FEDGROUP CONFLICT OF INTEREST MANAGEMENT POLICY
A. PREAMBLE

FedGroup Financial Holdings and its subsidiaries (FedGroup) strive to maintain the highest ethical standards in carrying out our business activities. Our reputation is one of our most important assets, so all of our operations and the way we do business are guided by our set of core values.

We recognise our obligations to our various stakeholders: insurers, intermediaries, financial service providers, brokers, shareholders, employees and their Representatives, customers, suppliers, competitors, and the wider community. This policy sets out appropriate principles and processes to deal with specific ethical issues that arise in specific circumstances.

We will monitor ethical performance regularly to eliminate corrupt or unethical business practices. The cornerstone of ethical conduct is to avoid actual or potential Conflicts of Interest. In circumstances where we cannot avoid conflicts, we need to follow these guidelines to ensure proper disclosure to mitigate these actual or potential conflicts. We also have to ensure that staff members on a performance-based salary are closely monitored to ensure that they do not compromise quality to focus on quantity performance measurements.

The purpose of this policy is to provide measures to identify, manage and avoid existing and potential Conflicts of Interest within our environment and set out the roles and responsibilities of the relevant parties. This policy is published on our website so that clients can easily access it.

B. DEFINITIONS

For the purposes of the guidelines, we have used the following definitions:

<table>
<thead>
<tr>
<th>FedGroup</th>
<th>FedGroup Financial Holdings (Pty) Ltd and its subsidiaries</th>
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<tbody>
<tr>
<td>Associate</td>
<td>In relation to a natural person, means:</td>
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<td>(i) A Person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that Person.</td>
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<td>(ii) A child of that Person, including a stepchild, adopted child and a child born out of wedlock.</td>
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<td>(iii) A parent or stepparent of that Person.</td>
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<td></td>
<td>(iv) A Person who is recognised in law or appointed by a court as the Person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned Person.</td>
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In relation to a juristic Person, means:

|          | (i) A company, any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary. |
|          | (ii) Any member of a close corporation registered under the Close Corporations Act,1984 (Act No. 69 of 1984), as defined in Section 1 of the act. |
|          | (iii) Another juristic Person which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), that would have been a |
subsidiary or holding company of the first-mentioned juristic Person:
(aa) Had such first-mentioned juristic Person been a company; or
(bb) In the case where that other juristic Person, too, is not a company, had both the first-mentioned juristic Person and that other juristic Person been a company.

(iv) Any Person in accordance with whose directions or instructions the board of directors or, in the case where such juristic Person is not a company, the governing body of such juristic Person is accustomed to act.

In relation to any Person, means:

(i) Any juristic Person of which the board of directors or, in the case where such juristic Person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the Person first-mentioned in this paragraph.

(ii) Any trust controlled or administered by that Person.

Clients

A specific person or group of Persons, excluding the general public, who is or may become the subject to whom a financial service is rendered intentionally, or is the successor in title of such Person, or the beneficiary of such service.

Compliance Officer

The Compliance Officer appointed by FedGroup.

Conflict of Interest

Any situation in which a financial service provider or a Representative has an actual or potential interest that may, in giving a financial service to a Client:

(a) Influence the objective performance of his, her or its obligations to that Client.
(b) Prevent that service provider or Representative from giving an unbiased and fair financial service to that client, or from acting in the interests of that Client.

Including but not limited to:

(i) A Financial Interest
(ii) An Ownership Interest
(iii) Any relationship with a Third Party.

Employee

Includes permanent employees, temporary employees, independent contractors and employees or contractors of contracted service providers, of any of the corporate entities forming part of the Group.

FAIS

Financial Advisory and Intermediary Services Act no.37 of 2002 and all regulations, board notices and codes of conduct issued in terms of the act.

