

MBUSO CONSULTING (PTY) LTD Conflict of interest management policy

BACKGROUND

Section 3A(2)(a) of the General Code of Conduct stipulates that every provider, 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 **MBUSO CONSULTING (PTY) LTD** to identify, mitigate and manage the conflicts of interest to which the **MBUSO CONSULTING (PTY) LTD** is a party. This Conflict of Interest Management Policy is designed as prescribed in Board Notice 58 of 2010.

What is conflict of interest terms of financial advisory and intermediary service Act?

In terms of the Financial Advisory and Intermediary Services Act, the Code of Conduct defines a conflict of interest as any situation in which a provider or a representative has an interest, which, when rendering a service to the clients, influences the representative in the:

- Provision of his or her obligations to the client objectively
- Prevention of the representative's rendering of unbiased and fair financial Services to the client.

What is financial interest?

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 –

- 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.

An ownership interest:

(i) Any equity or proprietary interest for which a fair value was paid on acquisition other than such an interest held by a nominee;

(ii) Includes any dividend, profit share or similar benefit derived from such interest.

What relationships are affected by conflict of interest?

The relationships that are governed by the Conflicts of Interests provisions is the part of the Code that impacts the relationship between the provider and the financial adviser (the brokers). The intention of the provision is to ensure that the clients receive unbiased and objective advice that is not influenced in any way by any incentive or interest offered by a provider to a broker. The Code does not attempt to interfere with the relationship between the client and the provider.

1. PERMITTED FINANCIAL INTERESTS

The following financial interests are permitted and are not regarded as constituting any actual or potential conflict of interest:

1.1. Commission authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998);

1.2. Fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) if those fees are reasonably commensurate to a service being rendered,

1.3. fees for the rendering of a financial service in respect of which commissions or fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) are not paid, provided that such fees are specifically agreed to by the client in writing and may be stopped at the discretion of that client;

1.4. Commission authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998);

1.5. Fees authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998) if those fees are reasonably commensurate to a service being rendered

1.6. fees for the rendering of a financial service in respect of which commissions or fees authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998)) are not paid, provided that such fees are specifically agreed to by the client in writing and may be stopped at the discretion of that client;

1.7. Commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998);

1.8. Fees authorised under the Medical Schemes Act. 1998 (Act No. 131 of 1998), if those fees are reasonably commensurate to a service being rendered

1.9. Fees for the rendering of a financial service in respect of which commissions or fees authorised under the Medical Schemes Act. 1998 (Act No. 131 of 1998) are not paid, provided that such fees are specifically agreed to by the client in writing and may be stopped at the discretion of that client;

1.10. 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;

1.11. any financial interest in the form of cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration not referred to above, 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.

1.12. training, that is not exclusively available to a selected group of providers or representatives, on products and legal matters relating to those products excluding travel and accommodation associated with that training;

1.13. Training, that is not exclusively available to a selected group of providers or representatives, general financial and industry information excluding travel and accommodation associated with that training;

1.14. training, that is not exclusively available to a selected group of providers or representatives, specialised technological systems of a third party necessary for the rendering of a financial service excluding travel and accommodation associated with that training;

1.15. Any immaterial financial interest;

2. PROHIBITED FINANCIAL INTERESTS

Any financial interest described below that does not fall within the provisions of Paragraph 4 above (Permitted Financial Interests) is prohibited and may not be accepted under any circumstances:

2.1. Any Cash Payment received from any third party:

2.2. Any Cash Equivalent received from any third party:

2.3. Any Voucher received from any third party:

2.4. Any Gift received from any third party,;

2.5. Any Service received from any third party,;

2.6. Any Advantage received from any third party:

2.7. Any Benefit received from any third party:

2.8. Any Discount received from any third party:

2.9. Any Domestic or Foreign Travel received from any third party:

2.10. Any Hospitality received from any third party:

2.11. Any Accommodation received from any third party:

2.12. Any Sponsorship received from any third party:

2.13. Any other incentive or valuable consideration received from any third party:

Register of Financial Interests, Ownership Interests and Business Relationships

MBUSO CONSULTING (PTY) LTD

FSP

APRIL 2018

Dear Client,

At MBUSO CONSULTING (PTY) LTD we believe in open, honest and transparent interactions with our clients. In the course of our business activities situations may arise whereby we may become entitled to certain financial interests supplied by external parties in addition to the commission that we earn or the fees that we charge.

At MBUSO CONSULTING (PTY) LTD we take pride therein that our advice is objective and free of external influence, but wish to disclose to you, our valued client, that we have received the following financial interests and wish to disclose the value and the reason for receiving the financial interests.

We do not believe that the financial interests received constitute a conflict of interest, but would gladly address any concerns you may have. Please refer to annexure 1 to this register for a complete list.

We may also enjoy a preferred status with one or more of the product supplier companies with whom we hold contracts. This status allows us and our customers certain benefits when dealing with these providers.

We similarly make every effort to ensure that our advice is not influenced by our status with any one product supplier, but believe that disclosure of these business relationships and the benefits they include, allow you to make informed decisions. Please refer to annexure 2 for complete details of these business relationships.

In accordance with the General Code of Conduct for Financial Services Intermediaries we are required to disclose any ownership interest we may have in external parties. These are contained in annexure 3.

Annexure 1

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 –

- 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;

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 of behalf of another person. This includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Company Name	Percentage of Ownership	Date Obtained

