

Investa Financial Services(Pty) Ltd (Investa) - FSP 24958

Conflict of interest

The processes contained herein forms part of Investa's internal control structures and procedures.

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1. Definitions

“Associate”

- a) in relation to a natural person, means –
 - i) a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person,
 - ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock,
 - iii) a parent or stepparent of that person,
 - iv) a person in respect of which that person is recognised in law or appointed by a court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first-mentioned person,
 - v) a person who is the permanent life partner or spouse or civil union partner of a person referred to in subparagraphs (ii) to (iv),
 - vi) a person who is in a commercial partnership with that person.
- b) in relation to a juristic person –
 - i) which is a company, means 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,
 - ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act,
 - iii) which is not a company and/or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person had such first-mentioned juristic person been a company; or
in the case where that other juristic person, also, is not a company, had both the first mentioned juristic person and that other juristic person been a company,
 - iv) means any person in accordance with whose directions or instructions the board of directors or members of, or in the case where such juristic person is not a company or close corporation, the governing body of such juristic person is accustomed to act,
- c) in relation to any person –
 - i) means any juristic person of which the board of directors or members, or in the case where such juristic person is not a company or accordance with the directions or instructions of the person first mentioned in this paragraph,
 - ii) Includes any trust controlled or administered by that person.

“Client”

A specific person or group of persons, excluding the general public, who is or may become subject to a financial service rendered intentionally by the FSP's.

"Conflict of interest"

means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client –

- a) Influence the objective performance of his/her or its obligations to that client; or
- b) Prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interests of the client, including but not limited to:
 - i) A financial interest,
 - ii) An ownership interest,
 - iii) Any relationship with a third party

"Distribution channel"

- a) any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement, any support or service is provided to the provider or providers in rendering a financial service to a client,
- b) any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports, and/or enhances a relationship between the provider or providers and a product Supplier,
- c) any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports, or enhances a relationship between a provider or providers and a product supplier.

"Financial Interest"

A financial interest includes cash, a cash equivalent, voucher, gift, services, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive, or valuable consideration other than:

- a) an ownership interest,
- b) training that is not exclusively available to a selected group of providers or representatives, on
 - i) products and legal matters relating to those products,
 - ii) general financial and industry information
 - iii) specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

"FSP"

Financial Services Provider authorised in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002.

"Immaterial financial interest"

Any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same third party in that calendar year, received by:

- a) a provider who is a sole proprietor,

- b) a representative for that representative's direct benefit,
- c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

"Ownership interest"

- a) An equity ownership interest, for which fair value was paid by the owner, other than equity or ownership interest held by 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.

"Product Supplier"

Any person or juristic person who issues a financial product by virtue of an authority, approval or right granted to such person or juristic person under any law.

"Product Provider"

An authorised FSP registered as such with the FSCA.

"Responsible Person"

A key individual, representative or employee of a product supplier or FSP.

"Third Party"

- a) a product supplier,
- b) another provider,
- c) an associate of a product supplier or an FSP,
- d) a distribution channel,
- e) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial service to a provider or its representatives.

2. Introduction

Section 3A(2)(a) of the General Code of Conduct stipulates that every Financial Services Provider "FSP", other than a representative, must adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the FAIS Act. The policy is to provide for mechanisms in place at Investa to identify, mitigate and manage the conflicts of interest to which Investa is a party to transaction.

The policy is designed as prescribed in the General code of conduct for financial services providers and representatives and the amendments by Board Notice 58 of 2010 and Board Notice 146 of 2014.

3. Document, purposes, and scope

3.1. Mission Statement

Investa is committed to ensuring that the entire business is carried out in accordance with good business practices. Investa conducts its business in a manner that is ethical and fair and that respects the interests of all stakeholders in order to minimise and manage all actual and possible conflicts of interest.

Like any FSP, the company is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern and so our policy sets out how:

- We will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests,
- We have established appropriate structures and systems to manage those conflicts; and,
- We will maintain systems in an effort to prevent damage to our clients' interests through identified conflict of interest.

3.2. Purpose

The policy deals with conflict of interest between the company and its employees and assist the employees to identify potential conflict of interest when dealing with clients by providing measures to identify, manage and avoid situations that could negatively affect our customers.

The policy sets out:

- Duties of the company and its employees.
- Duties of management.
- Identifying, managing, and disclosing conflict of interest.
- Consequences of non-compliance with the terms of the policy.
- Identified conflict of interest.

3.3. Scope

This policy applies to all employees who will be involved in the rendering of the company's products and services as well as the management team and the directors of the company.

4. Receiving of financial interest

4.1. The following internally administered financial interests are permitted:

- Basic Salary and other salary related benefits,
- Basic commission on sales of products and services exceeding baseline targets as set out in the company's commission policy and procedure,
- Performance based incentives from time to time.

4.2. Financial interests which are not permitted, include, but are not limited to:

Any remuneration or financial incentives (kickbacks) from a product supplier, client and/ or any third party and any of their associated companies for services rendered and/or offered.

- No form of payment in cash and/or in kind from any other party or third party,
- Incentives that induce representatives, business managers and senior managers to prefer one product or service over another when recommending products to a customer, and

5. Duties of the company and its employees

5.1. Investa and its employees

It is the duty of the management team and their key individual(s) to be aware of all potential and actual conflict of interest that might arise within the business.

Any employee who fails to comply with this policy may face disciplinary action or legal actions may be instituted against them.

All employees, including the management team and directors must adhere to this policy.

- All employees of the company have a duty to read and understand this policy and to be aware of potential and actual conflicts of interest that may exist.
- All employees of the company have a duty to report any conflicts of interest that they are aware of, whether they are involved in them or not.

