

CONFLICT OF INTEREST MANAGEMENT POLICY

OWNERSHIP:

This policy is owned by

BNB SURE (PTY) LTD

a duly authorised Financial Services Provider (hereunder referred to as the FSP).

BNB SURE (PTY) LTD and all it's employees confirm the adoption of this policy and understand the contents.

DEFINITION:**What is the conflict of Interest?**

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 interest of that client,

including but not limited to -

- i) a financial interest;
- ii) an ownership interest;
- iii) any relationship with a third party

MANAGEMENT PROCESS**IDENTIFICATION:**

In terms of Section 3A(2)(b)(i)(aa) of the General Code of Conduct, a conflict of interest management policy must provide mechanisms for the identification of conflicts of interest.

Due to the intangible nature of an actual or potential conflict of interest, any such manifestation will only be identified once the subjective realisation of its presence has been acknowledged by an individual. The legal duty to avoid whenever possible an actual or potential conflict of interest is therefore, to a large extent, dependent on whether a particular individual believe or perceive a conflict of interest to begin with. It is for this reason that Key Individuals must apply honest and sage judgement whenever confronted with a situation that may give rise to an actual or potential conflict of interest.

AVOIDANCE AND MITIGATION:

In terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy must provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.

Once an actual or potential conflict of interest has been identified the following measures will be followed in order to determine whether the conflict of interest is avoidable:

- The governing body of the FSP will convene and review the actual or potential conflict of interest in an open and honest forum:
- All information surrounding the actual or potential conflict of interest must be disclosed to all interested parties
- All information surrounding the actual or potential conflict of interest must be disclosed to the FSP's Compliance Officer
- The following consequences must be considered during the review process:
 - ✘ The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on clients
 - ✘ The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the integrity of the financial services industry
 - ✘ The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the FSP
- The governing body of the FSP must apply its mind 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 governing body of the FSP 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.

If the governing body of the FSP has determined that the actual or potential conflict of interest is avoidable, the following processes must be adhered to:

- The governing body must approve, by a majority vote, the removal of the underlying cause of the actual or potential conflict of interest
- The underlying cause of the actual or potential conflict of interest must be removed as soon as reasonably possible
- Any negative impact on clients owing to the removal of the actual or potential conflict of interest must be kept to a minimum
- The reason(s) why the actual or potential conflict of interest was determined to be avoidable must be recorded
- All determinations and interventions as it pertains to the avoidance of the conflict of interest must be documented and kept on the compliance file
- Similar situations that give rise to actual or potential conflicts of interests must be avoided in the future

If the governing body of the FSP has determined that the actual or potential conflict of interest is unavoidable, the following mitigation processes must be adhered to:

- The governing body of the FSP will convene and review an appropriate mitigation process given the unavoidability of the particular set of circumstances
- The reason(s) why the actual or potential conflict of interest is considered to be unavoidable must be recorded and kept on the compliance file
- The FSP's compliance officer must be made aware of the conflict's unavoidability as well as the reasons for such said unavoidability.
- The mitigation process will include the adoption of the following measures:
 - ✘ The actual or potential conflict of interest must remain only for as long as it is absolutely necessary given the unavoidability of the actual or potential conflict of interest
 - ✘ Alternative arrangements to a proposed transaction, contract or arrangement that is the subject of the conflict of interest must be investigated on a continuous basis.
 - ✘ The rendering of financial services must at all times be conducted as to the best interest of the client (in as far as this is possible, given the unavoidability of the actual or potential conflict of interest)
 - ✘ All representatives must be made aware of the actual or potential conflict of interest, and the reasons for its unavoidability
 - ✘ Full disclosure of the actual or potential conflict of interest must be made to the client at the earliest reasonable opportunity.
 - ✘ Full disclosure of the actual or potential conflict of interest must be made to the Financial Service Board during the FSP's annual compliance report.

INTERNAL CONTROL:

- BnB Sure (Pty) Ltd must maintain a Conflict of Interest Register.
- The Conflict of Interest Register must be accessible to all employees
- All employees must record any gifts received from 3rd parties with an estimated value of R50 or more on the register
- Total expenditure not exceeding R1000 per FAIS representative in any one year must be recorded on the register
- Declarations are signed by all employees confirming the presence or absence of any actual or potential conflict of interest on a quarterly basis
- The Conflict of Interest policy will be made available to all existing and future clients

CONSEQUENCES OF NON-COMPLIANCE:

In terms of Section 3A(2)(b)(i)(ee) of the General Code of Conduct a conflict of interest management policy must provide for the consequences of non-compliance with the policy by the FSP's employees and representatives.

If there is reason to believe that an employee or a representative has failed to disclose actual or possible conflicts of interest, the FSP's governing body shall afford that person the opportunity to explain the alleged failure to disclose.

If after hearing the response of the employee or representative and making such further enquiries as may be warranted in the circumstances, and where the governing body of the FSP determines that the employee or representative has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

The full Conflict of Interest Policy is available on request