

CONFLICTS OF INTEREST POLICY

DEFINITIONS

“Conflict of Interest”

Means any situation in which a financial services provider (FSP) or a representative has an actual or potential interest that may, in rendering a financial service to a client either:

- Influence the objective performance of his, her or its obligations to that client; or
- prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client, including, but not limited to financial interest, an ownership interest or any relationship with a third party”

“Third Party”

Means:

- a product supplier
- another FSP
- an associate of a product supplier or an FSP
- a distribution channel
- any person, who in terms of an agreement or arrangement provides a financial interest to an FSP or its Representatives

“Financial Interests or Benefits”

Means, any financial interest , benefit or advantage an fsp or its representative may receive:

- money
- services

- vouchers
- discounts
- accommodation
- gifts
- entertainment
- shares
- travel
- sponsorships

An interest may also not be financial, but may still benefit the FSP, its representative or related person.

“Conflicts Committee“

Means a committee, consisting of one or more persons, appointed by the FSP, that is responsible for the implementation, monitoring and disclosure requirements as defined in this Policy.

CONFLICTS MANAGEMENT PROCESS

The FSP undertakes to avoid and where this is not possible, mitigate, any conflict of interest between the provider and a client or the representative and a client;

The FSP must ensure that adequate arrangements are in place for the management of conflicts of interest that may arise wholly or partially, in relation to the provision of any financial services to clients by the FSP, or any Representative of the FSP, as part of the financial services business of the FSP.

All Interested Persons must disclose in writing to the Conflicts Committee on an on-going basis, any conflicts of interest that they become aware of.

All disclosed conflicts of interest must be reviewed by the Conflicts Committee and any decision by such Committee be documented.

Disclosed Conflicts of Interest must be dealt with in one of the following manners:

- Investigate alternatives to a proposed transaction, contract or arrangement that is the subject of a disclosed conflict of interest.
- After exercising due diligence the Conflicts Committee should determine whether the FSP can obtain a more advantageous transaction, contract or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction, contract or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Conflicts Committee shall determine by a majority vote whether the transaction, contract or arrangement is in the best interest of the FSP and any affected client/s and accordingly make its decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination.

The FSP will not offer any financial interest to a representative for:

- Giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients
- Giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
- Giving preference to a specific product or a product supplier, where a representative may recommend more than one product of that product supplier to a client.

SPECIFIC DISCLOSURE REQUIREMENTS

The FSP or a representative of the FSP must, in writing, at the earliest reasonable opportunity disclose to a client any conflict of interest in respect of that client, including:

- The measures taken, in accordance with the conflict of interest management policy of the provider, to avoid or mitigate conflict;
- Any ownership interest or financial interest, other than an immaterial financial interest, that the provider or representative may become eligible for; and
- The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to a client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest;
- Inform a client of the conflict of interest management policy and how it may be accessed.

THE RECEIPT OF FINANCIAL INTEREST OF BENEFITS

The FSP and any representative of the FSP may not during any 12 month period, receive any financial interest or benefit from any third party (as defined) for a value exceeding R 1000.00

Representatives are obligated to report all gifts, and the FSP will take care to keep a central register of such incentives and gifts for inspection by the Conflicts Committee.

VIOLATION OF THE CONFLICTS OF INTEREST POLICY

If there is reason to believe that an Interested Person has failed to disclose actual or possible conflicts of interest, the Conflicts Committee shall afford that person the opportunity to explain the alleged failure to disclose.

If after hearing the response of the Interested Person and making such further enquiries as may be warranted in the circumstances, the Conflicts Committee determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

REVIEW OF THE CONFLICTS OF INTEREST POLICY

The conflict of interest policy will be regularly reviewed, internally or by an outside party such as an auditor or compliance officer, and where necessary, updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control conflicts of interest; the policy will be overseen by the Conflicts Committee who carry responsibility for the implementation, reviewing and updating process.