

**Name of Policy:** Conflict of Interest Mgmt Policy **Date of Policy being replaced:** N/A

**Date of Board Approval:** 31 January 2020

**Date of Revision:** 19 September 2023

**Date of Next Review:** 1 Sept 2024

## **CONFLICT OF INTEREST MANAGEMENT POLICY**

This document sets out the manner in which FinPlanCo (Pty) Ltd ("FPC" or "the company") manages its potential conflicts of interest.

This Conflict of Interest Management Policy is designed on the lines prescribed in Board Notice 58 of 2010 which amends the General Code of Conduct for Financial Services Providers and Representatives published in Board Notice 80 of 2003, as amended by Board Notice 43 of 2008. Full details of Board Notice 58 of 2010 are available on the FSB website. Hard copies will be furnished on request.

This Conflict of Interest Management Policy intends to document our existing conflict of management procedures in a simple form as required by the Financial Services Board. This policy should also be read together with our Disclosure Documents.

This policy together with the company's Disclosure Documents shall be revised annually. The policy shall further be read by every employee or representative. All employees and representatives shall also sign a declaration of understanding of the policy, as set out on page one of this document.

### **WHAT IS A CONFLICT IF INTEREST?**

A conflict of interest may occur when, in rendering a financial service to clients the independent financial adviser:

- does not act objectively, or
- does not render an unbiased or fair service to clients, or
- does not act in the client's best interests.

This could occur where the independent financial adviser has a **financial** or **ownership interest** in the client or the client's enterprise or has a relationship with a third party or product supplier.

### **WHAT IS A FINANCIAL INTEREST?**

A **financial interest** includes cash, cash equivalents, vouchers, gifts, services, advantages, benefits, discounts, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentives or valuable considerations, **other than:**

- An ownership interest;
- Training by a product supplier on products, general industry information and technical systems, that is not exclusively available to a selected group of providers or representatives except for travel and accommodation associated with that training.

### **WHAT IS AN OWNERSHIP INTEREST?**

An **ownership interest** includes:

- any equity or proprietary interest for which a fair value was paid on acquisition other than such an interest held by a nominee;
- any dividend, profit share or similar benefit derived from such interest.

### **WHAT IS OUR UNDERTAKING TO OUR CLIENTS WITH REGARD TO CONFLICTS OF INTEREST?**

FPC will enter into third party relationships with certain product suppliers which will be listed in our Terms of Business Register and on our Disclosure Documents. The company confirms and undertakes that:

- We do not have an ownership interest in any of the listed product suppliers;
- We are not subject to exclusive training as mentioned above;
- There are no other circumstances which could lead to a potential conflict of interest;
- Should any conflicts arise with regard to any of these prior to entering into any business transaction with a client **we undertake to disclose these and take action as indicated below**;
- Where a financial or ownership interest does indeed exist and this interest does not exceed R1 000 in aggregate to all our representatives and key individuals it is considered an immaterial financial interest.

### **WHEN WILL FPC RECEIVE A FINANCIAL INTEREST?**

We confirm that we will only receive financial interest from the listed product suppliers in the form of:

- Commission authorised under the Long-term Insurance Act, 52 of 1998;
- Commission authorised under the Medical Schemes Act, 131 of 1998;
- Fees under the aforesaid acts if these fees are reasonably commensurate to the service being rendered;
- Fees for rendering a financial service in respect of which no commission or fees are paid as aforesaid, if those fees are specifically agreed to by the client in writing and may be stopped at the client's discretion;
- Fees or remuneration for the rendering of a service to a third party, which fees are reasonably commensurate to the service being rendered;
- Subject to any other law, an immaterial financial interest.

We confirm we **will not** offer any financial interest to our key individuals or representatives for-

- Favouring quantity of business over quality of service; or
- Favouring a specific product supplier where required to recommend more than one supplier to a client; or
- Giving preference to a specific product over other products of a product supplier.

### **ARE THERE ANY EXISTING POTENTIAL CONFLICTS OF INTEREST WHAT CLIENT'S SHOULD BE AWARE OF?**

No, however FPC will disclose any potential conflicts of interest to clients in the Disclosure Documents.

The Disclosure Documents:

- Shall be revised and updated annually;
- Shall be printed and handed to all new clients;
- Shall be sent electronically to all clients annually after the documents are revised and updated.

### **WHAT WILL HAPPEN SHOULD A NEW CONFLICT OF INTEREST ARISE?**

Where a conflict of interest arises FPC undertakes to:

- Recognize the existence of a material conflict of interest;
- Notify all affected clients thereof immediately, and
- Immediately take steps to avoid such conflict of interest.

Should, however, a conflict of interest arise which cannot be avoided, then FPC shall:

- Immediately disclose, in writing, the nature and extent of the conflict of interest together with any possible steps that may be taken to mitigate the conflict, and
- Where applicable, afford clients the opportunity of reviewing their decisions to use or continue to use the company's services.

**TO ENSURE COMPLIANCE WITH THE POLICY WE HAVE SET UP THE UNDER MENTIONED INTERNAL PROCEDURES:**

- All employees, representatives and others, are required to read Board Notice 58 of 2010 as well as this policy and to sign a statement to the effect that they have done so and fully understand the provisions of both documents and the application thereof.
- Comprehensive training on the conflict of interest policy will be provided by the External Compliance Officer either as part of general FAIS training or specifically.
- The Key Individual will conduct ad hoc checks on business transactions to ensure the policy has been complied with.
- The External Compliance Officer will include monitoring of the conflict of interest policy as part of his general monitoring duties and will report thereon in the annual compliance report.
- Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.
- Avoidance, limitation or circumvention of this policy via an associate will be deemed non-compliance.
- Each representative is responsible for assessing all financial interests paid or received as well as any other interests and identifying any conflict.
- The management of FPC will however also periodically assess all financial interests paid or received by us as a provider and/or representatives and identify any conflict of interest.
- Any financial or other interest which constitutes a potential or actual COI, will not be allowed and must be avoided, where possible.
- All employees must disclose to us, in writing, all financial interests paid or received directly by themselves as well as any ownership interests.