

## CONFLICT OF INTEREST POLICY

Policy Area	Conflict of Interest	FAIS - COI
Approved Date	19-10-2016	
Approved By	Elsabe Van Zyl	
Responsible Manager	Elsabe Van Zyl	
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This policy is intended to guide customers and staff to meet [name of business] Advisors cc's customer management process in the management of conflicts of interest. To ensure that our customers are treated fairly, and are not prejudiced in any way by the existence of a conflict of interest which may unduly influence our fiduciary responsibility.

### SCOPE

This policy covers all individuals working at all levels and grades, including managers, officers, employees, consultants, contractors, trainees, homeworkers, part-time and fixed-term employees, casual staff and volunteers (collectively referred to as staff or employees). All staff are responsible for their own compliance with this policy and for ensuring that it is consistently applied. All staff should ensure that they take the time to read and understand their roles and responsibilities in respect of it. Breach of this policy will be dealt with under our Disciplinary Procedure and may be treated as gross misconduct which could result in dismissal.

### REVIEW OF THIS POLICY

The policy shall be reviewed annually to ensure that it meets legal requirements and reflects best practice. All staff are to be trained in respect of this policy and understand their roles and responsibilities in respect of it

### PURPOSE/SUMMARY

ELSABE VAN ZYL EXECUTIVE BROKERS CC conducts its business honestly and ethically wherever we operate in the world. We constantly improve the quality of our services, products and operations and strive to create and maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates is in ELSABE VAN ZYL EXECUTIVE BROKERS CC best interest.

ELSABE VAN ZYL EXECUTIVE BROKERS CC will not compromise its principles for short-term advantage. The ethical performance of this business is the sum of the ethics of the men and women who work here; thus, we are all expected to adhere to high standards of personal integrity. We also need to acknowledge that operating a business naturally creates conflicts increases reputational risk; often to dangerous levels."

Definitions :

"Conflict of interest: Applies when rendering a financial service to our clients and where we (provider or representative) have an actual or potential interest that may:

- a) influence the objective performance of obligations to our client
- b) prevents us from rendering an unbiased and fair financial service to our client
- c) prevents us from acting in the interests of our client"

"This includes, but is not limited to:

A) A FINANCIAL INTEREST

(Cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration , and includes travel and accommodation in respect of training)

B) AN OWNERSHIP INTEREST

(any ownership interest which was bought for fair value, and any dividend, profit share or similar benefit derived from this)

C) ANY RELATIONSHIP WITH A THIRD PARTY

A third party is:

- a) A Product supplier or its associate
- b) Another financial services provider or its associate
- c) A Distribution channel
- d) any person who provides a financial interest to a provider/ representative as result of an agreement with a product supplier or its associate
- e) any person who provides a financial interest to a provider/ representative as result of an agreement with another FSP or its associate"

Introduction

A conflict of interest may exist when a member / employees is involved in an activity or has a personal interest that might interfere with his or her objectivity in performing business duties and responsibilities.

Such conflicts may appear as favouritism or otherwise damage the reputation of ELSABE VAN ZYL EXECUTIVE BROKERS CC or its employees.

An actual conflict of interest does not need to be present to constitute a violation of this procedure. Activities that create the appearance of a conflict of interest must also be avoided to ensure that the reputation of ELSABE VAN ZYL EXECUTIVE BROKERS CC and its employees are not harmed.

Personal interests of employees must not influence or appear to influence business transactions. This procedure provides the requirements for managing, avoiding and disclosing potential conflicts of interest and the process for obtaining a conflict of interest review.

The purpose of this document is to provide our clients with appropriate information in relation to the policies we have in place to manage conflicts of interest.

#### Identifying conflicts of interest

To adequately manage conflicts of interest, [name of business] Advisors cc must identify all relevant conflicts timeously. In managing conflicts of interest, our procedure is to:

- identify the conflicts of interest;
- assess and evaluate those conflicts; and
- decide upon, and implement, an appropriate response to those conflicts"

The following is a list of possible management strategies to manage the potential or actual conflict of interest:

1. Avoid the conflict of interest
2. Mitigate the impact
3. Where this is not possible, full disclosure of the Conflict of interest (COI.)"

#### **MATERIAL CONFLICTS:**

Officers and employees must avoid representing ELSABE VAN ZYL EXECUTIVE BROKERS CC in any transaction with others with whom there is any outside business affiliation or relationship. Officers and employees must avoid using their business contacts to advance their private business or personal interests at the expense of ELSABE VAN ZYL EXECUTIVE BROKERS CC its clients or affiliates.

Officers and employees of ELSABE VAN ZYL EXECUTIVE BROKERS CC must never permit their personal interests to conflict, or appear to conflict, with the interests of ELSABE VAN ZYL EXECUTIVE BROKERS CC its clients or affiliates.

This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients at a cost to the client.
- An outcome in service delivery or a transaction that may differ from the real interest of the client.
- Any non-cash incentives that may be received by [name of business] Advisors cc from affecting any transaction and / or product.
- Effecting a transaction and / or product that may result in a benefit to another party other than the client.

