

CONFLICT OF INTEREST MANAGEMENT POLICY

1. INTRODUCTION & PURPOSE

The purpose of this policy is to provide guidance in identifying and handling Conflicts of Interest involving Retirement Planning Services (Pty) Ltd and Retirement Planning Services International (Pty) Ltd (“the RPS Group”) and its employees, which may arise in the rendering of financial services to clients.

In terms of the General Code of Conduct for Authorised Financial Services Providers and Representatives, as amended, issued in terms of the provisions of the Financial Advisors and Intermediary Services Act (Act no. 37 of 2002) (“FAIS Act”) financial services providers must take all necessary steps to eliminate any practices and/or services that may create a conflict between their interests and the interests of an existing or potential client.

The RPS Group sets high standards of service and advice and have due regard to its clients and has therefore put into place a Conflict of Interest Management Policy to ensure that no service or advice would be compromised by any conflict of interest.

This policy aims to promote transparency and fairness in the interest of clients, representatives, and providers. This policy applies to all representatives, third parties where applicable and, associates as defined.

No representative of the company may avoid, limit, or circumvent, or attempt to avoid, limit or circumvent compliance with the company’s Conflict of Interest Management policy through or with assistance of an associate or third party or through any arrangement involving an associate or a third party.

2. DEFINITIONS

“Associate” means in the case of a company, any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary.

“Conflict of interest” means any situation in which a person has an actual or potential interest that may, in rendering a financial service to a client:

- a) influence the objective performance of their obligations towards such client or
- b) prevent a person from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client.

“Employee” means an individual who has entered into a permanent, fixed term or temporary contract of employment with the RPS Group.

“FAIS” means the Financial Advisory and Intermediary Services Act, No. 37 of 2002.

"Financial Interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive, or valuable consideration, other than training, that is not exclusively available to a selected group of providers or representatives, on:

- a) Products and legal matters relating to those products;
- b) General financial and industry information; and
- c) Technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.

"FSP" means a Financial Services Provider

"Immaterial Financial Interest" means any financial interest with a determinable monetary value, the aggregate of which does not exceed ZAR1 000 in any calendar year in relation to the same Third Party in such calendar year received by –

- a) a representative of the company for that representative's direct benefit
- b) the company, who for its benefit or that of some or all of its representatives

"Ownership interest" means –

- a) any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person and
- b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

"Representative" means any person, including a person employed or mandated by such first-mentioned person, who renders a financial service to a client for or on behalf of a financial services provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting, or other service in a subsidiary or subordinate capacity, which service –

- a) does not require judgement on the part of the latter person or
- b) does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.

"RPS Group" means Retirement Planning Services (Pty) Ltd and Retirement Planning Services International (Pty) Ltd

"Third party" means –

- a) a product supplier within the financial services industry
- b) a financial services provider
- c) Any other service provider which provides or may potentially provide services.
- d) All clients or potential clients for whom the RPS Group renders a permitted financial service.

3. IDENTIFYING A CONFLICT OF INTEREST

Conflict of interest is any situation, including financial interest, ownership interest, or any relationship with a third party, in which a provider or representative has actual or potential interest that may:

- Influence the objective fulfilment of obligations to a client;
- Influence the offering of unbiased and fair advice or service to a client; or
- Prevent the provider or representative from acting in the best interest of a client.

This may include:

- Real or perceived financial gain resulting from recommendations to our clients that prejudice the client;
- An outcome of service delivery or transaction that may not best serve the interest of the client;
- Non-cash incentives that may be received by the company as a result of effecting any predetermined transaction and/or product; and
- Effecting a transaction and/or product that may benefit a party other than the client.

The conflicting interest referred to throughout this policy may be direct or indirect - the interest might be that of the Responsible Person, that of another person such as a relative or friend of the Responsible Person, or that of an organisation in which the Responsible Person or such other person has an interest.

4. FINANCIAL INTERESTS THAT ARE ALLOWED

The RPS Group and its representatives may only receive or offer the following financial interest from or to a third party. The financial interest includes but is not limited to –

- a) Commission, management and or administration fees authorised in terms of the Long-term Insurance Act (No. 52 of 1998), the Short-term Insurance Act (No. 53 of 1998) or the Medical Schemes Act (No. 131 of 1998).
- b) Commission is strictly monetary amounts paid to the company, designated as such, and determined on a basis specified by regulation.
- c) Fees authorised in terms of the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act if those fees are reasonably in line to a service being rendered.
- d) Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (a) or (b) above is not paid, if those fees –
- e) are specifically agreed to by a client in writing and
- f) may be stopped at the discretion of the client.

