



# **CMMF AGENCY CODE OF CONDUCT**

## 1 Introduction

- i. The terms **Agent** used in this code means Independent CMMF Sales Agent
- ii. The product referred to in this code covers the Cytonn Money Market Fund (CMMF) offered by Cytonn Asset Managers Limited a regulated affiliate of Cytonn Investments Management "Cytonn or Cytonn Investments" at any given time
- iii. Cytonn has undertaken to enforce the code and to ensure that all agents adhere to the terms and conditions for the sake of cultivating industry and the company`s professional best practice standards.
- iv. In the event of complaints from customers that an Agent has acted in breach of the code, the Agent 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 Agent at all times to conduct business with the utmost good faith and integrity
- v. The Business of Financial Services is hereby declared to be a public trust in which Agents 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 the Cytonn Money Market Fund in letter and in 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.
- vi. 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
- vii. 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.
- viii. 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 Cytonn Investments; (3) or with respect to any person and/or company in the conduct of his financial services business, and these practices are declared to be unethical
- ix. Wherever an Agent submits a written application for any prospective client, such application should contain the following information: the type of product proposed to be issued; the date of the application, and the signature and address of the Agent submitting it

## 2 General Sales Principles

1. The Agent shall at all times comply with this code, 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 and or any training certification required to be held by Cytonn Investments.
2. The Agent shall at all times use his/her best efforts to honestly promote Cytonn Investments, the financial services industry and to do nothing contrary to Cytonn Investment`s interest.
3. The Agent shall promptly transmit to the Company all applications for investments received by him/her together with any payment made to him/her thereon
4. **The Agent 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 Agent. In this regard, the Agent 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

5. The Agent shall not publish any advertising matter, issue circulars or write any letter to any publication concerning the company without first obtaining written approval of the said company.
6. All Agents 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
7. An agent shall only:
  - i. Congratulate customers for having any existing industry or company product whatsoever,
  - ii. Whilst selling a product, ensure as far as possible, the investment proposed is suitable to the needs of that client,
  - iii. Give advice only on those investment matters in which he/she is knowledgeable and seek or recommend another specialist from the company to advice when necessary,
  - iv. Treat all information supplied by the client as completely confidential to him/herself and to the company to which the business is being offered
8. An Agent shall not make inaccurate or unfair criticisms of a company or make comparisons with other types of investment unless he/she makes clear the differing characteristics of each investment

### 3 Explanation of the Contract

1. Where an Agent has been supplied with an illustration by Cytonn Investments and specifically on the product Cytonn Money Market Fund, 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 favourable aspects of it. The Agent shall not make any false, deceptive or misleading statements of Illustrations pertaining to the product and its benefits.
2. An agent shall:
  - i. 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;
  - ii. Draw attention to any restriction and exclusions applying to the investment.
  - iii. If necessary, obtain from Cytonn Investments specialist advice in relation to items (i) and (ii) above.
  - iv. Refrain from offering benefits over and above that which the investment normally grants without the Company's prior consent and
  - v. Not impose any charge in addition to the fee required by the investment company.
  - vi. Draw attention to how taxation is treated in the products being paid by the company
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.
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).

### 4 Disclosure of Underwriting Information

1. The Agent shall in obtaining the completion of the product form or any other materials:

- i. Avoid influencing the prospective client and make it clear that all the answers and statements are the latter's own responsibility and
  - ii. 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
2. The Agent shall not withhold from the Client any written evidence or documentation relating to the contract of investment.

## 5 Professionalism

1. The Agent 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
2. The Agent should place the integrity of the Financial Services/ investment profession and the interests of clients above their own personal interests
3. The Agent 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. The Agent should recognize that the views of others (including other Agents) may differ from his/her own and the other views may be valid
5. The Agent should take personal responsibility for decisions made
6. The Agent should attend the company events that he/she has been invited to attend. Attendance upon invitation is mandatory unless the Agent has officially excused himself from attending the event.
7. The Agent shall have the responsibility to protect company assets against loss, theft or other misuses. Removal, loss, theft and misuse of company assets including the Cytonn Investments equipment, records and customer information. Without specific authorization, no Agent shall use company property for a non-company purpose.

## 6 Market Niche

1. No single organization or sector belongs to one particular Agent.
2. The individual or organization becomes a client of Cytonn Investments once the Agent closes business with members of that organization or individual.
3. In the case of a market niche, the Agents shall compromise and reach an agreement that will be to the best interest of the client.

## 7 Confidentiality

1. The Agent shall maintain strict confidentiality in all confidential and proprietary information Cytonn Investments and its operating companies except where disclosure is authorized by Cytonn Investments or required by Law
2. All Agents are required to respect and observe the property rights of other companies and their proprietary information.
3. The obligation to protect the company's proprietary and confidential information continues even after the termination of the contract with the company. Upon terminating the contract, the Agent 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 an Agent.
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.

## 8 Penalties

In the event of a 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 Agent shall risk the instance of prosecution by the authorities and termination of the contract

## 9 Reporting violations to the code

1. The Company encourages all Agents to promptly report any suspected or actual violations of the code. The Company also encourages the Agents to seek guidance if uncertain as to the appropriate course of conduct to follow when an instance of conflict with the code arises.
2. Any Agent 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 Agents in assisting the Company to manage its legal risks

## 10 Amendments

Cytonn Investments may amend this Code from time to time. If any amendment results in greater cost or liability to an Agent or imposes stricter limitations, we will give you at least (30) days' notice by sending a copy of the amendment to you at your most recent address (whether physical, postal or email as the case may be) and as shown on our records.