

## CONFLICT OF INTEREST POLICY

### 1. INTRODUCTION

1.1 This document embodies the Conflict of Interest Management Policy for Investment Management Services CC “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 cc 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.
- 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 [insert FSP name] must within 10 days of that receipt be recorded in the gift registry of [insert FSP name], attached hereto as Annexure B. –
- 2.4 Investment Management Services cc 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.

## **3. MECHANISMS FOR IDENTIFYING COI**

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

## **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 Andrew Goodall: cell – 072 603 9234, email: [andrew@imsc.co.za](mailto:andrew@imsc.co.za)  
Brain Goodall: cell: 082 774 5430, email: [brian@imsc.co.za](mailto:brian@imsc.co.za)

## 5. POTENTIAL COI THAT COULD AFFECT INVESTMENT MANAGEMENT SERVICES

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

5.1.1 Directorships or other employment; Brian Goodall is chairman of the Lewis Foundation.

5.1.2 share ownership; Brian Goodall & Andrew Goodall share ownership of Investment

5.1.3 beneficial interests in trusts;

5.1.4 Personal Account Trading;

5.1.5 professional associations or relationships with other organizations; members of the FPI and  
SAIT

5.1.6 Commission

Investment Management Services receives trailer commission directly from the management companies, Investment Management Services does not charge any up front commission or service fees.

## 6. DISCLOSURE OF COI

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

6.1.1 Measures taken to avoid or mitigate the conflict;

6.1.2 Any ownership interest or financial interest that the provider or representative may be or become eligible for;

6.1.3 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.

6.2 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.

6.3 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.

6.4 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 [insert FSP name].

6.5 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.

*B.B Goodall*  
*M.A B.A Hons (Rand)*  
*M.A (Unisa)*  
*Adv. Tax Cert (Unisa) CFP®*

*A.E Goodall*  
*B.A (HDE) (Natal)*  
*CFP® (UFS)*  
*Adv CFP® (UFS)*

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

- 7.1 Every staff member must have a copy of the Conflicts of Interest Management Policy.
- 7.2 If a potential COI arises, the transaction must first be discussed with management before entering the transaction.

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

- 8.1 Non-compliance with this policy and the procedures described in it may amount to misconduct and employees may be subject to internal disciplinary action that may lead to dismissal.

Andrew Goodall

Brian Goodall

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

- 9.1 Plutus Capital

## 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\*; and
  - 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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