



## **CONFLICT OF INTEREST MANAGEMENT POLICY**

### **1. Introduction**

This Policy is drafted in terms of Section 3A(2)(a) of the FAIS Act General Code of Conduct for Financial Services Providers and Representatives and the Financial Services Board Notice no. 58 of 2010 which amended the Code of Conduct by introducing amended provisions relating to Conflict of Interest. NTT Motor Investments (Pty) Ltd, NTT Motors East London (Pty) Ltd, NTT Motors Worcester (Pty) Ltd, NTT Motors Lowveld (Pty) Ltd, Moneybox Investments 23 (Pty) Ltd all registered Financial Service Providers trading as the NTT Motor Group. The Company is underwritten by Guardrisk Insurance Company an authorized service provider, License number 26/10/75, the Company is obliged to comply with the prescribed conflict of Interest Provisions of the FAIS Act. All employees of the Company who are involved in the business of the Company are obliged to conduct themselves in a professional manner and in conformity to this Policy.

### **2. Goal**

This Policy is intended to stipulate measures to:

- Identify any conflict of interest;
- Facilitate disclosure of any conflict of interest;
- Avoid any conflict of interest;
- Create internal controls to facilitate compliance with this Policy;
- Govern the processes and procedures to ensure compliance with this Policy; and
- Prescribe the consequences of non-compliance with this Policy.

### **3. Limitations**

- This Policy is incapable of being exhaustive of each and every potential conflict of interest that might present itself. It rather serves as a tool in support of employees to formulate conflicts of interest, to avoid them and to understand the consequences of non-compliance thereto.
- The Company is managed by its Board of Directors and in this capacity the Board is seized with ensuring compliance to all relevant legislation. Ultimately the Board carries the responsibility to third parties to ensure compliance by all employees to this Policy. Each employee is duty-bound to remain compliant to this Policy at all times.

### **4. Application**

This Policy applies to all Directors, Officers, employees, agents, representatives, associates, consultants and all such persons and/or entities which, by the nature of its involvement with the company is subject to the authority of the Board of Directors to comply to this Policy.

### **5. Definition**

A conflict of interest means any situation in which a FSP or a representative of that FSP 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 a FSP or its representative from rendering an unbiased and fair financial service to that client; or
- Prevent a FSP or its representative from acting in the interest of that client.

### **6. Principle**

It is the stated policy of the Company that it and all the persons and/or entities this Policy applies to shall, at all times when rendering services to clients aspire to act in the best interest of such clients, the Company and the Financial Service industry by being honest, fair and acting with due diligence, care and the level of skills that can reasonably be expected from a person or entity in that position.

### **7. Interest**

The phrase "interest" ("interest") as used in this Policy is deliberately given a broad meaning to encapsulate any form of personal benefit and may include, without limitation any of the following or things with similar characteristics: money, gifts, services, advantageous, discounts, incentives, considerations, preferential treatment, relationships, sponsorships, benefaction, priority, special treatment, access to valuable or confidential information or the like.

## **8. Permissible Transactions**

A FSP and/or its representatives may only receive or offer the following:

- Commission and/or fees authorized by virtue of any applicable legislation and/or lawful agreement with a client, which is capable of being stopped by that client;
- Subject to prevailing legislation, any interest or benefit which is commensurate with the service and/or product being rendered and immaterial or negligible in relation to the business being conducted.
- Any interest or benefit which is commensurate with the value of the service and/or product being rendered.

All interest and/or benefits given or received are to be disclosed to the Board of Directors and if received, must be recorded in the Company's Gift Register forthwith upon receipt and without any undue delay and in any event within 7 (seven) days from date of such receipt.

Should any uncertainty prevail as to the permissibility of any interest and/or benefit offered, to be offered, received or to be received, the guidance of its Directors will be sought, and where practicable, prior to any such interest and/or benefit being given or received.

## **9. Unpermitted Transactions**

A FSP and/or its representatives may not offer any interest and/or benefit to a representative for:

- Giving preference to the quantity of business secured for the FSP to the detriment of the quality of service rendered to clients; and/or
- Giving preference to a specific FSP to the detriment of a client; and/or
- Giving preference to a specific product of a FSP, to the detriment of a client.

In addition to being in conflict with this Policy, the above actions may in addition also constitute uncompetitive behavior. The principle alluded to above, shall at all times guide the actions of a FSP and/or its representatives for purposes of all interactions with clients.

## **10. Non-Compliance**

The Company, its employees and/or all persons or entities that this Policy applies to has a positive duty to report to the Board of Directors every and all suspected and actual transgressions of this Policy. It is the positive duty of all employees to avoid any conflict of interest or any situation which could appear to be a conflict of interest.

Any violation of this Policy is a serious matter and may, inter alia, lead to disciplinary proceedings against any and all transgressor(s).

## **11. Identifying Conflicts of Interest**

It is the responsibility of the Company, its employees and all persons and/or entities that this Policy applies to, to act in good faith in the best interests of the client at all times and to actively bolster the good name and reputation of the Company by conducting themselves professionally and in accordance with all rules, regulations and legislation which governs the Company and its activities.

Beyond any duty towards the Company, each employee has the responsibility to avoid and/or prevent any conflict of interests and ensure adherence to this Policy by the Company and all its employees.

Conflict of interest may be identified and avoided in of the following ways, same not be exhaustive:

- By reporting any suspicious transaction(s) to the Board of Directors;
- By maintaining accurate and up to date information in the Company Gift Register;
- Regular monitoring of commissions and fees that are paid or received; and
- Rather erring on the side of caution when considering whether any transaction may be a conflict of interest.

## **12. Process**

Any conflict of interest must be reported to the Board of Directors in writing. Should any conflict of interest involve any of the Directors, such conflict of interest must be reported in writing to the remaining Directors and should it involve all of the Directors, then it must be reported in writing to KI and Compliance officer.

Simultaneously with the above, any conflict of interest must be reported to the Compliance Officer.

After investigation of the allegations, the Board of Directors shall have the obligation to report their findings simultaneously to the Compliance Officer and the person who reported the conflict of interest, where after remedial action (if necessary) will be taken in the discretion of the Board of Directors.

It shall be the duty of the Board of Directors to review the Gift Register sporadically, but in any event no fewer than every quarter.

## **13. Prevention**

Should any doubt exist as to whether any particular transaction might constitute a conflict of interest, same will be submitted to the Board of Directors in writing for consideration prior to the fact.

Should any employees suspect or realize that any potential conflict of interest might arise, it must be submitted to the Board of Directors for due consideration and appropriate action, including but not limited to training and/or interaction with the involved employee and/or potential transgressor.

From the time when any employee suspects that any transaction may constitute a conflict of interest, such employee shall immediately suspend all further action and will desist from continuing with any such transaction until such time as the above prevention and avoidance measures have been complied with.

In addition to all of the above, it will be competent for any employee to approach the Compliance Officer directly for guidance with or without notice thereof to the Board of Directors.

#### **14. Accessibility**

This Policy is available from the following sources:

- Upon request thereto, from the Directors and/or any other Company employee;
- On the Company's computer web page; and
- From the Compliance Officer, upon request thereto.

#### **15. Amendment**

The Company reserves the right to amend this Policy from time to time in accordance with prevailing best practices, in which event any amendment will be communicated with and published to all employees.