

***D and D the Cycle (Pty) Ltd***  
(D and D)

**Conflict of Interest (COI) Management Policy**

MAY 2017

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## 1 INTRODUCTION

- 1.1 This document embodies the conflict of interest management policy for D and D.
- 1.2 “Conflict of interest” means any situation in which officers of D and D or its employees 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 D and D; its officers or its employees 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 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 paragraphs (a) to (d) above provides a financial interest to a provider or its employees.)
- 1.3 The primary objectives of this Policy are:
- 1.3.1 To provide guidance on the behaviours expected in accordance with D and D’s standards;
  - 1.3.2 To promote transparency and to avoid COI;
  - 1.3.3 To ensure fairness in the interests of the Directors, stakeholders, and service providers;
  - 1.3.4 To document the process for the 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 D and D are committed to ensuring that all business is conducted in accordance with good business practice. To this end D and D conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimise and manage all real or potential conflict of interest (COI). D and D and its employees must therefore avoid (or mitigate where avoidance is not possible) any COI between D and D and a client or its representative and a client.

## 2 FINANCIAL INTEREST

- 2.1 D and D or its employees or service providers may only receive or offer financial interest from or to a third party as determined by Board from time to time.
- 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 employees on products and legal matters relating to those products; general financial and industry information; specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

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

To adequately manage conflicts of interest D and D must identify all relevant conflicts timeously. D and D employs two different mechanisms to ensure that all conflicts are identified:

- 3.1 The Directors maintains a list of potential conflict risks at D and D taking into consideration the entire business. The list is classified by conflict type with documented controls. The list is updated with all new conflicts identified, and to ensure completeness is reviewed on an annual basis;
- 3.1 All stakeholders, are responsible for identifying specific instances of conflict and are required to notify the Chairman of any conflicts they become aware of. The Chairman together with the Directors will assess the implications of the conflict and how the conflict should be managed.

### **4 RESOLVING COI**

- 4.1 The first and most important line of defence against COI or commitment must be by the Directors.
- 4.2 Once a conflict of interest has been identified it needs to be appropriately and adequately managed.
- 4.3 The Directors assesses each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. The Directors then agree on the controls that need to be put in place to manage the conflict.
- 4.4 D and D has various internal controls to manage and mitigate Conflicts of Interests, including:
  - 4.4.1 Business practices - Confidentiality and Representing D and D
  - 4.4.2 Information barriers - Restrictive access control to IT folders, IT access control policy and "Clean Desk" policy
  - 4.4.3 Disclosure - Clear and concise disclosure to enable the recipient to fully understand its relevance.
- 4.5 Specific instances of conflict may require intervention in addition to the documented controls already in place. These can include escalation to a management forum for a decision on how the conflict should be managed, for example, disclose to the client or decline to act.
- 4.6 D and D additionally has various internal policies to manage and mitigate Conflicts of Interests, including:
  - 4.6.1 Personal Account Dealing Policy
  - 4.6.2 Gifts and Entertainment Policy

## **5 POTENTIAL COI THAT COULD AFFECT D AND D**

The following are potential COI that could affect D and D:

- 5.1 Directorships or other employment;
- 5.2 Interests in business enterprises or professional practices;
- 5.3 Share ownership;
- 5.4 Beneficial interests in trusts;
- 5.5 Professional associations or relationships with other organisations;
- 5.6 Personal associations with other groups or organisations, or family relationships;
- 5.7 Front running;
- 5.8 Rebates;
- 5.9 Kickbacks; and
- 5.10 Commission

## **6 MEASURES TO AVOID COI:**

D and D communicates its Conflict of Interest Policy to all stakeholders on a regular basis to ensure that all stakeholders are aware of the process to identify and resolve conflicts.

## **7 DISCLOSURE OF COI:**

- 7.1 At the earliest reasonable opportunity, D and D and its officers must, in writing, disclose to a client any COI in respect of that client including –
  - 7.1.1 Measures taken to avoid or mitigate the conflict;
  - 7.1.2 Any ownership interest or financial interest that the provider or representative may be or become eligible for;
  - 7.1.3 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.
- 7.2 Notification of an actual or potential COI should be made to the Board.
- 7.3 Stakeholders 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.

## **8 PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY**

- 8.1 Every stakeholder must have a copy of the Conflicts of interest Management Policy.
- 8.2 If a potential COI arises, the transaction must first be discussed with the Board before entering into the transaction.

## **9 CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY**

Non-compliance with this policy and the procedures described in it may be considered to be misconduct.

**10 LIST OF ALL ASSOCIATES OF D AND D**

None.

**11 NAMES OF ANY THIRD PARTIES IN WHICH D AND D HOLD AN OWNERSHIP INTEREST**

LifeCycle (Pty) Ltd.

**12 NAMES OF ANY THIRD PARTIES THAT HOLDS AN OWNERSHIP IN D AND D**

No external third-party owns an equity interest in D and D.

**13 INCLUDE THE NATURE AND EXTENT OF THE OWNERSHIP INTEREST REFERRED TO IN PARAGRAPHS 11 AND 12**

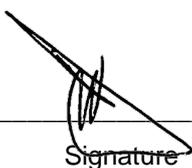
Daniel Clifford and David Graham hold 25% shareholding each in Lifecycle (Pty) Ltd.

This policy has been formulated to guide the Directors.

Signed on 1 day of May 2018.

  
\_\_\_\_\_  
Signature

Director Name: Daniel Clifford

  
\_\_\_\_\_  
Signature

Director Name: David Graham

**CONFLICTS OF INTEREST DECLARATION**  
**ANNEXURE A**

NAME.....

POSITION.....

DECLARATION  
ACTUAL COI

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

POTENTIAL COI

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

PERCEIVED COI

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

DIRECTORS ACTION (refer item 4.3)

.....  
.....

Signed on \_\_\_\_\_ day of \_\_\_\_\_ 2020.

\_\_\_\_\_

NAME

Approved

\_\_\_\_\_

Director

\_\_\_\_\_

SIGNATURE

\_\_\_\_\_

Director