



## **SIPP Conflict of Interest Policy**

### **Introduction**

A conflict of interest is defined as a situation in which SIPP Investments (Pty) Ltd (SIPP) or one of its employees has an actual or potential interest that may influence the advice to a client, preventing the rendering of an unbiased and fair financial service to a client or preventing SIPP or one of its employees from acting in a client's best interests.

The purpose of the Conflicts of Interests Policy is to outline a suitable approach and response to the identification and management of conflicts of interest.

This Policy should be read in conjunction with standard operating procedures of SIPP, which as an authorised financial services provider, complies with a number of regulatory requirements. These include, but are not limited to:

- SIPP must act with due care and skill and in our clients' best interest.
- The obligation to have adequate risk management systems in place
- The obligation to comply with all financial services laws
- To have adequate compliance arrangements
- To disclose any non-cash incentives or indirect considerations relating to a sale of a financial product
- Prohibitions with regards to misleading or deceptive conduct in the provision of an investment management service, and insider trading
- Not provide financial services that unfairly puts the interests of SIPP ahead of our clients
- Not provide financial services in a way that unfairly puts the interests of one client ahead of the interests of other clients.

- Not use knowledge about clients in a way that is likely to advance SIPP's interests without sufficient disclosure to affected clients

## **Procedure (refer to Annexure B)**

### **Step 1: Identify**

The SIPP business will continually be reviewed to identify both potential as well as current conflicts of interests. Such investigation will span across the following key areas:

- Investment management: execution; research; advice; decision making
- Client service: administration; product providers; introducers
- Business management: suppliers; contractual arrangements
- Financial & Retirement planning; advice, decision making

In highlighting any potential conflicts of interests, all employees will on an annual basis complete the conflicts of interests' questionnaire (please refer to Annexure C).

### **Step 2: Assess**

Once a conflict has been identified, it will be assessed and evaluated with a decision made on the appropriate response to those conflicts. If it is felt that a conflict is significant or has a serious impact, an alternative process/product/service will be implemented to avoid the conflict all together.

### **Step 3: Disclosure**

Clients will be informed in a clear, concise and effective manner to ensure that they are able to make an informed decision. The information will be disclosed in a sensitive manner taking into consideration the clients needs.

### **Step 4: Management**

If it is felt that a conflict of interests is unavoidable and can be managed without a negative influence on the running of the business or the rendering of the investment service to clients, a process with regards to the management of the said conflict will be put in place. Such management will aim to

demonstrate that the conflict is being continually monitored with the prerogative to ensure clients are in no way negatively impacted. Please refer to Annexure D.

## **Responsibility**

The effective control, implementation and oversight of the SIPP Conflicts of Interest Policy will sit with the appointed Chief Executive Officer (CEO), who in turn will report to the Board. This responsibility is essentially to address the spread of conflict risks to which SIPP is exposed, including latent and emerging conflicts. The CEO with the Board will then make an informed judgment about the materiality of the conflict risk.

## **Annexure A: Examples of Conflict of Interests**

### **1. Interests and Affiliations:**

A conflict of interest exists if a relevant person is in a position to make or influence a decision about whether and how to proceed with the proposed transaction, and has an affiliation with any other party to a business transaction. An apparent conflict is one that a sceptical viewer might reasonably believe may cause the relevant person's decision to be tainted by self-interest.

### **2. Personal Interests:**

The provider must disclose to the client the existence of any personal interest in the relevant service, or any circumstances which gives rise to an actual or potential conflict of interest in relation to such service, and take all reasonable steps to ensure fair treatment of the client. In addition, all staff are required to familiarise themselves and thereafter abide by SIPP's Personal Account Trading Policy.

### **3. Moonlighting:**

Employees need to disclose any employment or activity other than for SIPP. While employed at SIPP, full business energies and time should be devoted exclusively to SIPP's business. Any outside activity should be strictly separated from SIPP's employment and should not harm one's job performance or result in a potential conflict of interests. A similar rule applies with regards to employees needing to obtain approval prior to accepting any position to serve on a board of directors, an advisory board or on a committee of any entity.

