

**CONFLICT OF INTEREST
POLICY AND PROCEDURE
for
Startfin Holdings(PTY)LTD**

INTRODUCTION:

A conflict of interest may exist when a member/ officer/ director or employee is involved in an activity or has a personal interest that might interfere with his or her objectivity in performing business duties and responsibilities. Such conflicts may appear as favouritism or otherwise damage the reputation of the business or its employees.

An actual conflict of interest does not need to be present to constitute a violation of this policy. Activities that create the appearance of a conflict of interest must also be avoided to ensure that the reputation of the business and its employees are not harmed.

Personal interests of employees must not influence or appear to influence business transactions. This policy provides the requirements for managing, avoiding and disclosing potential conflicts of interest and the process for obtaining a conflict of interest review.

The purpose of this document is to provide our clients with appropriate information in relation to the policies we have in place to manage conflicts of interest.

PURPOSE AND SUMMARY:

Startfin Holdings (Pty) Ltd conducts its business honestly and ethically wherever we operate. We constantly strive to improve the quality of our services, products and operations and strive to create and maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates will be tolerated.

Startfin Holdings (Pty) Ltd will not compromise its principles for short-term advantage. The ethical performance of this business is the sum of the ethics of the men and women who work here; thus, we are all expected to adhere to high standards of personal integrity. We also need to acknowledge that operating a business naturally creates conflicts increases reputational risk.

Associates and third parties in which we hold an interest, or share, or who hold an interest or share in our business:

Maxi Credit solutions (100%)

SWU credit solutions (100%)

Maxi Forces Financial Services (Pty) Ltd (100%)

Maxi Risk (Pty) Ltd

JDT Financial Services (Pty) Ltd

DEFINITIONS:

Conflict of Interest:

Applies when rendering a financial service to our clients and where we (provider or representative) have an actual or potential interest that may:

- a) influence the objective performance of obligations to our client
- b) prevents us from rendering an unbiased and fair financial service to our client
- c) prevents us from acting in the interests of our client

This includes, but is not limited to:

- a) **A FINANCIAL INTEREST** - (Cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, and includes travel and accommodation in respect of training).
- b) **AN OWNERSHIP INTEREST** - (any ownership interest which was bought for fair value, and any dividend, profit share or similar benefit derived from this).
- c) **ANY RELATIONSHIP WITH A THIRD PARTY** - A third party is:
 - a product supplier or its associate
 - another financial services provider
 - a distribution channel
 - any person who provides a financial interest as a result of an agreement with a product supplier
 - any person who provides a financial interest as a result of an agreement with another FSP or its associate.

REPRESENTATIVE INCENTIVES AND REMUNERATION:

Our representatives are remunerated as follows:

- Salary and once-off commission per successful application in accordance with prevailing commission legislation.

Incentives and production bonuses must take into account a combination of quantitative and qualitative criteria; and not limited to a specific product supplier; and- not limited to a specific product. Any incentive or bonus scheme must be approved by the Board of Directors (or any other delegated authority) in writing prior to being implemented. All sales incentive projects must be disclosed to clients of the business and must be attached to this policy, together with a description of the nature and basis of participation and any other rules as well as the duration of the incentive project.

Startfin Holdings may not offer any financial interest to its representatives for:

- Giving preference to the quantity of business secured and excluding the quality of the service rendered to customers;

- Giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

IDENTIFYING CONFLICT OF INTEREST:

To adequately manage conflicts of interest, Startfin Holdings (Pty) Ltd must identify all relevant conflicts timeously. Two levels of identification are employed:

1. Business level:
The managing body will annually identify an index of potential conflict risks. The index is updated with all new conflicts identified, and to ensure completeness is reviewed on an annual basis; and
2. Staff member level:
All employees, including key individuals and management, are responsible for identifying specific instances of conflict and are required to notify their manager of any conflicts they become aware of.

MANAGEMENT OF POTENTIAL OR ACTUAL CONFLICT OF INTEREST:

It is Startfin Holdings (Pty) Ltd policy to avoid all possible conflicts of interest, but if this is not possible, , then full disclosure of this conflict must be made in writing to our customers. In managing conflicts of interest, our procedure is to identify the conflicts of interest; assess and evaluate those conflicts; and decide upon, and implement, an appropriate response to those conflicts.

When any staff member of the business suspects a potential conflict of interest, that person must discuss the matter with his/her immediate superior. The content of the discussion as well as any decision made must be recorded on the appropriate form.

The superior and staff member will accept joint responsibility for the decision taken unless the decision is put forward for ratification to a more senior person in the business. In assessing whether a conflict is material or of a lesser nature, regard must be had to the impact that such a conflict will have on the business's reputation, financial loss and internal erosion of ethical standards.

Where a conflict is identified and a decision made, the decision must be communicated in writing as soon as possible. This applies regardless of whether the decision was made to stop doing business or continue with the business, despite the existence of the conflict.

The following is a list of some management strategies to manage the potential or actual conflict of interest:

1. Avoid the conflict of interest
2. Mitigate the impact
3. Where this is not possible, full disclosure of the Conflict of Interest (COI.)