It is the responsibility of the management team to set clear guidelines about the type of activities that should be avoided due to conflict of interest.

5.2. Duties of management

The company management team must:

- Provide leadership regarding conflict of interest issues.
- Establish control measures for the policy to operate effectively.

- Set-up monitoring measures to make sure that established controls are effective to mitigate the risk of conflict.
- Communicate the policy to all employees and make sure that they all observe it and act if the policy is not observed.
- Develop and implement a system to disclose any conflict or potential conflict of interest to the customer and ensure that the customer understand the content of the disclosure.

6. Identifying, managing, and disclosing conflict of interest

All employees, especially the management of the company, needs to be aware of the potential for a conflict of interest in any activity, any relationship or process that the business is involved in.

The company will deal with conflicts of interest in the following steps:

6.1. Identifying and report conflict

To adequately manage conflicts of interest the company must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which the policy applies, the company must consider whether there is a material risk of damage to the client or to their client's client (in the form of the clients or the entity they are collecting from), taking into account whether the company or its representative, associate or employee:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client,
- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome,
- Has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client,
- Receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods and/or services, other than the legislated commission or reasonable fee for that service.

Our policy defines possible conflicts of interest as, inter alia:

- Conflicts of interest between the company and the Client,
- Conflicts of interest between our clients if we are acting for different clients and the different interest's conflict materially,
- Conflicts of interest where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client,
- Storing confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

6.2. Avoid, mitigate, or control conflict

The Key Individual will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. The compliance and management team must then agree on the controls that needs to be put in place to manage the conflict by:

- Create awareness and knowledge of applicable stipulations of the general code of conduct and relevant legislation relating to conflict of interest, through training and educational material.
- Ensure understanding and adoption of conflict of interest policy and management measures by all employees and associates.
- Carry out regular inspections on all commissions, remuneration, fees, and financial interests proposed or received in order to avoid non-compliance.
- Keep a register of conflicts of interest.

Once a conflict of interest has been identified it needs to be appropriately and adequately managed.

6.2.1. Disclosure

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned.

In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients.

The Key Individual will ensure transparency and manage conflict of interests.

This will be included in all agency and service provider contracts and where necessary a separate disclosure document will be created should the need be identified.

6.2.2. Publication

We will publish our conflict of interest management policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times.

It will be available:

- in a hard copy format stored in the compliance file in the company's offices.
- A copy will be provided on the client's request.
- A copy will also be loaded onto the company website for ease of access.

6.2.3. Declining to act

We will decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

6.3. Managing conflict

The company will:

- maintain a register of conflict risks identified and/or reported, taking into consideration all business areas and income streams.
- The register will be updated with all new conflicts identified, and to ensure completeness will be reviewed on an annual basis.
- Apart from the register of actual conflict of interests, record must be kept of potential conflict of interest and will be closely monitored by the KI and the assigned internal compliance officer.
- All employees, including internal compliance officer and management, are responsible for identifying specific instances of conflict and are required to notify the Key Individual of any conflicts they become aware of.
- The Key Individual will assess the implications of the conflict and how the conflict should be managed and act impartially to avoid a material risk of harming clients' interests.

7. **On-going monitoring of conflict of interest**

This policy will be reviewed annually and will form part of the annual compliance monitoring by our Compliance Officer for internal reporting and inclusion in our annual FSCA compliance report, containing details on at least the implementation, monitoring and compliance with, and the accessibility of the conflict of interest management policy.

The Key Individual will conduct ad hoc checks on business transactions to ensure the policy has been complied with. The Compliance Officer will include monitoring of the policy as part of his/her general monitoring duties and will report thereon in the annual compliance report.

The Compliance Officer and the Key Individual will be responsible for supervision and monitoring of this policy as well as the process to be followed e.g. inspection of new business applications, transactions being run and discussion with product providers.

8. Training and staff

The Key Individual will ensure that all employees read Board Notice 58 of 2010 together with Board Notice 146 of 2014 as well as this policy and to sign a statement to the effect that they have done so and fully understand the provisions of the policy and the application thereof. This will also include the sales staff who could possibly bring the FSP or similar client on board.

Comprehensive training on this policy will be provided to all employees as part of specific and/or general training on the FAIS Act. Training will be incorporated as part of all new appointees' induction and refresher training provided on an annual basis.

9. Employee incentives

The company will not offer any financial interest to Key Individuals or employees or sales staff for:

- Favours quantity of business over quality of service; or
- Giving preference to a specific product supplier where more than one supplier can be recommended to a client; or
- Giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

10. Non-compliance and failure to disclose interest

Non-compliance of the policy or failure to disclose interest will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment (if a representative under the License) or dismissal if applicable. Avoidance, limitation, or circumvention of this policy via an associate will be deemed non-compliance.

In accordance with the general code of conduct, the and its employees are required to disclose any ownership interest we may have in external parties. With regard to existing third-party relationships, we confirm that we do not have an ownership interest or are subject to exclusive training nor are there any 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, we undertake to disclose these in the register.

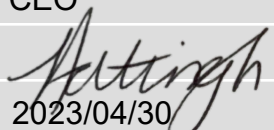
11. Queries relating to the policy

For any queries or feedback relating to this policy, please contact us through any of the communication channels provided below:

INVESTA CONTACT INFORMATION

- Telephone number: (012) 004 1445
- Address:
The Club Retail Centre, Shop 201,
The Workspace Offices, Cnr Pinaster Avenue & 18th Street,
Hazelwood, Pretoria, 0081
- Email address:
 - For complaints: complaints@investa.co.za
 - Other communication: management@investa.co.za
- Website: www.investa.co.za

POLICY APPROVAL

Name & Surname	Christiaan Hattingh
Position	CEO
Signature	
Date	2023/04/30