



UMHLABA
RISK SOLUTIONS



UMHLABA RISK SOLUTIONS **CONFLICT OF INTEREST MANAGEMENT POLICY**

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CONFLICT OF INTEREST POLICY

1. INTRODUCTION

1.1. DEFINITIONS, ACRONYMS, ABBREVIATIONS AND TERMS USED IN THIS POLICY

The terms in this document should be interpreted as meaning:

“Conflict of interest” means any situation in which a person has an actual or potential interest that may compromise their professional interests and duties in rendering a financial service to a client.

“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 –

- a) An ownership interest;
- b) Training, that is not exclusively available to a selected group of providers.

“Stakeholders” is a person with an interest or concern in something, especially a business.

1.2. INTRODUCTION

The Company is dedicated to ensuring that business is conducted in an honest and ethical manner, while upholding the standards of good corporate governance. The policy emphasises the interests of all Stakeholders by managing and mitigating all actual and potential conflicts of interest in an ethical and responsible manner.

1.3. PURPOSE AND SCOPE

This policy applies to all employees of the Company. To ensure widespread understanding, all staff shall be thoroughly aware of the principles set out in this document.

2. POLICY

A conflict of interest may arise when stakeholders involve themselves in activities or have personal interest that may interfere with their objective in performing their duties and responsibilities. It is sufficient that there is a potential or perceived conflict of interest, an actual conflict of interest will not be tolerated.

2.1. MANAGING CONFLICTS OF INTEREST

Once a conflict of interest, and activities that create the appearance of conflict of interest have been identified, it will be managed appropriately and adequately, or mitigated.

2.2. IDENTIFYING CONFLICT OF INTEREST

Umhlaba shall:

- Identify actual or potential conflicts of interest;
- evaluate actual or potential conflicts of interest;
- make a decision and implement suitable measures for the conflicts.

All staff are responsible for identifying specific occurrences of conflict and must instantly notify management of the identified actual or potential conflict of interest.

2.3. IDENTIFYING CONFLICTS OF INTEREST

- All stake holders shall not avoid or limit compliance with the Conflict-of-Interest Policy.
- Umhlaba may only offer services as agreed on all contracts and licensing agreements.
- Should the conflict lead to advice or action that is not appropriate or compromises any other stake holder, Umhlaba shall not rely on disclosure, but shall mitigate the situation.
- Where the conflict cannot be avoided, the effect shall be mitigated, and the Umhlaba shall fully disclose the situation to all affected stakeholders in writing to allow Stakeholders to make informed business decision.
- Where decisions are made as a result of the conflict, this will be communicated to the Stakeholders who are involved in writing, irrespective of whether the discussion was made to stop doing business or to continue with the business.

2.4. AVOIDANCE

Once an actual or potential conflict of interest has been identified, action must be taken to avoid the conflict. Should the avoidance not be possible, steps must be taken to mitigate the conflict.

2.5. DISCLOSURE

Umhlaba shall at the earliest and reasonable chance disclose to all stakeholders of conflict of interest in respect of all affected parties.

The disclosure shall be made in writing and will contain the following:

- Actions taken, in accordance with the policy to avoid or mitigate the conflict;
- Any stake or financial interest, other than an immaterial financial interest, that the Umhlaba or its stakeholders may become eligible for;
- The nature of any relationship or arrangement that gives rise to a conflict of interest. Material information in terms of the nature and extent of the relationship that created the conflict shall be disclosed.

2.6. FINANCIAL INTEREST

Holding any financial interest in business with Umhlaba's supplier, client, partner, or competitor can constitute a conflict of interest.

2.7. INCENTIVES AND REMUNERATION

- Umhlaba strives to keep employees motivated, while ensuring that the remuneration structure does not encourage behaviour that will result in any form of prejudice towards clients. We recognise conflict and through our monitoring mechanisms, we remain aware of the potential abuse.
- Where financial services are provided in terms of the FAIS Act, and regulated fees and commissions are received, the charged fees must be reasonable, agreed upon and correspond with the service we provide.
- Incentive schemes or bonuses for staff will be approved in writing and shall be quantified accordingly taking into account the fair treatment of clients.

2.8. EXTERNAL RELATIONSHIPS

Staff are prohibited from using any Umhlaba business contacts to advance their own personal business. Where employees have any affiliations, or relationships with any of our business partners or associates, they must disclose to the Company as well as those affected.

Staff must not allow their personal interest to cause conflict. This may include but not limited to:

- Real or perceived financial interest resulting from recommendation to our clients at a cost to business partners or associates.
- A result in service delivery or transaction that may be differed from the client's interest.

- Any non-cash incentive that may be received by Umhlaba from affecting any transaction.
- Transactions that may result to benefits other than those in the normal course of the business at the expense of the client.

Where a member of the Board has an outside affiliation or relationship with a third party, this must be disclosed in the conflict-of-interest register.

2.9. GIFTS BRIBES AND INDUCEMENTS

No bribes, kickbacks, gifts, gratuities, fees, bonuses or excessive entertainment or other similar remuneration or consideration may be transacted in order to influence business activity.

Staff may not use their position to gain special privileges or advantages from individual or business.

Staff are allowed to receive gifts, vouchers, sporting tickets, or other items from business partners or associates to the maximum value of R1 000 (one thousand rand) per calendar year, per business partner or associate. This applies to invitations to functions, lunches, dinners, and training sessions.

2.10. CONFIDENTIALITY

Confidential and sensitive information about Umhlaba and its clients must be treated with care and discretion and only shared on a need-to-know basis, as per approval from Management.

Disclosure of confidential information shall not be permitted without approval from Management in writing.

2.11. NON-COMPLIANCE

Any non-compliance to this policy will be dealt with according to Umhlaba's disciplinary procedure and may be treated as misconduct which could result in dismissal.

The FAIS Act provides for penalties in the event that a person is found guilty of contravening the Act, or non-compliance with the provisions of the Act. The penalty for non-Compliance of specific provisions of the Act, is an amount of 1 million or a period of imprisonment up to 10 years.

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

2.12. TRAINING AND AWARENESS

- All employees will receive annual training and awareness on this policy.
- All newly appointed employees will receive training on this during their induction program
- Training and training material provided to staff must include a reference to, and information on the content and application of this policy.

2.13. CONFLICT REGISTER

The Compliance Department shall keep and maintain a consolidated Conflict Register that includes written records and declarations of conflict-of-interest declarations and will ensure that The Human Resources department receives a copy of the register.

3. POLICY AMENDMENTS, APPROVAL AND REVIEW

The Compliance Department is the owner of the policy and is therefore responsible for ensuring that the information in this directive is kept up to date.

Any required amendments, adjustments and proposed changes must be channelled through the Head of Compliance for review prior to approval.

The Governance Department is responsible for the administration of all Umhlaba Directive Frameworks and supporting documentation. Only the latest approved version of Umhlaba directives, available from the Governance Department, may be used by employees and stakeholders.