Material conflicts:

Where a conflict will have a serious potential impact on our clients or our business, it must be avoided. Only The Board of Directors or person authorised by the Board may make the final decision regarding a material conflict.

Officers, directors and employees must avoid representing the business in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, and employees must avoid using their business contacts to advance their private business or personal interests at the expense of the business, its clients or affiliates. Officers, directors, and employees of the business must never permit their personal interests to conflict, or appear to conflict, with the interests of the business, its clients or affiliates. This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients at a cost to the client.
- An outcome in service delivery or a transaction that may differ from the real interest of the client.
- Any non-cash incentives that may be received by the business from affecting any transaction and / or product.
- Effecting a transaction and / or product that may result in a benefit to another party other than the client.

Included in the prohibitions is any activity which could be deemed a breach of confidentiality or disclosure of personal information as defined in the Protection of Personal Information Act (POPI), without the necessary written or legal authorisation.

The above aims to ensure that, clients are fully protected from undue and uncompetitive behavior by product suppliers and /or their representatives. The ultimate objective is to ensure that clients at all times receive the best possible advice and /or intermediary service.

GIFTS AND INDUCEMENTS:

The official policy of Startfin Holdings (Pty) Ltd is as follows:

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Officers, directors and employees shall avoid Gifts, Gratuities and/or excessive Entertainment, in order to attract or influence business activity. Any gifts or gratuities over the value of R1 000 (annual calendar year total) from any other person or their associate as defined in Financial Services Board Notice 58 of 2010 may not be accepted by any person in the organization and neither may such gifts or incentives be given by any person in the business, to any third party. No gifts or gratuities may be accepted or given without written consent of the Board of Directors. **Lesser**

conflicts such as Personal gifts to the maximum value of R1000 per annum may be accepted from associates or product suppliers, and each of these must be recorded in the non-cash incentive/gifts register.

EXAMPLES OF CONFLICTS OF INTEREST:

- Personal interests may include working relationships and/or financial interests with immediate family members or relatives.
- Activities include outside employment in areas similar to those in which the Business is involved;
- Outside work for clients, suppliers, vendors, or competitors of the business;
- Operating as a supplier to the business;
- Activities that have the potential to affect the staff member's objectivity;
- Activities that could reflect negatively on the reputation of the business and its employees;
- Holding a financial interest in a business concern that is a supplier, client, partner, subcontractor, or competitor of the business constitutes a conflict of interest under certain conditions;
- Participating in any activity that might lead to or give the appearance of unapproved disclosures of the business' confidential information or client confidential information;
- Using an official position to obtain special privileges or advantages from individuals or businesses;
- An employee, officer or director may serve on external non-profit, governmental or for-profit governance boards, however if such service in any way could create an actual or perceived conflict of interest, the services must be disclosed, and approved by the governing body of the business;
- No person may receive or solicit outside employment, including paid service on a governance board, or compensation that would impair the independence of judgment of the individual in performing duties as an employee of the business.

ACTIVITIES REQUIRING FULL DISCLOSURE

To manage conflicts, we require our employees to fully disclose, when dealing with our clients:

1. Financial interest in any supplier, client or competitor entity.
2. Acting as an employee, officer, director, consultant, representative, or agent for a supplier, client, partner, subcontractor, or competitor.
3. Engaging in any activity that could create the appearance of a conflict of interest, which may impair the reputation of Maxi Forces for impartiality and fair dealing.

DISCLOSURE AND RECORDKEEPING:

Should the conflict of interest seem unavoidable, then full disclosure of this conflict must be made in writing to the effected parties. Part of managing conflicts of interest is making appropriate disclosures. This means providing clear, concise and effective disclosure so that

parties can make an informed decision about how the conflict might affect the relevant service. Where a conflict is identified and a decision made, the nature of the decision must be recorded and communicated to the parties. Written records of how conflicts of interest are managed, together with all reports referred to, must be kept for a period of 5 years and be available for inspection by the compliance officer on request.

EMPLOYEE TRAINING AND GENERAL AWARENESS:

All the Staff of Maxi Forces must be trained on this policy. A copy of the policy will be provided to each staff member at inception of that staff member's duties and updated versions must be circulated as and when they are updated.

A violation of this Policy is a serious matter that could cause harm to the business. Any employee of Startfin Holdings (Pty) Ltd, who fails to comply with this Policy, will be subjected to the appropriate disciplinary proceedings in terms of the Startfin Holdings (Pty) Ltd Disciplinary Code which could result in the termination of employment.

REVIEW

The Management committee of the Startfin Holdings (Pty) Ltd will review all conflicts annually and make recommendations regarding steps to avoid a recurrence of the conflict. Notice of the attention paid to conflict of interest must be contained in the minutes of the Executive committee and the relevant extracts of the minutes must be made available to the compliance officer on request, to enable the compliance officer to report on compliance with this policy.

APPROVAL:

The Conflict of Interest Policy has been reviewed and approved by the Board of Directors. The Policy will be maintained by the Public Officer.

This policy has been approved and adopted by the board of directors of Startfin holdings (Pty) Ltd.