OWN YOUR WEALTH SOLUTIONS (Pty) Ltd
FSP No 54342 / ORG 52265 / BR 50517

Authorised Financial Services Provider
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CONFLICT OF INTEREST MANAGEMENT POLICY (COI)

OWN YOUR WEALTH SOLUTIONS (PTY) LTD – NO 54342

This Conflict-of-Interest Policy establishes a legislative framework to manage risks associated with conflict of interest as required by the Financial Advisory and Intermediary Services Act No. 37 of 2002, General GCOC of Conduct (GCOC).

In terms of S3A(2)(a) of the GCOC which stipulates that every FSP, other than a representative, must adopt, maintain and implement a Conflict-of-Interest Management Policy that complies with the provisions of the Act. The policy is to provide for mechanisms in place at OWN YOUR WEALTH SOLUTIONS (PTY) LTD to identify, mitigate and manage the conflicts of interest to which OWN YOUR WEALTH SOLUTIONS (PTY) LTD is a party.

1. PURPOSE

In terms of the amendment to the General GCOC of Conduct for Authorised Financial Service Providers (FSPs) and Representatives, 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.

What is a "Conflict of Interest"?

A conflict of interest is defined in the FAIS Act as any situation where FSPs or representatives have an interest that may influence the objectivity of their obligations to clients or that may prevent them from rendering unbiased and fair financial service to clients, and specifically includes a financial interest.

What may one give or receive?

The General Code now states that apart from commission and fees, FSPs may only receive a financial interest from a third party (product provider) that is **immaterial** or for which they pay fair value that is reasonably commensurate to the value of the financial interest they have received.

Section 3(A) was inserted into the General Code and states that:

"A provider or its representatives may only receive or offer the following financial interest from or to a third party

(vi) an immaterial financial interest; and

(vii) a financial interest for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof."

A conflict of interest is any situation where a FSP or its representative has an interest that may in rendering a financial service to a client, influence the objective performance of its obligations to that client or where it prevents it from rendering an unbiased and fair financial service to that client. It includes receiving a wide range of financial interest, ownership interests and any relationship with a third party. Conflict of interest situations must be avoided.

2. DEFINITIONS

- **Financial interest**

Any cash, cash equivalent, voucher, gift, service, 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 FSPs or representatives on:

i. products and legal matters relating to products.

ii. general financial and industry information.

iii. specialised technological systems of a third party necessary for the rendering of financial services; but excludes travel and accommodation associated with such training.

c) a qualifying enterprise development contribution to a qualifying beneficiary entity by a FSP that is a measured entity.

- **Ownership interest**

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;

Includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

- **Third party**

(a) a product supplier;

(b) another FSP;

(c) an associate of a product supplier or FSP;

In addition, the GCOC requires that where it is not possible to avoid any act, action or reward that may create a potential conflict of interest, appropriate steps must be taken to mitigate the impact and it must be appropriately disclosed to the client at the earliest reasonable opportunity.

3. SCOPE

This policy applies to the FSP, Key Individuals and its Representatives,

Any deviation from the requirements of this policy requires approval from senior management. The structure of this policy is appropriate to the nature, scale and complexity of the specific business and risk of **OWN YOUR WEALTH SOLUTIONS (PTY) LTD** and will be adapted as the business and environment changes.

4. Policy Statements

In support of the principles of good governance, OWN YOUR WEALTH SOLUTIONS (PTY) LTD also undertakes to conduct its business with integrity and due care complying with both the form and substance of the law as well as internal polices and related procedures.

4.1 Identifying conflict of interest

OWN YOUR WEALTH SOLUTIONS (PTY) LTD has developed the following processes to identify conflicts of interest:

- The types of financial interests received/offered have been identified

- Appropriate rules have been put in place around the receipt/offering of financial interests;
- Remuneration for **OWN YOUR WEALTH SOLUTIONS (PTY) LTD** is limited to regulated commissions and fees;
- Appropriate training has been developed to enable representatives to identify conflict of interest.

Annual reviews of these processes are included in FSP's Risk Management Plan in order to ensure that any conflicts of interest that arise are identified.

4.2 **Measures for avoidance and disclosure**

OWN YOUR WEALTH SOLUTION's policy is to provide specific training and educational material on how conflicts of interest may arise and how it can be avoided.

Where a conflict of interest cannot be avoided, the FSP and its's representatives are required to make a written disclosure of such a conflict to their existing and potential clients at the earliest reasonable opportunity, together with measures that were taken to mitigate the situation. Any such disclosures are required to be approved by the Key Individual.

All existing and potential clients have the right to request the FSP/Representatives for further details regarding such disclosures. The client's rights (or potential rights) and the protection offered under the GCOC **may not** be waivered.

5. **SPECIFIC WORDING**

- **Receive or offer** - an FSP may not **receive** and an FSP may not **offer** a financial interest. A breach of the provision applies to both parties, not just the giver. we will only receive or offer financial interest from or to the aforesaid FSPs or other third party in the form of

  i. Commission authorized under the Long-term Insurance Act, 52 of 1998;

  ii. 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 you in writing and may be stopped at your discretion

  iii. Fees or remuneration for the rendering of a service to a third party, which fees are reasonably commensurate to the service being rendered;

  iv. A financial interest for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid at the time of receipt thereof

- **Financial interest** - this includes cash, voucher, gift, service, advantage, benefit, discount, travel, hospitality, accommodation, sponsorship, or valuable consideration. In

relation to training the FSP may receive the following without falling foul of the regulations:

i. Product training and legal training related to those products.

ii. Training that is on general financial and industry information.

iii. Training on specialised technological systems that are necessary for the FSP/rep to render a financial service.

The cost of travel and/or accommodation for FSPs and reps does not form part of the training exception. So, while the type of training above may be received, the FSP cannot have travel and accommodation costs paid.

- **Immaterial financial interest:**
  - Any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000.00 in any calendar year
  - FSP's policy is not to receive anything other than the commissions and fees permitted in terms of the GCOC.
- **Fair value** this is defined with reference to the Companies Act. Where it is asked to pay for something offered (eg.entertainment,conference) there should be a reasonable relationship between the value of what is being offered and what is being asked to pay ie. you can't pay R500 for a ticket or event that costs R2500.

- ## Remuneration Policy

Commission

- Representatives shall only receive payment from the FSP as compensation for the Client to purchase a financial product. Such commission will be payable in accordance with the product provider rules. Any reduction in the percentage of commission negotiated between the parties shall be recorded on the application form for the purchase of such financial product and subject to regulatory legislation where applicable, for example the Long-Term Insurance Act
- **Asset Based Fee**

  The fee shall be based on the size of the investment, which shall comprise of an initial fee and an ongoing fee, expressed as a percentage of the assets invested or as a percentage of the contribution. The obligations of the representative in this regard are contained in a mandate by the Client, which is attached hereto.
- **Time Based Fee**

The fee shall be charged by way of Invoice in respect of the services and/or advice rendered. The fee shall be based on the amount of time spent in providing the services or advice. This may be either expressed as an hourly rate, or a fixed fee per service rendered. The schedule of rates and fees is attached hereto.

- Should the Client decide not to implement any recommendation made by representative and advice, financial planning or other financial services have already been provided to the Client, shall the fee be payable in full.
- The FSP shall be entitled to revise the fees on an annual basis, whether up or down, on written notice to the Client, provided that the Key Individual/Representative shall give the Client at least one month's written notice of the revised fees.
- The representative records that the revised fees shall take account of increases in the consumer price index and the cost of providing the Services.

6. PROHIBITION OF SIGN-ON BONUSES

This policy provides that the FSP will not engage in the practice of offering sign-on bonuses. The FAIS Act prohibits offering a sign-on bonus.

a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions

b) a financial interest referred to in paragraph (a) includes but is not limited to –

i. compensation for the –

ii. (aa) potential or actual loss of any benefit including any form of income, or part thereof,

(bb) cost associated with the FSP's business or operations, including the sourcing of business, relating to the rendering of financial services;

7. COMPLIANCE AND CONSEQUENCES OF NON-COMPLIANCE

All FSP employees, irrespective of level of seniority, who do not comply with this policy, will be subject to the FSP's internal employee disciplinary procedures.

All FSP representatives who do not comply with this policy will be subject to the processes and procedures applicable to representatives under the FAIS Act.

8. KEY INDIVIDUALS AND REPRESENTATIVES

- Representatives are required to familiarise themselves with the policy, undertake required training and adhere to the policy.
- Key Individuals accountable for ensuring compliance by representatives listed on the representative registers under their control as required in terms of the provisions of the FAIS Act.

Financial Interest Received

Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1000 per annum) other than:

An ownership interest;

Training, that is not exclusively available to a selected group of FSPs or

representatives, on –

Products and legal matters relating to those products;

General financial and industry information;

Specialised technological systems of a third party necessary for the rendering of a financial service but excluding travel and accommodation associated with that training.

CONFLICT OF INTEREST REGISTER

Description	Date	From	Reason	Value