- g) Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably in line with the service being rendered.
- h) Subject to other legislation, an immaterial financial interest

The RPS Group does not offer any financial interest to its representatives for:

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

5. INTERNAL CONTROLS TO IDENTIFY CONFLICTS OF INTEREST

The FSP has implemented the following internal controls to identify actual or potential conflicts of interest that may arise:

- a) The FSP conducts annual reviews on all contracts held with third parties to assess whether the contractual relationship in any way influences:
 - the FSP's objective performance towards its clients
 - the FSP's ability to render fair and unbiased financial services towards its clients
 - the FSP's ability to act in the best interest of the client
- b) The FSP conducts annual reviews on all relationships where an ownership interest exists between the FSP and a third party. The purpose of the review is to assess whether the relationship may in any way influences the
 - FSP's objective performance towards its clients
 - FSP's ability to render fair and unbiased financial services towards its clients
- c) Conflict of Interest declarations are signed by all representatives on an annual basis. The purpose of collecting Conflict of Interest declarations is to assist the FSP and the appointed Compliance Officer to identify actual or potential conflicts of interest.
- d) A list of the FSP's associates is attached as an annexure hereto. The list is reviewed on an annual basis.
- e) A list of all third parties that holds an ownership interest in the FSP is attached as an annexure hereto. The list is reviewed on an annual basis.
- f) The FSP maintains a Gift Register. All gifts received from a third party with an estimated value of R1000 or more must be recorded in the FSP's Gift Register.
- g) All relevant representatives are required to immediately disclose in writing to the Directors of the FSP and the FSP's Compliance Officer, any actual or potential conflicts of interest as soon as they become aware of such situation.

- h) The Compliance Officer must log all conflicts, as well as the mitigation controls put in place to manage the conflict whether the conflict has been avoided or a decision has been taken to proceed with the conflict. in the Conflict of Interest Register The register is updated when a conflict becomes apparent but reviewed at least on an annual basis.
- i) Comprehensive training is provided on the Conflict of Interest Policy to representatives on an annual basis.

6. DISCLOSURE OF CONFLICTS OF INTEREST

If a representative comes across a business practice or situation that he or she believes to be a Conflict of Interest involving the RPS Group, the Conflict of Interest must be avoided.

If all attempts at avoiding the Conflict of Interest have been exhausted and the Conflict of Interest is considered unavoidable, the representative must immediately report this to a director of the company and the Compliance Officer and seek guidance on what further action should be taken in order to mitigate the Conflict of Interest as far as possible.

The RPS Group and its representatives must at the earliest reasonable opportunity disclose to a client any conflict of interest in respect of that client (and all impacted parties) as well as to the Group Compliance Officer.

Where a conflict of interest cannot be avoided, consent to proceed or act in the circumstances must be obtained. If, after an evaluation of all relevant factors, it is concluded that it is not feasible to avoid a conflict, it must be suitably managed. This entails the affected representative and Compliance Officer jointly developing mitigating measures to reduce any negative effect on the client and informing the client about the conflict of interest.

The disclosure to the client must be made in writing and contain the following information which includes, but is not limited to:

- What steps have been taken, in accordance with this policy, to avoid or where avoidance is not possible, to mitigate the conflict;
- Details of the relationship with a Third Party that has caused the conflict of interest; and
- Details about any financial interest or ownership interest which RPS or a representative may have that would benefit RPS or such representative.

7. CONSEQUENCES OF NON-COMPLIANCE

The FAIS Act provides for penalties if a person is found guilty of contravening the Act, or of noncompliance with the provisions of the Act. The penalty for non-compliance of specific provisions of the Act, is an amount of up to R1 million or a period of imprisonment for up to 10 years.

The Registrar of FAIS is empowered to refer instances of non-compliance to an Enforcement Committee that may impose administrative penalties on offenders.

The FAIS Act also gives the Registrar the powers to revoke the license of an FSP.

Representatives’ failure to provide disclosures will be seen as a transgression of the Code of Ethical Conduct and will be dealt with in terms of the RPS Group’s Disciplinary Code.

Certain transgressions of this policy may result in civil or criminal prosecution.

All potential transgressions of this policy must be investigated fairly and objectively and be reported by the relevant compliance department to the relevant Director for a decision.

8. LIST OF ASSOCIATES

Retirement Planning Services (Pty) Ltd has no associates.

Retirement Planning Services International (Pty) Ltd has no associates.

9. LIST OF THIRD PARTIES IN WHICH THE RPS GROUP HOLDS AN OWNERSHIP INTEREST

Retirement Planning Services (Pty) Ltd has no ownership interest in any third party.

Retirement Planning Services International (Pty) Ltd has no ownership interest in any third party.

10. LIST OF THIRD PARTIES THAT HOLD AN OWNERSHIP INTEREST IN THE PROVIDER

PROVIDER	SHAREHOLDER	SHAREHOLDING
Retirement Planning Services (Pty) Ltd	Chrisandine Trust IT 1523/94	50%
	Anchor Group Ltd 2009/005413/06	50%
Retirement Planning Services International (Pty)Ltd	Anchor Group Ltd 2009/005413/06	50%
	Value Investment Trust IT 1097/2005	30%
	Atalaya Trust IT 1900/2000	20%