. Any act contrary to the above is punishable and can even face legal prosecution.
- 1.5. The Advisor shall not publish any advertising matter, issue circulars or write any letter to any publication concerning the company without first obtaining a written approval of the said company.
- 1.7. All Advisors shall maintain a loyal and professional relationship with one another in the knowledge that it is only through coordinated action that an orderly investment market can be achieved.
- 1.9. An Advisor shall:
  - a) Congratulate customers for having any existing industry or company product whatsoever,
  - b) Whilst selling a product, ensure as far as possible, the investment

- proposed is suitable to the needs of that client,
- c) Give advice only on those investment matters in which he/she is knowledgeable and seek or recommend other specialist from the company to advice when necessary,
  - d) Treat all information supplied by the client as completely confidential to him/herself and to the company to which the business is being offered.

2.0. An Advisor shall not make inaccurate or unfair criticisms of a company or make comparisons with other types investment unless he/she makes clear the differing characteristics of each investment.

## 2. EXPLANATION OF THE CONTRACT

2.1 Where an Advisor has been supplied with an illustration by Cytonn Investments, he/she shall use the whole illustration in respect of the product which he/she is discussing with the prospective client, and no other, and shall not add to it or remove from it or select only the most favorable aspects of it.

The Advisor shall not make any false, deceptive or misleading statements of Illustrations pertaining to any investment company's product and benefits.

2.2 An Advisor shall: -

- a) Explain all the essential provisions of the product, which he/she is recommending so as to ensure as far as possible that the prospective client understands what he/she is buying;
- b) Draw attention to any restriction and exclusions applying to the investment.
- c) If necessary, obtain from Cytonn Investments specialist advice in relation to items (a) and (b) above.
- d) Refrain from offering benefits over and above that which the investment normally grants without the Company's prior consent and
- e) Not impose any charge in addition to the fee required by the investment company.
- g) Draw attention to how taxation is treated in the products being paid by he company

- 2.3 Where the investment offers participation in profits, or otherwise depends on variable factors such as investment performance, descriptions of the benefits shall distinguish between fixed and projected benefits.
- 2.4 Where projected benefits are illustrated, it should be made clear where applicable, that they are based on certain assumptions, for example future market occurrences or stock market performance and hence are not guaranteed, and these benefits declared in the future may be lower or higher than those presumed, (past performance may not necessarily be repeated in future).

### 3. DISCLOSURE OF UNDERWRITING INFORMATION

- 3.1. The Advisor shall in obtaining the completion of the product form or any other materials:
  - a) Avoid influencing the prospective client and make it clear that all the answers and statements are the latter's own responsibility and
  - b) Ensure the consequences of non-disclosure and inaccuracies are pointed out to the prospective client by drawing his/her attention to the relevant statements in the product form and by explaining them him/herself to the proposer.
- 3.2 The Advisor shall not withhold from the Client any written evidence or documentation relating to the contract of investment.

### 4. PROFESSIONALISM

Expectations to act as a professional include:

- 4.1 The Advisor shall at all times act with integrity, competence, diligence, respect, and in an ethical manner with the public, clients, prospective clients, employers, employees and colleagues in the investment profession;
- 4.2. The Advisor should place the integrity of the Financial Services/ investment profession and the interests of clients above their own personal interests;

- 4.3. The Advisor should develop a direct, personal and trusting relationship with a client in order to advise on the most suitable solution to that particular client;
- 4.4. The Advisor should recognize that the views of others (including other Advisors) may differ from his/her own and the other views may be valid;
- 4.5. The Advisor should take personal responsibility for decisions made.
- 4.6. The Advisor should attend the company events that he/she has been invited to attend. Attendance upon invitation is mandatory unless the Advisor has officially excused himself from attending the event.
- 4.7. The Advisor shall have the responsibility to protect company assets against loss, theft or other misuse. Removal, loss, theft and misuse of company assets including the Cytonn Investments physical premises and equipment, records and customer information directly impact the Company's profitability. Without specific authorization, no Advisor shall use company property for a non-company purpose.

## 5. PRESENTATION

- 5.1. More experienced Advisors shall provide the new Advisors with support/assistance at presentations in the initial 2/3 months.
- 5.2. The Advisor shall be at liberty to go for presentations together from time to time to assist each other.
- 5.3. A successful investment closure arising from the above situation shall belong to the initiator of the meeting.
- 5.4. Where the individuals of the said is willing to invest on a personal level, the accounts shall be shared subject to an agreement entered into by the Advisor.
- 5.5. The Advisors shall at all time keep each other informed on the progress of any accounts arising from the meeting.

