

RETIREMENT INVESTMENTS AND SAVINGS FOR EVERYONE

RISE

RETIREMENT INVESTMENTS AND SAVINGS
FOR EVERYONE

CONFLICTS OF INTEREST POLICY

RISE

RETIREMENT INVESTMENTS AND SAVINGS
FOR EVERYONE

Document Information

Effective date	1 April 2020
Next Review date	1 March 2026
Version	4.0
Policy Co-ordinator	Retirement Investments and Savings For Everyone (Proprietary) Limited Compliance Division
Approved by	Retirement Investments and Savings For Everyone (Proprietary) Limited Executive Committee

TABLE OF CONTENTS

INTRODUCTION	4
2. PURPOSE	4
3. SCOPE	4
4. GOVERNANCE	4
5. IMPLEMENTATION AND COMMUNICATION	5
6. DEFINITIONS	5
Control Function:	5
Distribution Channel:	5
Employees:	5
Financial Interest:	5
Ownership Interest:	5
The Board:	5
Third Party:	5
7. OCCURENCE	5
8. IDENTIFICATION OF A CONFLICT OF INTEREST	6
9. DECLARATION BY EMPLOYEES	6
10. MANAGEMENT OF CONFLICTS OF INTEREST	7
11 DISCLOSURE	8
12 RECORD KEEPING	8
13 MONITORING	9
14 TRAINING	9
15 NON-COMPLIANCE	9
17 LEGISLATIVE AND REGULATORY FRAMEWORK	9
SIGNATURE	10

INTRODUCTION

Additional or potential conflicts of interest are inherent in the financial services industry. It is therefore essential that the company be able to identify such conflicts and manage them fairly and appropriately. While not all potential conflicts of interest will manifest in actual conflicts, the very perception of bias can lead to a negative impression in the industry and result in reputational damage.

The General Code of Conduct for Financial Services Providers and Representatives (“the Code”), published in terms of the Financial Advisory and Intermediary Services Act (“FAIS”), requires every Financial Services Provider (“FSP”) to adopt, implement and maintain a conflicts of interest management policy.

Section 75 of the Companies Act makes clear provision for dealing with a director’s use of company information and the conflict of interest policy requires directors to disclose their personal financial interests and to recuse themselves from all decisions relating to those interests. A personal financial interest is a direct material interest of a financial, monetary or economic nature, or to which a monetary value can be attributed. Directors must also disclose personal financial interests of related persons (to the extent that they are aware) and recuse themselves from decisions relating to those interests as well.

RISE is registered by the Financial Sector Conduct Authority (FSCA) and is registered under the Financial Advisory and Intermediary Services Act, 2002 as a Category II FSP. Governance Standards promulgated in terms of the Insurance Act of 2017 are incorporated into this policy.

2. PURPOSE

The purpose of this policy is to provide guidance and mechanisms for the identification of conflicts of interest and to provide measures for the avoidance, disclosure or mitigation of such conflicts. Furthermore, this policy regulates the relationship between RISE and its employees, directors, relationship with clients, suppliers, service providers and intermediaries.

3. SCOPE

This policy applies to all employees of RISE.

4. GOVERNANCE

The Compliance Division is responsible for reviewing and approving this policy and recommending it to the RISE Board for approval.

5. IMPLEMENTATION AND COMMUNICATION

Within their respective business units, heads of business units are responsible for ensuring compliance with this policy as an integral part of operations and risk management.

Furthermore, Key Individuals appointed under the FAIS Act are accountable for ensuring compliance by representatives listed on the representative registers under their control and within RISE, with the assistance of the Compliance department.

6. DEFINITIONS

Control Function:	Shall bear the meaning in the Financial Sector Regulations Act 9 of 2017, and includes the risk management, internal audit, actuarial and compliance functions.
Distribution Channel:	Any arrangement between a product supplier or any of its associations and one or more FSP or any of its associates in terms of which any support or services are provided to the FSP or FSPs in rendering a financial service to a client.
Employees:	Refers to all temporary and permanent employees within the company, independent contractors, directors, non-executive directors, the Chairperson, control functions, officers, Key Individuals and Representatives.
Financial Interest:	A financial interest is any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than an ownership interest and training that is not exclusively available to a selected group of FSPs or representatives.
Ownership Interest:	An ownership interest is 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. It includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
The Board:	The Board of Directors of RISE
Third Party:	Includes a product supplier, another FSP, an associate of a product supplier or an FSP, a Distribution Channel or any person who, in terms of an agreement or arrangement with any such third parties, provides financial interest to an FSP or its representatives.

7. OCCURENCE

A conflict of interest (COI) occurs when an employee's obligations to the company or its clients could be influenced or compromised by self-interest, a prior commitment, competing loyalties or an inability to be objective.

In terms of FAIS, a COI is specifically defined as any situation in which an FSP or representative 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 a provider or representative 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:
 - A Financial Interest;
 - An Ownership Interest;
 - Any relationship with a Third Party.

8. IDENTIFICATION OF A CONFLICT OF INTEREST

It is the responsibility of all employees to identify actual or potential COIs and to notify their relevant senior management, heads of Business Units and Compliance timeously of any conflicts of which they become aware of.

In determining whether a COI exists, consideration must be given to whether RISE or an employee:

- Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- Has an interest in the outcome of a service provided to a client, or a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- Has a financial or other incentive to favour the interest of a client or group of clients over the interests of another;
- Receives (or will receive), from a person other than the client, an inducement in relation to a service provided to the client other than the standard commission or fee for that service.

Compliance is responsible for the final determination of whether a possible COI is identified as an actual COI and guidance from the Audit Committee may be sought in this regard.

The identification of actual or potential COI must be included as a fixed agenda item of the meetings of the Board.

9. DECLARATION BY EMPLOYEES

All employees must fully communicate and declare any Ownership Interests or relationships with a Third Party that might create a conflict of interest or impair their ability to act with integrity or objectivity in their role at RISE.

All employees are required to declare any personal financial interests at such intervals as requested that might affect the performance of their duties, provided that such declaration shall be made at least annually and submit the completed declaration to Compliance when requested to do so.

All new employees are required to complete the personal financial interest declaration within one calendar month of the effective date of their employment.

A new declaration must be made at such stage when the facts and circumstances relating to the previously declared COI change materially. All declarations must be forwarded to the key individual responsible for the area of business and thereafter to the Compliance to assess the permissibility of the declared COI.

10. MANAGEMENT OF CONFLICTS OF INTEREST

Employees must avoid any activities that they should reasonably be aware, may lead to an actual or perceived COI with the business of the company or with the provision of financial services to clients.

Where avoidance is not possible, measures must be taken to mitigate any conflicts of interest and it must be appropriately disclosed to an existing or potential client at the earliest reasonable opportunity.

In determining whether the COI is unavoidable, the effect of the identified COI must be assessed on clients and on RISE and whether to avoid the COI would result in RISE being:

- Unable to provide services that it is contractually obliged to provide to a client;
- Unable to provide services of the same quality and standard to a client if it should decide to avoid the COI; and
- Unable to provide services to clients at the same costs or fees to a client, or
- Unable to avoid due to inherent structures or legal or practical impossibilities.

It is the responsibility of Compliance and the Audit Committee, upon notification, to determine whether a COI can be classified as unavoidable. The Audit Committee shall have the final say regarding the classification of a COI, which may be decided via email correspondence.

It is strictly prohibited to avoid, limit, circumvent or attempt to circumvent compliance through an Associate or an arrangement involving an Associate.

Depending on the nature of the unavoidable COI, it may be appropriate to:

- Disclose the COI to the client in a clear and concise manner at the earliest reasonable opportunity, together with measures that were taken to mitigate the situation.
- Allocate another representative to provide the service to the client.
- Decline to provide a service to the client.
- Initiate internal/external disciplinary action (referring matter to regulator for instance) where warranted.

