



**CONFLICT OF INTEREST
MANAGEMENT POLICY**

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1. Introduction

Atlehang Life Limited (“Atlehang”) as a financial service provider (FSP) in terms of the Financial Advisory and Intermediary Services Act (“FAIS”) has a responsibility to conduct itself with integrity, fairness and dignity and act in an ethical manner in all its dealings with the public, customers and other industry participants. Accordingly, Atlehang must avoid conflicts of interests in dealings with customers and where it is unable to do so, must mitigate the conflict and disclose the conflict to customers.

2. Objectives

The Conflict of Interest Management Policy (“Policy”) comes into existence in terms of the provisions of the S3 of the General Code of Conduct of Financial Services Providers and Representatives Board Notice 80 of 2003 (“General Code of Conduct”) which has been amended by Board Notice 58 of 2010 (“BN58”). The Policy is aimed at managing conflict of interest that exists or has a potential to exist in a specific transaction that is entered into or may be entered into with a client. Managing conflict of interest could be a way of mitigating it where it exists, and disclosing it to a client.

With this Policy, Atlehang seeks to ensure that its customers are given the highest standard of service that is, as far as possible, free from bias.

3. Application

This Policy applies to all permanent and temporary employees, directors, officers, representatives, agents and independent contractors (“Employees”) of Atlehang. It applies to transactions entered into, or may be entered into between Atlehang or employees of a Atlehang, on behalf of Atlehang.

4. Definitions

“Associate”-

- (a) In relation to a natural person, means
 - (i) A person who is recognised in law or tenets of religion as the spouse, life partner or civil union of that person;
 - (ii) A child of that person, including a stepchild, adopted child and a child born out of wedlock;
 - (iii) A parent or stepparent of that person;
 - (iv) A person in respect of which that person 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;
 - (v) A person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv)
 - (vi) A person who is in a commercial partnership with that person;

- (b) In relation to a juristic person –
 - (i) Which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding and any other company of which that holding company is a subsidiary;
 - (ii) Which is a close corporation registered under the Close Corporation Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
 - (iii) Which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or a holding company of the first-mentioned juristic person-
 - (aa) had such first-mentioned juristic person been a company; or
 - (bb) in the case where the other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;

(c) In relation to any person-

- (i) Means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which governing body is accustomed to act in accordance with the directions or instruction of the person first mention in this paragraph
- (ii) Includes any trust controlled or administered by that person.

“Company” means a company under the Companies act, 2008 (as amended)

“conflict of Interest” means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client, -

- (a) Influence the objective performance of his or her or its obligations to that client; or
- (b) 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 –

- (i) A financial interest;
- (ii) An ownership interest;
- (iii) Any relationship with a third party;

“Distribution Channel” means –

- (a) Any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client;
- (b) Any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the providers and a product supplier;

“Fair value” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –

- (a) 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 training;

“immaterial financial interest” means any financial interest with a determinable value, the aggregate of which does not exceed R1000 in any calendar year from the same third party in that calendar year received by:

- (a) A representative for that representative’s direct benefit;
- (b) A provider, for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives

“third party” means –

- (a) A product supplier;
- (b) Another provider;
- (c) Any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (b) above provides a financial interest to a provider or its representatives.

5. Avoidance or Mitigation of the Conflict of Interest

Atlehang or its Representatives must avoid and where it is not possible, mitigate conflict of interest between Atlehang or it’s Employee and the Client.

6. Disclosure of Conflict of Interest (Duties of Atlehang)

Atlehang or its Employees must at the earliest reasonable opportunity disclose to a client in writing any conflict of interest in respect of that client.

The conflict of interest disclosure will include:

- 6.1 measures taken, in accordance to the Policy to avoid or mitigate the conflict;

- 6.2 any ownership interest or financial interest excluding immaterial financial interest, Atlehang or its Employees may be or become eligible for, should the transaction be entered into;
- 6.3 the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest.