## 6. CLIENT POACHING

- 6.1 Any Advisor who poaches another's client shall be severely disciplined;
- 6.2 The commissions arising from a poached client shall be clawed back and offered to the rightful owners once it is established that the client was poached.
- 6.3 The Advisor shall at all time enquire from the client whether he/she has previously dealt with another Advisor and if he/she establishes that he/she has, shall immediately end the discussions and in the spirit of teamwork, connect the other Advisor with the Client..
- 6.4 Any Advisor who receives a call or encounters a complaint from a client concerning another Advisor shall take all steps to create a good picture of his/her fellow Advisor and of Cytonn Investments.

## 7. HOARDING OF WALK-IN CLIENTS

Any member of staff that comes into contact with a client who is in need of assistance shall not refer that client to a particular Advisor but shall direct that client to the office reception.

## 8. MARKET NICHE

- 8.1 No single organization or sector belongs to one particular Advisor.
- 8.2 The individual or organization becomes a client of Cytonn Investments once the Advisor closes business with members of that organization or individual.
- 8.3 In case of market niche the Advisors shall compromise and reach an agreement that will be to the best interest of the client.

## 9. INSIDER INFORMATION

The Advisor shall never use insider information to take advantage of another Advisor's business.

## 10. CONFIDENTIALITY

- 10.1 The Advisor shall maintain strict confidence in all confidential and proprietary

information Cytonn Investments and its operating companies except where disclosure is authorized by Cytonn Investments or required by Law.

- 10.2 All Advisors are required to respect and observe the property rights of other companies and their proprietary information. The unauthorized use and distribution of such proprietary information of others violates Company policy and may also be illegal.
- 10.3 The obligation to protect the company's proprietary and confidential information continues even after termination of the contract with the company. Upon terminating the contract, the Advisor shall be required to return everything that belongs to Cytonn Investments including all property, documents and other materials containing Cytonn Investments and their Client confidential information and must not disclose this information to others after ceasing to be a Advisor.
- 10.4 For the avoidance of doubt confidential and proprietary information includes all non-public information that might be of use to competitors, or harmful to the Cytonn Investments or its Clients, if disclosed. It often includes: Client account information, business research, new product plans, objectives and strategies, records, databases, Commission and benefits data, employee information and any unpublished pricing and financial information.

## 11. CLIENT CONFLICTS

11.1 All Advisors shall make full and fair disclosure of all matters that could reasonably be expected to impair their independence and objectivity or interfere with respective duties to their clients, prospective clients, and fellow Advisors.

11.2 Advisors must ensure that such disclosures are prominent, are delivered in plain language, and communicate the relevant information effectively.

11.3 Any Advisor who makes the initial contact with the client shall continue to service the said client until or unless a conflict arises between him/herself and another Advisor. Any conflict between two Advisors shall be forwarded to the Cytonn leadership team.

## 12. PENALTIES IN THE EVENT OF BREACH OF THE CODE

Disciplinary action shall be taken for breach of this code of conduct as per the



Company's disciplinary policy. Where the breach involves instances of fraud, the Advisor shall risk the instance of prosecution by the authorities.

### **13. REPORTING VIOLATIONS TO THE CODE**

13.1 The Company encourages all Advisors to promptly report any suspected or actual violations of the code. The Company also encourages the Advisors to seek guidance if uncertain as to the appropriate course of conduct to follow when an instance of conflict with the code arises.

13.2 Any Advisor becoming aware of potential or incumbent unethical or illegal practices within Cytonn Investments should immediately inform the Cytonn Leadership team in writing, providing full information on the matter and evidence on the practice discovered. Protecting Cytonn Investments against legal risk is a company effort and Cytonn Investments appreciates the assistance of the Advisors in assisting the Company manage its legal risks.

### **14. EXECUTION OF THE CODE**

This code shall be executed alongside the Advisors contract for services and shall remain in force as long as the Advisors contract shall remain in force. Please note that the continuing obligations under this code shall not terminate upon the termination of the Advisors Contract.

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### **DECLARATION**

I commit to abide by the Code of Conduct outlined above and to uphold the core values of Cytonn Investments Business, which includes professionalism, integrity and high ethical standards.

NAME OF ADVISOR:

WITNESS:

SIGNATURE:

SIGNATURE:

DATE:

DATE: