

CONFLICT OF INTEREST POLICY

1. INTRODUCTION

1.1. This document embodies the Conflict of Interest Management for Investment Management Services.

1.2. “Conflict of interest” (“COI”) means any situation in which Investment Management Services or its representatives has an actual or potential interest that may, in rendering a financial service to a client influence the objective performance of his, her or its obligations to that client; or prevent Investment Management Services or its representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to –

1.2.1. a financial interest;

1.2.2. an ownership interest;

1.2.3. any relationship with a third party (“third party” means (a) a product supplier, (b) another provider, (c) an associate or a product supplier or a provider, (d) a distribution channel, (e) any person who in terms of an agreement or arrangement with a person referred to in paragraph (a) to (d) above provides a financial interest to a provider or its representative))

1.3. The primary objectives of this Policy are –

1.3.1. To provide guidance on the behaviours expected in accordance with Investment Management Services standards;

1.3.2. To promote transparency and to avoid business-related COI;

1.3.3. To ensure fairness in the interests of employees and Investment Management Services;

1.3.4. To document the process for the identification, mitigation, disclosure, approval and review of activities that may amount to actual, potential or perceived COI;

1.3.5. To provide a mechanism for the objective review of personal outside interests.

1.4. Investment Management Services is committed to ensuring that all business is conducted in accordance with good business practice. To this end Investment Management Services conducts business in an ethical and equitable manner, and in a way that safeguards the interests of all stakeholders to minimize and manage all real or potential conflict of interest (COI).

Investment Management Services and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between Investment Management Services and a client or its representative and a client.

2. FINANCIAL INTEREST

2.1. Investment Management Services or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of the Financial Sector Conduct Authority (“the Commissioner”) from time to time, and as set out in Annexure A hereto.

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2.2. “Financial interest” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –

2.2.1. an ownership interest;

2.2.2. training, that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products; general financial and industry information; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

2.3. Any financial interest received by an employee of Investment Management Services must within 10 days of that receipt be recorded in the gift registry of Investment Management Services attached hereto as Annexure B. -

2.4. Investment Management Services may not offer any financial interest to its representatives for –

2.4.1. giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients;

2.4.2. giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or

2.4.3. giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

2.5 “For purposes of paragraph 2.4, Investment Management Services CC must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the –

2.5.1 Achievement of minimum service level standards in respect of clients;

2.5.2 Quality of the representative's compliance with this Act;

as agreed between Investment Management Services CC and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.”

3. MECHANISMS FOR IDENTIFYING COI

3.1. The advisor/ staff and company have no vested interest in the platforms used for any of the clients investments or in terms of the advice given.

- The Representative and employees must consider whether an actual or potential conflict of interest exist and whether the conflict may influence the objective performance of its obligations or prevent it from rendering an unbiased and fair service to the client.

4. RESOLVING COI

4.1. The first and most important line of defence against COI or commitment must be by the key individuals and representatives themselves.

4.2.

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5. POTENTIAL COI THAT COULD AFFECT INVESTMENT MANAGEMENT SERVICE

5.1. The following are potential COI that could affect Investment Management Services

- 5.1.1. Directorships or other employment;
- 5.1.2. interests in business enterprises or professional practices;
- 5.1.3. share ownership;
- 5.1.4. beneficial interests in trusts;
- 5.1.5. Personal Account Trading;
- 5.1.6. professional associations or relationships with other organizations;
- 5.1.7. personal associations with other groups or organizations, or family relationships;
- 5.1.8. Front running;
- 5.1.9. Rebates;
- 5.1.10. Kickbacks; and
- 5.1.11. Commission

6. MEASURES TO AVOID COI

In order to avoid conflicts of interest, Investment Management Services does not permit the practice of offering any Financial Interest to Representatives for:

- giving preference to the quantity of business secured for Investment Management Services to the exclusion of the quality of service rendered to Clients;
- giving preference to a specific product supplier, where a Representative may recommend more than one product supplier to the Client; or
- giving preference to a specific product of a product supplier, where a Representative may recommend more than one product of that product supplier to a Client.

7. DISCLOSURE OF COI

7.1. At the earliest reasonable opportunity, Investment Management Services and its representative must, in writing, disclose to a client any COI in respect of that client including –

- 7.1.1. Measures taken to avoid or mitigate the conflict;
- 7.1.2. Any ownership interest or financial interest that the provider or representative may be or become eligible for;
- 7.1.3. The nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI.

7.2. At the earliest reasonable opportunity, Investment Management Services and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.

7.3. Notification of an actual or potential COI should be made to the person with responsibility for the issue or area in question, such as the relevant management team, supervisor, head of the department or key individual.

7.4. In accordance with an employee's obligation to act in the best interest of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with Investment Management Services.

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7.5. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures as governed by relevant industrial awards or agreements.

8. PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY

8.1. Every staff member must have a copy of the Conflicts of Interest Management Policy.

8.2. If a potential COI arises, the transaction must first be discussed with management before entering the transaction.

8.3 All staff are remunerated by salary, there are no commission targets or incentives which they can earn by giving preference to any providers. There is no distribution in fee's paid by service providers.

9. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE PROVIDER'S EMPLOYEES AND REPRESENTATIVES

9.1. Where there is a reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest via the proper communication channels, Investment Management Services will proceed and take any appropriate steps it deems necessary to limit any financial prejudice that may be suffered by Investment Management Services, its clients or any third party.

10. LIST OF ALL INVESTMENT MANAGEMENT SERVICES ASSOCIATES

N/A

11. NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLDS AN OWNERSHIP INTEREST AND THE EXTENT THEREOF

11.1. Investment Management Services has license to offer and invest on behalf of client in the following 3rd party management companies:

- i) Alexander Forbes
- ii) Allan Gray
- iii) Coronation
- iv) Discovery
- v) Franklin Templeton
- vi) Investec
- vii) Momentum
- viii) Old Mutual
- ix) Prudential
- x) PSG Future Wealth
- xi) Sanlam
- xii) Stanlib

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11.1.2 Plutus Capital:

Andrew Goodall has 100% shareholding in its category 2 licensed financial service provider.

11.2

“Third Party” means –

- (a) a product supplier;
- (b) another provider;
- (c) an associate of a product supplier or a provider;
- (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 interest to a provider or its representatives.

ANNEXURE A - FINANCIAL INTEREST

1. A financial services provider or its representatives may only receive or offer financial interest from or to a third party as follows

- 1.1. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
- 1.2. Commission authorised under the Medical Schemes Act;
- 1.3. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act, if those fees are reasonably commensurate to a service being rendered;
- 1.4. Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (1.1), (1.2) or (1.3) is not paid, if those fees –
 - 1.4.1. are specifically agreed to by a client in writing; and
 - 1.4.2. may be stopped at the discretion of that client.
- 1.5. Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;
- 1.6. Subject to any other law, an immaterial financial interest*;
- 1.7. A financial interest, not referred to under sub-paragraph (1.1) to (1.6), 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.
- 1.8. For purposes of this document -

* “immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by –

- 1.8.1.1. a provider who is a sole proprietor; or
- 1.8.1.2. a representative for that representative’s direct benefit;
- 1.8.1.3. a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

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