Financial Interest

A Financial Interest includes cash, cash equivalent, voucher, gift, services, advantage, benefit, discount, domestic or foreign travel,
<table>
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<tr>
<th>Financial Interest Type</th>
<th>Description</th>
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| Hospitality, accommodation, sponsorship, or 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 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 service. |
| Immaterial Financial Interest | 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:  
(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 |
| Key Individual           | A Person registered as such in terms of FAIS to oversee and manage the business or Representatives of FedGroup Financial Holdings.                                                                             |
| Ownership Interest       | An equity Ownership Interest, for which the owner paid fair value. This excludes equity or Ownership Interest held by an approved nominee on behalf of another Person. It includes any dividend, profit share or similar benefit derived from that equity or Ownership Interest |
(ii) Commission authorised under the Medical Schemes Act (Act no. 131 of 1998).  
(iii) Fees authorised under the Long Term Insurance Act (Act no. 52 of 1998), the Short Term Insurance Act (Act no. 53 of 1998) or the Medical Schemes Act, (Act no. 131 of 1998) if those fees are reasonable compensation for the service provided.  
(iv) Fees charged for a financial service for which commission referred to in subparagraph (i), (ii) or (iii) is not paid, if: |
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<tr>
<th>Representative</th>
<th>(aa) The Client specifically agreed in writing to the fees; and (bb) The Client may stop the fee at his or her discretion.</th>
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<tr>
<td>Third Party</td>
<td>Fees or remuneration for a service to a third party if these fees or remuneration are reasonable compensation for the service being delivered.</td>
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<td></td>
<td>Subject to any other law, an immaterial Financial Interest; and</td>
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<td></td>
<td>A Financial Interest, not referred to under subparagraph (i) to (iv), for which the provider or Representative pays a consideration, fair value or remuneration that is reasonable compensation for the fair value of the Financial Interest, at the receipt thereof.</td>
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<td>Any employee of an FSP who renders financial services to a Client on behalf of an FSP as defined in the FAIS Act.</td>
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<tr>
<td>Third Party</td>
<td>(a) A product supplier</td>
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<td>(b) Another FSP</td>
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<td></td>
<td>(c) An associate of a product supplier or an FSP</td>
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<td>(d) A distribution channel</td>
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<td></td>
<td>(e) Any Person who, in terms of an agreement or arrangement with a Person referred to in paragraphs (a) to (d) above, provides a Financial Interest to a provider or its Representatives.</td>
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AVOIDING CONFLICTS OF INTEREST

1. OBJECTIVES

Employees have a duty to act in the best interest of the Client and/or FedGroup. Employees and Representatives are encouraged in all instances to perform their obligations in a manner that would not create a Conflict of Interest. The primary objectives of this policy are:

- To document the process whereby we identify and manage all Conflicts of Interest that may arise when we provide a financial service to our Clients.
- To promote transparency and avoid, or where avoidance is impossible, mitigate business-related Conflicts of Interest.
- To ensure fairness in the interests of Clients, Employees and FedGroup.
- To document the process for the disclosure, approval and review of activities which may amount to actual, potential or perceived Conflicts of Interest.
- To provide a mechanism for the objective review of Personal outside interests.

2. SCOPE

The requirements outlined in this policy apply to all Employees and Representatives of FedGroup. This policy regulates processes and procedures in accordance with existing legal duties that an Employee is obliged to uphold and should therefore not be construed or applied in a manner contrary to such duties and obligations, nor is it designed to replace such duties and obligations.

3. ROLES AND RESPONSIBILITIES

- **Board of directors**
  The board of directors is ultimately responsible for the Conflict of Interest management ("COIM") policy.

- **Executive committee ("EXCO")**
  The EXCO is the most senior decision-making forum under the board of directors. It is responsible for:
  - Drafting and implementation of this COIM policy and for submitting it to the board of directors for consideration and approval.
  - Ensuring that all Employees, Representatives and where appropriate, Associates, are made aware of the contents of the COIM policy, including training or education in this regard.
  - Ensuring that the COIM Policy is published in appropriate media and that it is easily accessible for public inspection at all reasonable times.

- **Key Individuals ("KIs")**
  In terms of the FAIS Act, the KIs are responsible for managing or overseeing the activities of FedGroup Holdings FSPs as they offer financial services. In terms of this COIM policy, the KIs are responsible for implementing it and training staff, especially as it relates to the FAIS Act.
Compliance Officers

Compliance Officers are responsible for:

- Submitting annual compliance reports to the Registrar of Financial Services Providers under the FAIS Act. These reports must deal with the monitoring of, compliance with and accessibility of the COIM policy.
- Provide relevant input and guidance to the operational areas or support functions.
- Monitor and maintain a register of Conflicts of Interest management. All declaration forms completed by Employees and Representatives are kept in this register.

4. MECHANISMS FOR IDENTIFYING CONFLICTS OF INTEREST

- Given the nature and complexity of the business of providing financial products and services through a number of legal entities, we have identified a number of mechanisms to identify potential Conflicts of Interest: All Employees are required to report any potential or actual Conflicts of Interest to the Compliance Department. The onus is on every Employee to comply with this Policy. Should any individual be uncertain as to whether they are in a conflicted situation e.g.: whether the offer they wish to make or the offer which has been made to him/her, or whether a particular action or omission amounts to a Conflict of Interest, then he/she should contact the Compliance Department immediately.