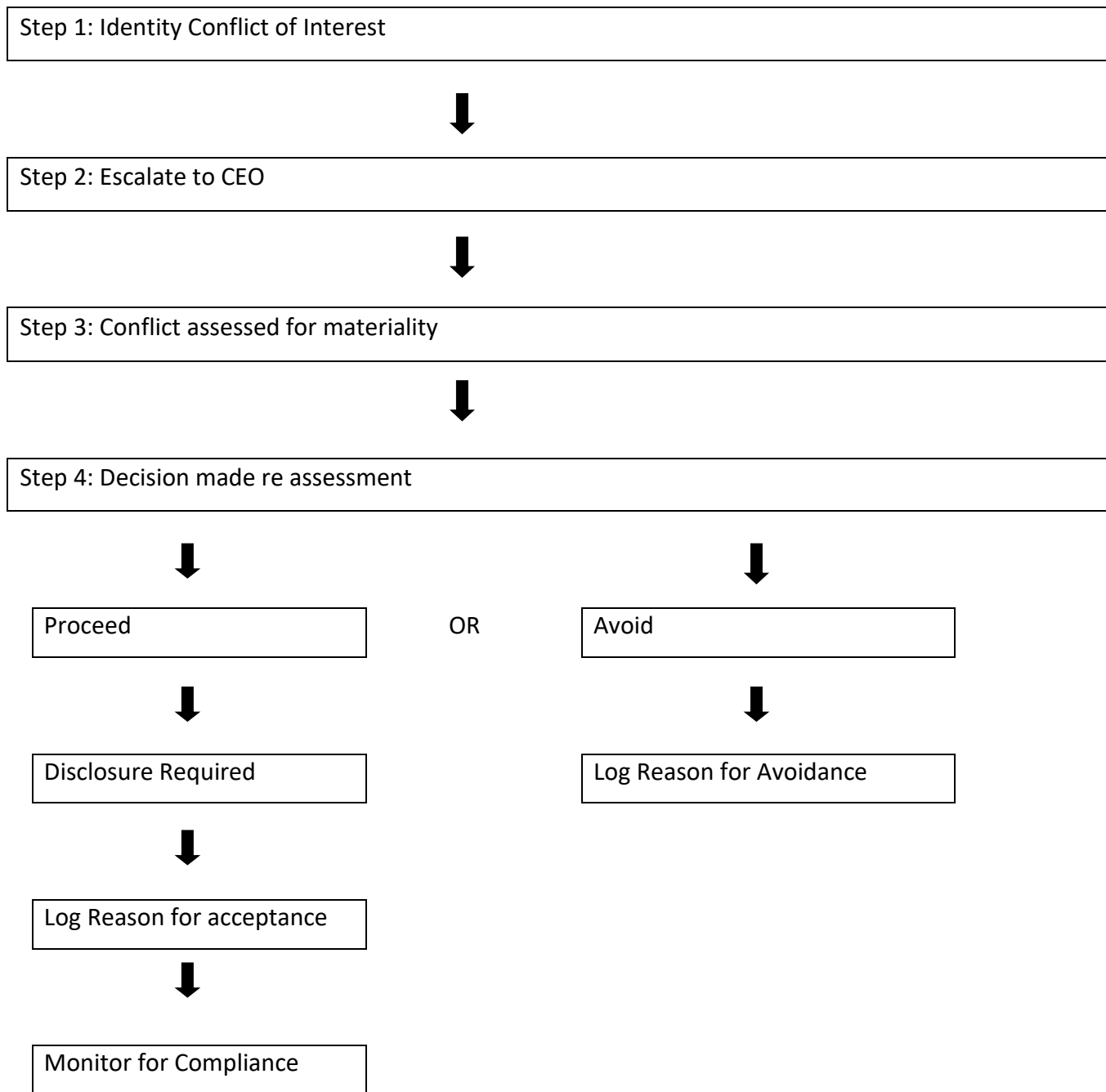
### **4. Gifts and improper personal benefits:**

No employee should obtain any material personal benefits or favors because of his or her position with SIPP. Directors, advisors, and staff members, and members of their families, may not knowingly receive or accept any pecuniary gain or anything else of value (including gifts, honoraria, loans, and entertainment) from recent, current, or potential grantees, vendors, suppliers, consultants, or others who have existing or proposed business or grantor-grantee relationship with SIPP. It is permissible to accept gifts of nominal value, meals, and social invitations that are in keeping with good business ethics and do not obligate the recipient to take or refrain from taking any action or decision on behalf of SIPP.

## **5. Non-cash incentives:**

Non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person to the provider could be viewed as a potential conflict of interest. Material benefits are any forms of non-cash incentives or benefits that are R500 or more in value for any single item or part thereof, including benefits that are passed to a spouse, partner, family member, business associate or employee of a provider or provider's representative by a product supplier; and also includes such non-cash incentives or benefits that amount to more than R1000 per natural person from a single product supplier over any calendar year. Benefits that are not material and are not in the form of cash or gift vouchers.

## Annexure B: Procedure Schematic



## Annexure C: SIPP Conflict of Interest Questionnaire

Name of employee .....

Designation .....

### Introduction:

As an employee of SIPP, you are required to:

1. Review and familiarise yourself with the SIPP's conflicts of interest Policy (the "Policy");
2. On an annual basis, disclose any possible personal, familial, or business relationship that reasonably could give rise to a conflict of interest or the appearance of a conflict of interest in the conflict of interest questionnaire
3. Acknowledge by your signature that you are acting in accordance with the letter and spirit of the Policy

### Questionnaire:

1.	Please list all corporations, partnerships, associations or other organizations of which you are an officer, director, trustee, partner, or employee, and describe your affiliation with such entity.
2.	In terms of the FAIS Code of Conduct you must disclose to any SIPP client the existence of any personal interest in a relevant service, or of any circumstances which gives rise to annual or potential conflict of interest in relation to such service, and take all reasonable steps to ensure the fair treatment of the client, please comment.

3.	Non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person which could be viewed as a potential conflict of interest. Please list any received in last 12 months (can include incentive trips, sponsorships, gifts that amount to material benefits, business services, entertainment expenses, access of preferential, differentiated service/training/advice facilities, shareholdings, sales quota obligations, product biases etc)
4.	Please list all corporations, partnerships, or other entities in which you and/or SIPP have a material financial interest.
5.	Please list any proposed business dealings between product suppliers and you/SIPP, your family members, and/or entities. Describe each such relationship listed and the actual and potential financial benefits as you can best estimate them.
6.	Are you aware of any other relationships, arrangements, transactions, or matters which could create a conflict of interest or the appearance of conflict?

Signed .....

Date.....



## Annexure D: Conflicts of Interests Register

Where a gift is either received or distributed, this will be logged in the SIPP Gifts Register. The Conflict of Interests register will therefore be used for other non-cash incentives. This register should act as a summary document with a more detailed history recorded where appropriate. In the Outcome column below, the following should be noted upon finalisation:

1. Closed; conflict accepted and disclosed
2. Closed; conflict not accepted

Date	Description of Conflict	Received By	Received From	Referred Internally	Activity Update	Outcome