This must be disclosed in sufficient detail to enable the client to understand the exact nature of the relationship with the third party or arrangement and the conflict of interest.

7. Allowed Financial Interest

Atlehang or the Employees may only receive or offer the following financial interest from or to a third party –

- (i) Commission authorised under the Long-Term Insurance Act, 1998 (Act No. 52 of 1998);
- (ii) Fees authorised under the Long-Term Insurance Act, 1998 (Act No. 53 of 1998);
- (iii) Fees for rendering a financial service in respect of which commission or fees referred to in paragraph (i) and (ii) is not paid
 - (aa) the amount, frequency, payment method and the recipient of those fees and details that are to be provided by the provider or the representative in exchange for the fees that are specifically agreed to by client in writing; and
 - (bb) those fees may be stopped at the discretion of that client.
- (iv) Fees or remuneration for the rendering of a service to a third party.
- (v) Subject to any other law, an immaterial financial interest
- (vi) A financial interest, not referred to under subparagraph (i) to (v), for which consideration, fair value or remuneration that is reasonably commensurable to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

8. Prohibited Financial Interests

- 8.1. Atlehang may not offer any financial interest to an Employee:
- (i) that is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or
 - (ii) for giving preference to a specific product or product supplier, where an Employee may recommend more than one product or supplier to a client; or
 - (iii) for giving preference to a specific product or product supplier, where an Employee may recommend more than one product of that product supplier to a client.
- 8.2. Atlehang must be able to demonstrate that the determination and the entitlement to the financial interest takes into account measurable indicators relating to the:
- (i) achievement of minimum service level standards in respect of clients;
 - (ii) delivery of fair outcomes for clients;
 - (iii) quality of the representatives' compliance with the FAIS Act.
- as agreed between Atlehang Life and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for Atlehang Life over the fair treatment of clients.
- 8.3. Atlehang may only receive or offer the financial interest referred to in sub paragraph 5 (i) to (iii) above if:
- (i) those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;
 - (ii) payment of those financial interests does not result in Atlehang Life and representative being remunerated more than once for performing a similar service;
 - (iii) any actual or potential conflicts between the interest of clients and of Atlehang Life or representative are effectively mitigated; and
 - (iv) the payment of those financial interest does not impede the delivery of fair outcomes to clients.

8.4. The financial interest that is offered to the representatives takes into account the items listed in paragraph 5 and sub-paragraph 6 C. above. (please add the list of payment including incentives that is payable to representatives including bonuses, listed below are just examples):

- (i) Basic salary;
- (ii) Commissions payable

9. Management of the Conflict of Interest

Where there is actual or potential conflict of interest between Atlehang and a client or an Employee and a client, necessary disclosures of this fact will be made to the client, which will include measures that will be taken to manage the conflict. Such a disclosure will be made prior to the conclusion of the transaction to enable the client to make an informed decision with regard to entering or not entering into a transaction.

10. Identification of Conflict of Interest

In general, Employees, particularly portfolio managers and sale representatives when interacting with a client are expected to test whether the purported transaction will ~~not~~ amount to a conflict of interest by testing whether the service to be rendered to the client will be in the best interest of the client or if it meets the needs of the client and how much incentive will they receive should the service be rendered etc. Employees should ask the following questions:

- Are my interest and those of Atlehang aligned with the customer's needs?
- Am I acting independently, objectively and professionally towards the customer?
- Am I acting in the customer's interest or mainly in my own or Atlehang's?

11. Measures for the Avoidance or mitigation of the Conflict of Interest

Where conflict of interest exists, Employees are required to report to the Key Individual (KI), the KI and Compliance Officer will look at the surrounding circumstances and come up with measures that will assist with avoiding conflict of interest. Where Conflict of Interest cannot be avoided, measures to mitigate such conflict will be implemented and will differ from one case to another.