- Every department head must, on an ongoing basis, identify any actual or potential Conflicts of Interest which may arise within his or her area. These must be reported to the compliance department. The compliance department maintains a Conflicts of Interest register which is reviewed periodically with senior management to determine whether Conflicts already identified are still valid, whether the mitigation strategies in place operate effectively and whether there are any new or potential conflicts that may have arisen since the last review.

- The compliance department will investigate any potential or actual Conflicts of Interest to determine whether such conflicts are conflicts as contemplated in FAIS or any other applicable legislation. The compliance department, in conjunction with senior management, will determine whether such Conflicts of Interest are avoidable or unavoidable conflicts.

- If a Conflict of Interest is identified as being avoidable, then Fedgroup will adopt the necessary internal procedures to ensure that the activity that gives rise to the avoidable conflict is avoided.

- If a Conflict of Interest is identified as being unavoidable, the compliance department, in conjunction with senior management, will establish a strategy to mitigate the risk of such Conflict of Interest impacting negatively on FedGroup’s ability to render fair and unbiased services to affected Clients.

- Fedgroup will disclose any specific Conflict of Interest impacting a Client to such impacted Client, together with the mitigation strategy employed.

5. THE MEASURES FOR AVOIDANCE OF CONFLICTS OF INTEREST

- Alignment of all current business practices, procedures and relationships with FAIS.

- Training and maintenance of awareness levels of regulatory requirements.

- Culture of compliance and company values.
• Compliance performs regular FAIS audits to verify that FedGroups’ procedures and processes are followed.

• Adherence and reporting under the FedGroup gift and entertainment policy.

6. FINANCIAL INTEREST TO AND FROM THIRD PARTIES

No Employee may accept/give a Financial Interest or Ownership Interest from/to a Third Party, other than an Immaterial Financial Interest (refer to the Gifts and Inducements Policy).

Fedgroup may not offer any Financial Interest to an Employee which incentivises such Employee to:

• Give preference to the quantity of business over quality of service rendered to Clients;

• Give preference to a specific product supplier in the event that it is possible to recommend more than one supplier to a Client; and/or

• Give preference to a specific product in the event that it is possible to recommend more than one product to a Client.

No Employee may directly or indirectly refer any actual or potential item of designated investment business to another Person on their own initiative or on instruction from Fedgroup, if it is likely to conflict with any duty that Fedgroup owes to its Clients or any duty which such recipient firm owes to its Clients.

7. TRAINING AND EDUCATION SESSIONS

All Employees must know and understand the Conflicts of Interest Management Policy as well as the policies relating to the identified categories of potential Conflicts of Interest. Appropriate training will be provided to all Employees on a periodic basis.

8. FINANCIAL INTERESTS TO OWN REPRESENTATIVES

FedGroup Representatives are remunerated in the form of salaries and some of them may be eligible for the payment of a guaranteed 13th cheque or, in certain instances, annual performance bonuses that recognise their overall contribution to the performance of FedGroup as a whole. Salaries are paid in accordance with their employment contract and in instances where a Representative is paid a performance bonus, it is calculated using a formula that includes the net profit performance of the FedGroup and the overall performance appraisal of the individual and team concerned.

FedGroup may not offer any Financial Interest to its Representatives for giving preference to:

• The quantity of business to the exclusion of the quality of service given to Clients.

• A specific product supplier, where a Representative may recommend more than one product supplier.

• A specific product of the product supplier where the Representative may recommend more than one product of that supplier.

• This means that: all remuneration packages, bonus and incentive programmes and commissions must be structured in line with these rules.
There must be full disclosure to Clients who are referred to specific providers, suppliers or products.

Where required, there is full disclosure to Clients on all FedGroup products.

9. IMMATERIAL FINANCIAL INTEREST

FedGroup may accept or offer an Immaterial Financial Interest if it does not exceed R1 000 per natural Person per year from or to the same Third Party.

If FedGroup aggregates the Immaterial Financial Interest for the benefit of some of the Third Party’s Representatives, it will be penalised and will only be entitled to give a R1 000 in total to that Third Party. The Immaterial Financial Interest must be allocated on an individual basis.

