

Bravura Conflict of Interest Management Policy

Version 2.0

20 March 2019

BRAVURA**CONFLICT OF INTEREST MANAGEMENT POLICY**

TABLE OF CONTENTS

A	Introduction	3
B	Purpose	3
C	Application	3
D	Definitions	4
E	Key Obligations	4
F	Conflict of Interest Management Process	5
G	Conflict of Interest Register	6
H	Consequences of a Breach	6

A. INTRODUCTION

In terms of the Financial Advisory and Intermediary Services Act No.37 of 2002 (“FAIS / the FAIS Act”), the Bravura licensed financial services providers (“FSPs”) are required by Board Notice 58 of 2010 to implement and maintain a Conflict of Interest Management Policy.

Coupled with this, Bravura is committed to conducting business based on integrity, ethical considerations, and transparency, in a manner that is in the best interests of its clients.

Adhering to this policy therefore ensures that Bravura meets its legislative obligations in terms of FAIS as well as ensuring that it conducts its business activities in terms of Bravura’s core business values.

B. PURPOSE

The purpose of this policy is to set out a process whereby Bravura identifies and manages all potential and existing conflicts of interests, in a documented and objective manner, to ensure that all its business actions are conducted in a manner that ensures that it acts in the best interests of its clients.

It is important to note that acting in “best interests”, means that Bravura provides the client with a fair and unbiased financial service, without any “hidden” benefit or “profit” to Bravura, i.e. “Treating Customers Fairly” (“TCF”).

An additional purpose of this policy is to ensure that Bravura not only avoids or mitigates any conflict of interest, but also that Bravura can prove that it has done so.

C. APPLICATION

In terms of FAIS this policy applies specifically to Bravura’s licensed FSPs. Board Notice 58 of 2010 has extended this application to include the following entities:

1. Any subsidiary company of Bravura; and
2. Any holding company of Bravura; and
3. Any other subsidiary of a Bravura holding company; and
4. Any other company of which a Bravura holding company is a subsidiary.

Specific contractual obligations may be provided for in contracts of employment and contracts with all consultants and other service providers.

D. DEFINITIONS

Financial Interest	Means any cash, cash equivalents, vouchers, gifts, service, advantage, benefits, discounts, domestic or foreign travel, hospitality, accommodation, sponsorships, other incentive or valuable consideration, other than – (a) An ownership interest. (b) Training, that is not exclusively available to a selected group of providers or representatives.
Immaterial Financial Interest	Means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000.00 in any calendar year from the same third party in that calendar year, received by – (a) A provider who is a sole proprietor. (b) A representative for that representative's direct benefit. (c) A provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives
Ownership Interest	Means – (a) 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. (b) Includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
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 (a) to (d) provides a financial interest to a provider or its representatives.

E. KEY OBLIGATIONS

Board Notice 58 of 2010 sets out certain key obligations that an FSP must comply with at all times. These are as follows:

1. A provider and a representative must avoid any conflict of interest between themselves and a client.
2. Where it is not possible to avoid the conflict of interest, it must mitigate the conflict of interest.
3. A provider and a representative must disclose a conflict of interest to the client, in writing, at the earliest opportunity.
 - a. This disclosure must include the measures taken to avoid or mitigate the conflict of interest.
 - b. This disclosure must indicate the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to a client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest.
 - c. This disclosure must include any ownership or financial interest, other than an immaterial financial interest, that the provider or representative may be or become eligible for.
4. A provider must inform a client of the Conflict of Interest Management Policy and how it may be accessed by them.

F. CONFLICT OF INTEREST MANAGEMENT PROCESS

The process outlined below must be implemented every time that Bravura provides a financial service to a client.

The process consists of the following steps:

1. Identify if a potential conflict of interest exists.
2. Report the potential conflict of interest to the Compliance Officer.
3. The Compliance Officer to record the conflict of interest.
4. Take steps to avoid the conflict of interest.
5. Take steps to mitigate the conflict of interest.
6. Disclose the conflict of interest to the client.

1. Identify the potential conflict of interest

This initial step of the process must be executed by the deal maker who faces the client. It is very often a subjective test and for this reason it is suggested that the deal maker evaluates any potential conflict of interest in conjunction with the Compliance Officer and the Head of Legal.

The core questions to evaluate are:

1. Whether or not there is an actual or potential interest which has an influence on the objective performance of Bravura or its representative in terms of providing a financial service to the client.
2. Whether or not there is an actual or potential interest which prevents Bravura or its representative from providing a fair and unbiased financial service to the client.

2. Report the potential conflict of interest to the Compliance Officer

If the deal maker has come to the conclusion that a potential or actual conflict of interest exists, then it must immediately be reported to the Compliance Officer. This must be done in writing; email will suffice and must include the following information:

1. Name of client.
2. Description of the conflict of interest.

3. The Compliance Officer to record the conflict of interest

The Compliance Officer is required to record the conflict of interest in a Conflict of Interest Register.

4. Take steps to avoid the conflict of interest

The deal maker must take steps to avoid the conflict of interest if possible. These steps must be documented and sent to the Compliance Officer. The Compliance Officer will monitor these steps to ensure that the conflict of interest has been avoided.

5. Take steps to mitigate the conflict of interest

A conflict of interest must be mitigated where it is not possible to avoid it. This mitigation will involve implementing a control to mitigate the conflict. The deal maker must, in conjunction with the Compliance Officer, design and implement a control.

This control must be documented, and a Bravura employee must be tasked with its implementation. The Compliance Officer will monitor the continual implementation of this control until such time as the client interaction or engagement is completed.

6. Disclose the conflict of interest to the client

Any potential or actual conflict of interest, which has been identified by the deal maker, must be disclosed to the client, in writing. This disclosure must include the following information:

1. Details about the conflict of interest.
2. The steps Bravura has taken to avoid or mitigate the conflict of interest.
3. Details about any third-party relationship that has resulted in a conflict of interest.

The client has the option whether or not to continue with the relationship; should the client decide to proceed this should be confirmed by the client in writing and be recorded in the Conflict of Interest Register.

G. CONFLICT OF INTEREST REGISTER

The Compliance Officer is responsible for implementing and maintaining a Conflict of Interest Register. This register is stored electronically on Bravura's Risk and Compliance Drive. The register will record the following information.

1. Detail on the conflict of interest.
2. Client name.
3. Deal maker name.
4. Date.
5. Steps taken to avoid the conflict of interest.
6. Steps taken to mitigate the conflict of interest.
7. Whether or not client disclosure has been made.
8. Whether or not the client has elected to proceed having noted a disclosed conflict of interests.

H. CONSEQUENCES OF A BREACH

The failure to adhere to this policy will place Bravura in breach of FAIS. The consequences of such a breach will include financial penalties as well as the potential suspension of a FAIS license.

Due to the importance of complying with this policy, any Bravura employee who breaches the Conflict of Interest Management Policy could potentially be subjected to disciplinary action.