#### **DISCLOSURE AND RECORDKEEPING**

It is this business' policy to avoid all possible conflicts of interest, but if this is not possible, then full disclosure of this conflict must be made in writing to our clients. Part of managing conflicts of interest is making appropriate disclosures.

Our clients will be adequately informed about any conflicts of interest that might affect the provision of financial services to them. This means providing clear, concise and effective disclosure so that clients can make an informed decision about how the conflict might affect the relevant service.

Where a conflict is identified and a decision made, the nature of the decision must be communicated to the third party in writing as soon as possible. This applies regardless of whether the decision was made to stop doing business or continue with [name of business] Advisors cc, despite the existence of the conflict.

Written records of how conflicts of interest are managed, together with all reports referred to, must be kept for a period of 5 years and be available for inspection by the compliance officer on request. (for example, records of disclosures made and actions taken over any breaches of policies and procedures)

### **MANAGEMENT AND MITIGATION**

The members of ELSABE VAN ZYL EXECUTIVE BROKERS CC will review all conflicts every quarter and make recommendations regarding steps to avoid a recurrence of those aspects.

### **GIFTS AND INDUCEMENTS**

Representatives are permitted to receive gifts, sporting tickets, vouchers or other items from a product provider, or other FSP, to the maximum value of R1 000 per calendar year. Any items or activities which have a value exceeding this must be returned or paid for by the representative.

#### Examples of Conflicts of Interest:

- Personal interests may include working relationships and/or financial interests with immediate family members or relatives.
- Activities include outside employment in areas similar to those in which our business is involved;
- Outside work for clients, suppliers, vendors, or competitors of the business;
- Operating as a supplier to the FSP; "
- Activities that have the potential to affect the staff member's objectivity;
- Activities that could reflect negatively on the reputation of [name of business] Advisors cc and its employees.
- Holding a financial interest in a business concern that is a supplier, client, partner, subcontractor, or competitor of our business constitutes a conflict of interest under certain conditions.
- Incentive remuneration for placing a quantity of business with only 1 supplier, or for only 1 product of a supplier where a choice is available
- Participating in any activity that might lead to or give the appearance of unapproved disclosures of confidential information or client confidential information
- Using an official position to obtain special privileges or advantages from individuals or businesses

- An employee, officer or director may serve on external non-profit, governmental or for-profit governance boards, however if such service in any way could create an actual or perceived conflict of interest, the services must be disclosed, and approved by the governing authority
- No person may receive or solicit outside employment, including paid service on a governance board, or compensation that would impair the independence of judgment of the individual in performing duties as an employee of ELSABE VAN ZYL EXECUTIVE BROKERS CC.

#### Activities Requiring Full Disclosure:

We, or some other person connected with us may have an interest, relationship or arrangement that is material to the service, or transaction concerned. To manage such conflicts, we require our staff members to fully disclose, and disregard when dealing with our clients:

1. Financial interest in any supplier, client or competitor entity.
2. Acting as an employee, officer, director, consultant, representative, or agent for a supplier, client, partner, subcontractor, or competitor.
3. Engaging in any activity that could create the appearance of a conflict of interest, which may impair our reputation for impartiality and fair dealing.

#### **INSIDER TRADING**

Officers and employees will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded.

This information – whether it is on behalf of our business or any of our clients or affiliates – could include strategic business plans, operating results, marketing strategies, client lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about this business, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

No disclosure of confidential information is permitted without written permission of the client or the most senior manager of this business. Misuse of material inside information in connection with trading in securities can expose an individual to civil liability and penalties. Under current legislation officers, and employees in possession of material information not available to the public are “insiders.”

Spouses, friends, suppliers, brokers, and others who may have acquired the information directly or indirectly from an officer or employee are also “insiders.” The Act prohibits insiders from trading in, or recommending the sale or purchase of securities, while such inside information is regarded as “material”, or if it is important enough to influence you or any other person in the purchase or sale of securities of any business with which we do business, which could be affected by the inside information.

The following guidelines should be followed in dealing with inside information:

Until the material information has been publicly released, an employee must not disclose it to anyone except those within the business whose positions require use of the information.

Employees must not buy or sell securities when they have knowledge of material information concerning the business until it has been disclosed to the public and the public has had sufficient time to absorb the information.

Employees shall not buy or sell shares of another corporation, the value of which is likely to be affected by an action by our business of which the employee is aware and which has not been publicly disclosed.

Officers, and employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.

Officers, and employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. The officers and employees will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors."

#### **STAFF TRAINING AND GENERAL AWARENESS**

All ELSABE VAN ZYL EXECUTIVE BROKERS CC staff must be trained on this policy. A copy of the policy will be provided to each staff member at inception of that staff member's duties and updated versions must be circulated as and when they are updated.

It is our policy to inform all clients of the existence of this policy, and make it available to such clients in the following manner: ON OUR WEBSITE, WE NOTE THE ACCESSIBILITY IN OUR DISCLOSURE DOCUMENT ETC.

Violation of this Code can result in disciplinary action being taken against the person, including possible termination of services. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.