12. Immaterial Financial Interest

When Atlehang or an Employee receives Immaterial Financial Interest ('IFI'), they must inform the Compliance Officer in writing about the IFI. They must include in the report the name of the FSP and the FSP number of the FSP who has offered the IFI, date of receipt and the value of the IFI. The Compliance Officer will enter the information in the Conflict of Interest Register, which will be monitored to ensure compliance.

13. Consequences for Non Compliance with the Policy

Failure to report:

- 12.1 existence of the conflict of interest;
- 12.2 potential of conflict of interest;
- 12.3 immaterial financial interest offered by a FSP or received from a FSP to management, Key Individual or the Compliance Officer will result in a disciplinary action and where necessary, dismissal.

14. Obligations

15.1 Employees Compliance Obligations

Each Employee must comply with this Policy. It is the duty of each Employee to be aware of potential Conflicts that may arise in the course of business, and to identify and report them to the Key Individual.

Each Employee is responsible for reporting actual and potential Conflicts. Failure to report an actual or potential Conflict (regardless of its origin) will be considered a breach of this Policy.

If there is any uncertainty as to whether or not a relationship, service or other matter presents a Conflict of Interest, the Employee must consult the Compliance Officer.

15.2 Management Compliance Obligations

Collective responsibility for compliance with this Policy rests with Management. Furthermore, Management is responsible for communicating this Policy to all employees, for implementation, ensuring that it is observed and that appropriate remedial or disciplinary action is taken if breaches are identified.

In addition to their general employee obligations under this Policy, Management is responsible for identifying and managing their area's Conflicts of Interest and for ensuring application of this Policy to all their activities.

Management is expected to provide leadership and an example to all employees in managing the business in such a way as to minimise the potential for situations to arise where there is a conflict between the business or representative's interests and those of their customers.

15.3 Compliance Department

The Compliance Function must, as part of their continual compliance monitoring, assess compliance within Atlehang with the FAIS Code of Conduct and this Policy. Any breaches of the Code or Policy must form part of the compliance monitoring report to the Board and, if required, to the regulator.

Compliance must, in conjunction with Management, determine the most effective and efficient means of monitoring operational compliance with the requirements of the legislation. In agreement with Management, the Compliance Officer must set down the reporting requirements emanating from the monitoring activities and must regularly review such reports.

Compliance must develop and put in place a record keeping process (in the form of a Conflicts of Interest Register) and ensure that Conflicts are properly monitored and recorded.

15. Policy Breaches

Atlehang requires all its Employees to comply with this Policy and a breach of this Policy may lead to disciplinary action against the Employee involved.

All breaches or perceived breaches must be reported to the Key Individual, at the earliest opportunity.

ANNEXURE A

DECLARATION OF INTEREST BY [INSERT COMPANY NAME]SERVICE PROVIDER

1. Any legal person, including persons having a kinship with persons employed by [insert Company Name]including a blood relationship, may conduct business with [insert Company Name]. In view of possible allegations of favouritism, it is required that the Service Provider declares such an existing relationship for an objective and fair procurement.

2. **To give effect to the above, the following questionnaire must be completed and submitted with the quote or business proposal.**

2.1 Full name of the company:.....

Full name of company representative:.....

2.2 Identity Number:

2.3 The position occupied in the Company.....

2.4 Registration number of company, close corporation or trust:
.....

2.5 Tax Reference Number:

2.6 VAT Registration Number:

2.7 Is there any person connected with your company presently employed by [insert Company Name]?
YES/NO.....

2.7.1 If yes, furnish the following particulars:

Name of person:

The position occupied at [insert Company Name]:

2.8 Does any person connected with your company have any relationship (family, friend, other) with a person employed by [insert Company Name].
YES/NO.....

2.8.1 If so, furnish particulars:

.....
.....
.....

2.11 Does any member/s of your company have any interest in any other [insert Company Name]activities?

YES/NO.....

2.11.1 If so, furnish particulars:

.....

.....

.....