Process

The following process, implemented by FedGroup, is in accordance with the Conflict of Interest requirements set out in Board Notice 58 of 2010

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<thead>
<tr>
<th>STEP 1</th>
<th>IDENTIFY THE CONFLICT OF INTEREST</th>
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<td>After training has been provided, every FedGroup Employee must be aware of the potential for Conflict of Interest within the industry. If any Employee suspects an occurrence or potential occurrence of conflict, this needs to be reported and discussed with the compliance officer. The following questions are necessary in establishing whether a Conflict exists</td>
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<tr>
<td></td>
<td>1. Are my interests and those of FedGroup aligned with my Client’s needs?</td>
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<td></td>
<td>2. Am I acting independently, professionally and objectively towards my Client?</td>
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<td></td>
<td>3. Am I acting in the best interests of my Client or in the best interests of FedGroup?</td>
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<th>STEP 2</th>
<th>REPORTING</th>
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<td>The Employee must report the Conflict of Interest to the compliance team via email.</td>
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<td>The compliance officer needs to record the reported Conflict of Interest in the Conflict of Interest register.</td>
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<td>The compliance officer must investigate the reported Conflict of Interest.</td>
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<th>STEP 3</th>
<th>MANAGING THE CONFLICT OF INTEREST</th>
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<td>The compliance officer, together with the relevant management and the Employee who reported the Conflict, must evaluate the Conflict and decide on an appropriate action to be taken. The evaluation is done as follows:</td>
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<td>- Is it possible to avoid the Conflict?</td>
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<td>- If it cannot be avoided, the reasons why.</td>
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<td></td>
<td>- The actions taken to mitigate the Conflict.</td>
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<td></td>
<td>- How these actions will mitigate the risk of the Conflict.</td>
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<td></td>
<td>- How the Client disclosure of the Conflict of Interest will be done and by whom.</td>
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10. LIST OF THIRD PARTIES IN WHICH FEDGROUP HOLDS AN OWNERSHIP INTEREST
The definition of a Third Party according to Board Notice 58 is a product supplier, another FSP, an Associate of a product supplier or an FSP, a distribution channel, or any other Person that in terms of an agreement or arrangement with a Person referred to in the preceding list provides a Financial Interest to a provider or its Representatives. In terms of this definition, FedGroups’ FSPs do not have Ownership Interests in third parties outside the Group.

11. LIST OF THIRD PARTIES THAT HOLD AN OWNERSHIP INTEREST IN FEDGROUP FSPS

The definition of a Third Party according to Board Notice 58 is a product supplier, another FSP, an Associate of a product supplier or an FSP, a distribution channel, or any other Person that in terms of an agreement or arrangement with a Person referred to in the preceding list provides a Financial Interest to a provider or its Representatives.

12. LIST OF ASSOCIATES

Companies that are Associated to FedGroup are those that are part of FedGroup Financial Holdings. Please refer to Annexure A.

13. THE OBLIGATION TO DISCLOSE

- Every Employee must fully communicate and disclose any Conflict of Interest that could impair or be perceived to impair their ability to act with integrity or objectivity in their role at FedGroup immediately, once identified. They must disclose Conflicts of Interest and update the Master Conflicts of Interest register (see Annexure B) accordingly.

- All Employees must forward their disclosures to the Group or manager responsible for the particular branch or department.

- Group management and executive managers must forward their disclosures to the company secretary who will consider the disclosures and decide on their permissibility.

- Where applicable, the Representatives should inform Clients of the Conflict of Interest disclosures as required.

- Employees and Representatives must disclose all Conflicts of Interest (including pre-existing Conflicts of Interest) yearly. In addition, if a Conflict of Interest arises or may arise, Employees must disclose it before undertaking any activity, at the beginning of any negotiations or at the beginning of any decision-making process. In exceptional circumstances, the formalities of disclosure may be finalised after the event in instances where time is of the essence and the substance of this policy has been complied with, provided that the formalities are completed afterwards. A new disclosure must be made if the facts and circumstances relating to a previously disclosed interest or activity changes materially, thereby introducing a new undisclosed interest.

- The Representatives will give Clients documentation confirming the structure of FedGroup Financial Holdings, disclosing their Conflicts of Interest, in line with current disclosure procedures.

14. APPROVAL
Where management considers the Conflict potential of an activity or interest to be minimal and there is no risk of reputational damage to FedGroup, Employees must record approval of this activity on Annexure B. They must also note any conditions attached to the approval on the form. This must be reviewed yearly to ensure that the basis on which approval was granted remains sound. The Employee applying for approval may not undertake the activity or make any decisions on behalf of FedGroup without the required prior written approval.

