



CONFLICT OF INTEREST MANAGEMENT POLICY

Franzsen & van Reenen Wealth Advisory (Pty) Ltd

FSP NUMBER 51972

1. INTRODUCTION

- 1.1. This document embodies the Conflict of Interest Management Policy for Franzsen & van Reenen Wealth Advisory (“Franzsen & van Reenen”).
- 1.2. “Conflict of interest” (“COI”) means any situation in which Franzsen & van Reenen 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 Franzsen & van Reenen 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 Franzsen & van Reenen’s 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 Franzsen & van Reenen;
 - 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. Franzsen & van Reenen is committed to ensuring that all business is conducted in accordance with good business practice. To this end Franzsen & van Reenen 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 conflicts of interest (COI). Franzsen & van Reenen and its representatives must therefore avoid (or mitigate where avoidance is not possible) any conflict of interest between Franzsen & van Reenen and a client or its representatives and a client.

2. FINANCIAL INTEREST

2.1. Franzsen & van Reenen 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 Franzsen & van Reenen must within 10 days of that receipt be recorded in the gift registry of Franzsen & van Reenen, attached hereto as **Annexure B**.

2.4. Franzsen & van Reenen may not offer any financial interest to its representatives–

2.4.1. 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

2.4.2. For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or

2.4.3. For giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

2.5 For purposes of paragraph 2.4, Franzsen & van Reenen must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the –

2.5.1 Achievement of minimum service level standards in respect of clients;

2.5.2 Quality of the representative's compliance with this Act;

as agreed between Franzsen & van Reenen 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 the provider over the fair treatment of clients.

3. MECHANISMS FOR IDENTIFYING COI

3.1. The mechanisms implemented to identify actual or potential conflicts of interests for Franzsen & van Reenen are:

3.1.1. The Directors of Franzsen & van Reenen conduct bi-annual reviews on all contracts held with 3rd parties and re-examines whether this relationship influences the FSP's objective performance towards its clients.

3.1.2. The Directors of Franzsen & van Reenen conduct bi-annual reviews on all contracts held with 3rd parties and re-examines whether this relationship influences the FSP's ability to render fair and unbiased financial services towards its clients.

3.1.3. The Directors of Franzsen & van Reenen conduct bi-annual reviews on all contracts held with 3rd parties and re-examines whether this relationship influences the FSP's ability to act in the interest of the client.

3.1.4. The Directors of Franzsen & van Reenen conduct bi-annual reviews on all relationships held with 3rd parties, where an ownership interest is present, and re-examines whether this relationship influences the FSP's objective performance towards clients.

3.1.5. The Directors of Franzsen & van Reenen conduct bi-annual reviews on all relationships held with 3rd parties where an ownership interest is present, and re-examine whether this relationship influences the FSP's ability to render fair and unbiased financial services towards its clients.

3.1.6. Declarations are signed by all Key Individuals confirming the presence or absence of any actual or potential conflict of interest on a bi-annual basis.

3.1.7. A list of all Franzsen & van Reenen's associates is available on request and is updated annually.

3.1.8. Franzsen & van Reenen holds no ownership interest in any other party.

- 3.1.9. The ownership interest in Franzsen & van Reenen is held by Hennie Franzsen and in his personal capacity and Culemborg Investments (Pty) Ltd whose shares are 100% held by the Yuka Trust of which Schalk van Reenen is a Trustee and a beneficiary.
- 3.1.10. All gifts received from 3rd parties, with an estimated value of R500 or more, are recorded in the Franzsen & van Reenen's gift register which is kept on Franzsen & van Reenen's compliance file.
- 3.1.11. All employees must disclose in writing to Directors of Franzsen & van Reenen on an on-going basis, any conflicts of interest that they may become aware of.
- 3.1.12. All records associated with the identification of an actual or potential conflict of interests is kept on the compliance file which is available for inspection purposes. The mechanisms implemented to identify actual or potential conflicts of interests for Representatives are:
- 3.1.12.1. Declarations are signed by all Representatives confirming the presence or absence of any actual or potential conflict of interest on a quarterly basis.
- 3.1.12.2. All Representatives must disclose in writing to The Directors of Franzsen & van Reenen on an ongoing basis, any conflicts of interest that they may become aware of.