3. The names of all directors/ trustees/shareholders/members, and their identity numbers.

Full Name	Identity Number

4. DECLARATION

I, THE UNDERSIGNED (NAME)..... CERTIFY THAT THE INFORMATION FURNISHED IS CORRECT. I ACCEPT THAT [INSERT COMPANY NAME]MAY ACT AGAINST ME SHOULD THIS DECLARATION PROVE TO BE FALSE.

.....
Signature

.....
Date

.....

.....

Position

Name of company

Annexure B

Honesty, Integrity and Conflict of Interest Declaration

Name:

ID: Date

	Question - Have you ever -	Yes	No
1.	Been found guilty in any criminal proceedings of; - Theft, fraud, forgery, false statements on a document, perjury or an offence involving dishonesty, breach of fiduciary duty*, dishonourable or unprofessional conduct?		
2.	Been found guilty in any criminal proceedings of corruption in any form?		
3.	Been convicted of any other offence committed under the Constitution of the Republic of South Africa where the penalty was a significant fine?		
4.	Accepted civil liability for, or been the subject of any civil judgement in respect of theft, fraud, forgery, false statements on a document, perjury or any conduct involving dishonesty, breach of fiduciary duty, misrepresentations or negligent, dishonourable and unprofessional conduct?		
5.	Been the subject of any remedial or enforcement actions by a Regulatory Authority		
6.	Been removed from an office of trust for theft, forgery, false statements on a document, misrepresentation, dishonesty, breach of fiduciary duty or business conduct?		
7.	Been suspended, dismissed or disqualified from acting as a managing executive, director, public officer or auditor?		
8.	Been refused a registration, approval, authorisation or licence to carry out a trade, business or profession or had a registration, approval, authorisation or licence to carry out a trade, business or profession suspended, revoked, withdrawn or terminated by a regulatory authority?		
9.	Been denied registration or membership of any professional body because of matters relating to honesty, integrity or business conduct?		
10	Been disciplined, reprimanded, disqualified or removed in relation to matters relating to honesty, integrity or business conduct by a professional body or regulatory authority, or had any such actions instituted against you?		
11.	Knowingly been untruthful or provided false or misleading information to, or been uncooperative in any dealings with a regulatory authority		
12	Demonstrated a lack of readiness and willingness to comply with legal, regulatory or professional requirements or standards		
13	Have you been involved as a director, partner, trustee, member, controlling shareholder or managing executive of a business that has been; - Subject of any of the matters in the questions above?		

14	Failed to disclose any information required in relation to the legislation under which this company is regulated?		
15	Been prohibited by any regulatory body from operating in the financial services industry?		
16	Been placed under business rescue?		
17	Been sequestrated or liquidated either voluntarily or involuntarily?		
18	Knowingly or negligently aided or abetted other persons in breaching any laws, regulations, exchange rules and/or codes of conduct?		
19	Been the subject of any investigation or disciplinary proceedings by any regulatory authority, exchange, professional body, government body or agency?		
20.	Been or currently subject to any pending proceedings that may lead to a conviction of any offence or finding of any liability under any law in any jurisdiction?		

Conflict of Interest

	Question	Yes/No	Details/FSP number
1.	Are you associated to any other financial institution by shareholding, employment, or contract?		
2.	Is any of your family employed by any other financial institution		
3.	Is any of your family employed by a Product Supplier or Service Provider to the Financial sector?		
4.	Have you received benefits, or gifts (including financial) from any other representative or FSP in the past twelve months?		
5.	Have you received any benefits, or gifts (including financial) from any third party supplier in the past twelve months?		
6.	Do you have any financial interest in any other financial Institution?		

General Disclosure;

Do you have any additional information which should be disclosed which could impact your honesty, integrity or good standing or create a conflict of interest;

Yes No

Signature :

Date :

*Note : *"fiduciary duty" means to act in the best interests of a third person - such as your employer who employs you to act in the best interest of the business.*