Where the activity or interest that gives rise to the potential Conflict of Interest is judged to be inappropriate, it should be declined. This decision must be recorded on the annexure and communicated in writing to the relevant Employee. Employees and Representatives have the right to request a review of the decision where the activity or interest is declined or where conditional approvals are granted. Such a request must be in writing, set out the reasons for the request and include copies of all relevant documents relating to the original disclosure of the activity or interest and the decisions relating thereto. The right of review is to the managing director.

15. MAINTAINING INDEPENDENCE

In all situations where disclosure is required, the relevant Employee making the disclosure must abstain from any decision making relating to the conflicted activity or interest as well as from the process relating to the consideration of that disclosure. Where appropriate, that abstention must be formally noted.

16. RECORD KEEPING

In respect of all other Employees and Representatives, the relevant group manager will keep the disclosure forms. In all cases where disclosures are approved or declined, copies of the disclosure forms must be forwarded to the compliance officer. If managers are unsure about a potential Conflict of Interest, they must get clarity from the compliance officer and record it accordingly. The FSP will keep a Conflicts of Interest and gifts register.

17. RELATIONS WITH EMPLOYEES AND REPRESENTATIVES

Employees and Representatives may not have any outside business interests or additional employment which could in any way conflict with the proper performance of their duties, unless given specific written permission to do so. Employees must disclose any personal interest they or a member of their immediate family has in relation to the Group’s business. This Conflict of Interest could include directorships, significant shareholdings and employment of family members.

18. COMPLIANCE AND VERIFICATION

- Strict adherence to the provisions of this policy is a condition of employment with the Group. Non-compliance with this policy and the procedures described in it may be considered to be misconduct and Employees and Representatives may be subject to disciplinary action that may lead to dismissal.

- We aim to create the climate and opportunity for our Employees and Representatives to voice genuine concerns about behaviours or decisions that they perceive to be unethical.

- The Compliance Officer is responsible for initiating and supervising the investigation of all reports of breaches of this policy and assisting FedGroup to ensure that appropriate disciplinary action is taken when required.
The Group's auditors may be asked to report on any practice uncovered in the course of their work that appears to breach this code of business conduct.

19. APPLICABILITY OF THIS POLICY

This policy applies to authorised financial services providers, their Representatives and Key Individuals within FedGroup.

Authorised FSP within FedGroup Financial Holdings (Pty) Ltd
FedGroup Financial Services (Pty) Ltd (Licence number 40607)
FedGroup Life Limited (Licence number 1178)
FedGroup Asset Management (Pty) Ltd (Licence number 665)
FedGroup Trust Administrators (Pty) Ltd (Licence number 16302)

Throughout this document, any reference to FedGroup will mean the abovementioned FSPs.
Conflicts of Interest control measures

Declaration of Interests

The disclosure of interests to be completed by the FSP (as the entity), Key Individuals in the financial services business and the members of the management board.

- In order to ensure proper governance, and the accountability and transparency of the FSP, relevant Persons are required to declare any private interests that might affect them carrying out their duties. The key Persons will also be required to take steps to resolve any conflicts that arise in a way that protects the Clients of the FSP. To fulfil these duties, any relevant interests must be declared on the register of interests.

- The defining purpose of this disclosure is to be able to provide information to Clients about the relevant interests of the FSP and the Key Individuals. These are personal or business interests that might influence their judgement, deliberation or action, or which might be perceived by a Client as doing so.

- Relevant parties must consider whether they need to disclose personal involvement with Persons or organisations that Clients might reasonably think could influence their judgement.

- Any Interest that comes to light should be declared before discussion at a management board meeting. It should take place irrespective of whether the Interest has already been recorded in the register.

- Where there is uncertainty about whether a particular Interest should be declared, advice should be sought from the Compliance Officer of the FSP.

- The interest disclosure should be intended as a record available to Clients on request. However, all material Conflicts of Interest should be disclosed to affected Clients. An appropriate mechanism would be to disclose such conflicts in the initial disclosure documentation of the FSP, or other suitable means.

- It is each Person’s responsibility to inform the internal Person responsible for Conflicts of Interest, including compliance, of any relevant changes as they occur and to register their interests in the register provided.

- The disclosure will be reviewed on an annual basis by compliance.

- Where there is a complaint received about a failure of the FSP to disclose a relevant interest, the complaint should immediately be sent to compliance for evaluation and response.