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. Throughout the process of rendering a financial service to a client, an Advisory Partner or Representative must apply his or her mind to answering the following questions:
- 4.2.1. "Is there any situation that exists that influences the objective performance of my obligations to my client"?
- 4.2.2. "Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client"?
- 4.2.3. "Is there any situation that exists that prevents me from acting in the interest of my client"?

If the answer to any one of these questions is "no", no further action would be required. If the answer to any one of these questions is "yes" - The following two questions must also be answered:

- "Is the situation caused by an actual or potential relationship with a 3rd party"? (see definition of 3rd party)

- “Is the situation caused by an actual or potential financial or ownership interest”? (see definition of financial and ownership interest)

If the answer to any one of these questions is “yes” - An actual or potential conflict of interest has been identified. (note that a conflict of interest is not limited to a financial or ownership interest)

Throughout the process of rendering a financial service to a client, a Key Individual must apply his or her mind to answering the following questions:

- “Is there any situation that exists that influences the objective performance of the representative’s obligations to his or her client”?
- “Is there any situation that exists that prevents the representative from rendering an unbiased and fair financial service to his or her client”?
- “Is there any situation that exists that prevents my representative from acting in the interest of his or her client”?
- If the answer to any one of these questions is “no” - No further action would be required. If the answer to any one of these questions is “yes” - The following two questions must also be answered:
 - “Is the situation caused by an actual or potential relationship of the FSP with a 3rd party”? (see definition of 3rd party)
 - “Is the situation caused by an actual or potential financial or ownership interest of the FSP”? (see definition of financial and ownership interest). If the answer to any one of these questions is “yes” - An actual or potential conflict of interest has been identified. (note that a conflict of interest is not limited to a financial or ownership interest)

POTENTIAL COI THAT COULD AFFECT FRANZSEN & VAN REENEN

4.3. The following are potential COI that could affect Franzsen & van Reenen –

- 4.3.1. Directorships or other employment;
- 4.3.2. interests in business enterprises or professional practices;
- 4.3.3. share ownership;
- 4.3.4. beneficial interests in trusts;
- 4.3.5. Personal Account Trading;
- 4.3.6. professional associations or relationships with other organizations;
- 4.3.7. personal associations with other groups or organizations, or family relationships;

- 4.3.8. Front running;
- 4.3.9. Rebates;
- 4.3.10. Kickbacks; and
- 4.3.11. Commission

5. MEASURES TO AVOID COI

- 5.1. In terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy must provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.
- 5.2. Once an actual or potential conflict of interest has been identified the following measures will be followed in order to determine whether the conflict of interest is avoidable:
 - 5.2.1. The Directors of Franzsen & van Reenen will convene and review the actual or potential conflict of interest in an open and honest forum.
 - 5.2.2. All information surrounding the actual or potential conflict of interest must be disclosed to all interested parties.
 - 5.2.3. All information surrounding the actual or potential conflict of interest must be disclosed to Franzsen & van Reenen's Compliance Officer, being ICS.
 - 5.2.4. The following consequences must be considered during the review process:
 - 5.2.4.1. The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on clients.
 - 5.2.4.2. The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the integrity of the financial services industry.
 - 5.2.4.3. The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the FSP.
 - 5.2.4.4. The Directors of Franzsen & van Reenen must apply their minds whether they can obtain a more advantageous transaction, contract or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
 - 5.2.4.5. If a more advantageous transaction, contract or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, The Directors of Franzsen &

van Reenen shall determine by a unanimous vote whether the transaction, contract or arrangement is in the best interest of Franzsen & van Reenen and any affected client/s and accordingly make its decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination. If The Directors of Franzsen & van Reenen has determined that the actual or potential conflict of interest is avoidable, the following processes must be adhered to:

- 5.2.4.5.1. The Directors must approve, by unanimous vote, the removal of the underlying cause of the actual or potential conflict of interest .
- 5.2.4.5.2. The underlying cause of the actual or potential conflict of interest must be removed as soon as reasonably possible.
- 5.2.4.5.3. Any negative impact on clients owing to the removal of the actual or potential conflict of interest must be kept to a minimum.
- 5.2.4.5.4. The reason(s) why the actual or potential conflict of interest was determined to be avoidable must be recorded.
- 5.2.4.5.5. All determinations and interventions as it pertain to the avoidance of the conflict of interest must be documented and kept on the compliance file.
- 5.2.4.5.6. Similar situations that give rise to actual or potential conflicts of interests must be avoided in the future.

6. DISCLOSURE OF COI

- 6.1. At the earliest reasonable opportunity, Franzsen & van Reenen and its Advisory Partners/Directors and or representatives 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, Franzsen & van Reenen 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 Franzsen & van Reenen.
- 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.

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 the Directors before entering the transaction.
- 7.3. Define the type of financial interest to which a representative may be entitled, and how Franzsen & van Reenen will ensure compliance with paragraphs 2.4 and 2.5

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.

9. LIST OF ALL FRANZSEN & VAN REENEN ASSOCIATES

- 9.1. A List of all Associates of Franzsen & van Reenen is available on request.

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

- 10.1. Not Applicable.

11. NAMES OF ANY THIRD PARTIES THAT HOLD AN OWNERSHIP IN THE PROVIDER AND THE EXTENT THEREOF


- 11.1. Not applicable

13. APPROVAL OF CONFLICT OF INTEREST POLICY

The Board of Directors hereby approves this Conflict of Interest Policy and binds itself to create a culture of compliance within the institution.

Full name: Hennie Franzsen
Signature: 
Designation: Director and Advisory Partner

Signed on this day ofin

Full name: Schalk van Reenen
Signature: 
Designation: Director and Advisory Partner

Signed on this day of 13 May 2024 in SOMERSET WEST

ANNEXURE A - FINANCIAL INTEREST

1. Franzsen & van Reenen or its representatives may only receive or offer the financial interests referred to herein if-
 - 1.1. Those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service being rendered and the resources, skills and competencies reasonably required to perform it;
 - 1.2. The payment of those financial interests does not result in the provider or representative being remunerated more than once for the performance of a similar service;
 - 1.3. Any actual or potential COIs between the interests of the client and the interests of the person receiving the financial interests are effectively mitigated; and
 - 1.4. The payment of those financial interest does not impede the delivery of fair outcomes to the client.
2. Franzsen & van Reenen or its representatives may only receive or offer financial interest from or to a third party as follows
 - 2.1. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
 - 2.2. Commission authorised under the Medical Schemes Act;
 - 2.3. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act;
 - 2.4. Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (2.1), (2.2) or (2.3) is not paid, if
 - 2.4.1. The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representative in exchange for the fees are specifically agreed to by a client in writing; and
 - 2.4.2. those fees may be stopped at the discretion of that client.
 - 2.5. Fees or remuneration for the rendering of a service to a third party.
 - 2.6. Subject to any other law, an immaterial financial interest ; and

2.7. A financial interest, not referred to under sub-paragraph (2.1) to (2.6), 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.

2.8. For purposes of this document -

2.8.1. "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 –

2.8.1.1. a provider who is a sole proprietor; or

2.8.1.2. a representative for that representative's direct benefit;

2.8.1.3. a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

ANNEXURE B - GIFTS REGISTRY

NAME OF KEY INDIVIDUAL / REPRESENTATIVE	DATE ON WHICH GIFT WAS RECEIVED	SOURCE OF GIFT	TYPE OF GIFT	VALUE OF GIFT