

## **POLICY ON CONFLICT OF INTEREST**

**FSP name: Vaal Brokers (PTY) LTD**

**FSP number: 16474**

### **1. Introduction**

In terms of the Financial Advisory and Intermediary Services Act, (37 of 2002), as amended, Vaal Brokers (PTY) is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interest. Vaal Brokers (PTY) LTD has put in place a policy to safeguard its clients' interests and ensure fair treatment of clients. The key information is summarised below. Detailed information can be obtained on request from the key individual who is responsible to monitor and manage conflicts of interest on behalf of Vaal Brokers (PTY) LTD.

### **2. Our objectives**

**Vaal Brokers (PTY) LTD** is an authorized financial services provider, providing to its client's advice and intermediary services on short-term insurance products. Like any financial services provider, Vaal Brokers (PTY) LTD is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern and so our policy sets out how:

- we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests;
- we have established appropriate structures and systems to manage those conflicts; and
- we will maintain systems in an effort to prevent damage to our clients' interests through identified conflicts.

### **3. Conflict of interest**

Vaal Brokers (PTY) LTD strives towards ensuring it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected clients.

In determining whether there is or may be a conflict of interest to which the policy applies, Vaal Brokers (PTY) LTD considers whether there is a material risk of damage to the client, taking into account whether Vaal Brokers (PTY) LTD or a Vaal Brokers (PTY) LTD employee –

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client;
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the standard commission or fee for that service.

Our policy defines possible conflicts of interest as:

- conflicts of interest between Vaal Brokers (PTY) LTD and the client;
- conflicts of interest between our clients if we are acting for different clients and the different interest's conflict materially;
- holding confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

#### **4. Management**

The measures Vaal Brokers (PTY) LTD have adopted to manage identified conflicts are summarized below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified potential conflict of interest, we act impartially to avoid a material risk of harming clients' interests.

- Procedures:

We have adopted appropriate procedures throughout our business to manage potential conflicts of interests. Our mandatories and employees receive guidance and training in these procedures, and they are subject to monitoring and review processes.

- Confidentiality barriers:

Our mandatories and employees respect the confidentiality of client information and disclose or use it with circumspect. No such information may be disclosed to a third party without the written consent of a client.

- Monitoring:

The key individual in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters.

- Inducements:

Inducements from third parties in relation to a service provided to clients are acceptable to Vaal Brokers (PTY) LTD only if they are appropriately disclosed to clients and if it is either the payment of a normal fee or commission to

continue the quality of our services to clients and does not impair our duty to act in the best interest of clients.

- Gifts:

Vaal Brokers (PTY) LTD employees will not accept any gifts other than those considered normal in their line of business. Excessive gifts from clients may result in a conflict of interest, which we are committed to avoiding.

- Disclosure:

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict will be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients.

- Declining to act:

We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.