What constitutes an appropriate response to a given conflict of interest will always depend on the circumstances and facts of the case. The Compliance Department is responsible for recording, updating and maintaining all declared COIs in the Conflicts of Interest Register.

a. Gift and Hospitality

No employee may accept, offer or provide persons with any financial interest with a view to improperly influencing or inducing such persons in order to obtain a benefit. Employees will be required to disclose any material gifts they receive in terms of the guidelines prescribed by the FSCA.

b. Personal account trading

All employees are required to comply with the Company's Personal Account Trading Policy to ensure that clients' interests take precedence.

- Any new trades should be approved by the portfolio managers
- No front running of trades will be allowed

- Employees will not be allowed to do opposing trade to that of the RISE portfolio
- No trades or trading will be allowed against the clients' books

c. Employment Relationships

All employees are required to disclose, both at the beginning of their employment and throughout the course of their employment, any interest outside of RISE's employment that they are party to. No material conflict in this regard is allowed.

Employees are also required to disclose any personal financial interest that he/she or an Associate has in relation to the company's business. This potential COI might include directorships and significant shareholdings.

Information received by employees in the course of business dealings may not be used for personal gain or for any purpose other than that for which it was provided.

11 DISCLOSURE

Where a COI cannot be avoided, all affected clients shall be duly notified in writing, by the relevant key individual of the Business unit and/or Compliance department, at the earliest reasonable opportunity and will also be alerted to the actions that have been taken to mitigate the COI. Such disclosure must be in writing and must include information regarding:

- the measures taken, in compliance with this policy, to avoid or mitigate the conflict;
- the Ownership Interest or Financial Interest that RISE or the employee may have or become eligible to receive; and
- the nature of any relationship or arrangement with a Third Party that gives rise to a COI.

This written disclosure must be in sufficient detail to a client to enable the client to understand the exact nature of the relationship or arrangement and the conflicts of interest.

12 RECORD KEEPING

The following records should be kept for at least five (5) years:

- COIs identified and actions taken;
- Reports given to RISE's senior management, heads of business units and/or the Compliance Officer about matters relating to COIs;
- Copies of written COIs disclosures made to clients.

13 MONITORING

On a quarterly basis, Compliance will conduct audits and request all employees to make the following declarations:

- (i) Personal trading account; these are also required on behalf of associates of RISE's employees
- (ii) Material Gifts received
- (iii) Ownership interest and interests of associates in terms of natural persons; where possible compliance will conduct verifications with Companies and Intellectual Property Commission relating to ownership interest of employees.

On an annual or bi-annual basis compliance will conduct an audit of financial records to confirm that gifts issued by the company are in line with the policy.

14 TRAINING

RISE Compliance is responsible for ensuring that employees receive training regarding COI regulations issued under FAIS, Securities Services Act and or such other relevant financial legislation applicable, and the provisions of this policy.

Training should occur on a regular basis to ensure employees remain aware of their obligations.

15 NON-COMPLIANCE

Non-compliance by employees to the requirements of this policy and procedure will result in the appropriate disciplinary measures in terms of RISE's Disciplinary Policy as set out in the Employee Guide to Policies and Procedures.

RISE representatives will also be subject to the processes and procedures applicable to representatives under the FAIS Act.

17 LEGISLATIVE AND REGULATORY FRAMEWORK

This policy should be read in conjunction with the following legislative framework:

- The Companies Act, 2008 (as amended);
- The Prevention and Combating of Corrupt Activities Act, 2004;
- Securities Services Act, 2004
- Insurance Act, 2017
- The General Code of Conduct for Authorised Financial Services Providers and Representatives, 2002 (as amended);

And the following RISE policies:

- The Gifts Policy;
- The ESG and Responsible Investment Policy
- The Personal Account Trading Policy.