



FINANCIAL
PLANNING SERVICES

CONFLICT OF INTEREST MANAGEMENT POLICY

GrowthHouse (Pty) Ltd
Registration No: 2021/313421/07

Version	3
Publishing Date	2024/11
Last Review Date	30 October 2024
Frequency of Review	Annual
Next Review Date	30 October 2025
Policy Owner	GrowthHouse PTY LTD
Responsible Person	Abigail Munsami

POLICY STATEMENT

- Any reference to the “organisation” shall be interpreted to include the “policy owner”.
- The organisation’s Governing Body, its employees, volunteers, contractors, suppliers and any other persons acting on behalf of the organisation are required to familiarise themselves with the policy’s requirements and undertake to comply with the stated processes and procedures.

POLICY ADOPTION

By signing this document, I authorise the organisation’s approval and adoption of the processes and procedures outlined herein.


Name & Surname	Garikai Dhombo
Capacity	Director and Key Individual
Signature	
Date	30 October 2024

TABLE OF CONTENTS

- 1. DEFINITIONS 4**
- 1.1 Conflict of Interest 4**
- 1.2 Financial Interest..... 4**
- 1.3 Immaterial Financial Interest 4**
- 1.4 Ownership Interest..... 4**
- 1.5 Third Party 5**
- 1.6 Associate 5**
- 1.7 Distribution Channel 6**
- 2. PURPOSE OF A CONFLICT OF INTEREST MANAGEMENT POLICY 6**
- 3. IDENTIFYING A CONFLICT OF INTEREST 7**
- 3.1 INDIVIDUAL IDENTIFICATION 7**
- 3.2 FURTHER GUIDANCE ON IDENTIFYING A CONFLICT OF INTEREST 7**
- 3.3 INTERNAL CONTROLS TO IDENTIFY CONFLICTS OF INTEREST 9**
- 4. AVOIDING AND MITIGATING A CONFLICT OF INTEREST 9**
- 5. DISCLOSURE OF CONFLICTS OF INTEREST 10**
- 6. COMPLIANCE MEASURES 10**
- 7. CONSEQUENCES OF NON-COMPLIANCE 11**
- 8. ANNEXURE A: LIST OF ASSOCIATES..... 12**
- 9. ANNEXURE B: OWNERSHIP INTERESTS HELD BY THE FSP 13**
- 10. ANNEXURE C: OWNERSHIP INTEREST HELD IN THE FSP 14**
- 11. ANNEXURE D: TYPE OF FINANCIAL INTEREST & ENTITLEMENT THERETO 15**

1. DEFINITIONS

1.1 Conflict of Interest

Conflict of Interest means any situation in which a provider or a representative 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 provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client,

including but not limited to:

- a financial interest;
- an ownership interest;
- any relationship with a third party.

1.2 Financial Interest

Financial Interest means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- an ownership interest;
- 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;
 - specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
- a recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

1.3 Immaterial Financial Interest

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:

- a provider who is a sole proprietor; or
- a representative for that representative's direct benefit;
- a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

1.4 Ownership Interest

Ownership Interest means

- any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person, and
- includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

1.5 Third Party

Third Party means

- a product supplier;
- another provider;
- an associate of a product supplier or a provider;
- a distribution channel;
- any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to a provider or its representatives.

1.6 Associate

Associate means

- in relation to a natural person:
 - a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person
 - a child of that person, including a stepchild, adopted child and a child born out of wedlock
 - a parent or stepparent of that person
 - a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person
 - a person who is a spouse, life partner or civil union partner of a person referred to above
 - a person who is in a commercial partnership with that person
- in relation to a juristic person:
 - which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary
 - which is a close corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act
 - which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
 - had such first-mentioned juristic person been a company, or
 - in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other person been a company
 - means any person in accordance with whose directions or instructions the board of director of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.
- in relation to any person:
 - means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph
 - includes any trust controlled or administered by that person

1.7 Distribution Channel

Distribution Channel means

- any arrangement between a product supplier of any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client
- any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier
- any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

2. PURPOSE OF A CONFLICT OF INTEREST MANAGEMENT POLICY

In terms of the General Code of Conduct for Financial Services Providers and Representatives (“GCOC”), every authorised financial services provider(FSP), other than a representative, must adopt, maintain and implement a conflict of interest management policy which complies with the provisions of the GCOC.

In terms of the General Code of Conduct a provider and a representative must avoid, and where this is not possible, mitigate any conflict of interest between the provider and a client, or a representative of the provider and his, her or its clients.

GrowthHouse and its representatives are committed towards acting within the best interests of our clients and to avoid all conflict of interests in relation to the provision of financial services. Where we are unable to avoid a conflict of interest, we will take all necessary precautions to ensure that any actual or potential conflict of interest is mitigated and adequately disclosed to our clients.

In order to ensure the continued demonstration of our commitment, management has adopted a Conflict of Interest Management policy to provide for the effective management of any actual or potential conflicts of interest that may arise wholly or partially, in relation to the provision of financial services.

The purpose of the Conflict of Interest Management Policy is therefore to provide a framework with regards to the avoidance and management of Conflicts of Interest within GrowthHouse in order to:

- ensure compliance with the Financial Advisory and Intermediary Services Act, 2002 (“FAIS Act”)
- establish internal controls and mechanisms towards the identification of conflicts of interest
- avoid legal liability, penalties, fines, and reputational risk arising from any Conflict of Interest
- establish measures to avoid conflicts of interest, and where avoidance is not possible, to provide the reasons therefore
- establish measures to ensure that any unavoidable conflicts of interest are mitigated
- establish measures to ensure the proper disclosure of any conflicts of interest
- establish processes, procedures and internal controls to facilitate compliance with the policy
- communicate the consequences of non-compliance with the policy

3. IDENTIFYING A CONFLICT OF INTEREST

3.1 INDIVIDUAL IDENTIFICATION

The primary responsibility for the identification of a conflict of interest rests with the representatives, employees and individual members of the governing body of GrowthHouse.

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

- is there any situation that exists that influences the objective performance of my obligations to my client?
- is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client?
- is there any situation that exists that prevents me from acting in the best interest of my client?

If the answer to all three questions is “no”, then there is no conflict of interest associated with the financial service and the representative may proceed.

If the answer to any one of the three questions is “yes”, the representative must proceed to answer the following additional questions:

- is the situation caused as a result of an actual or potential relationship with a third party? (see definition of “third party”)
- is the situation caused by an actual or potential financial or ownership interest? (see definition of “financial interest” and “ownership interest”)

If the answer to any one of these questions is “yes”, an actual or potential conflict of interest will have been identified.

3.2 FURTHER GUIDANCE ON IDENTIFYING A CONFLICT OF INTEREST

The definition of a Conflict of Interest incorporates the following terminology:

-influence the “**objective performance**” of his, her or its obligations to that client....
-prevent a provider or representative from rendering an “**unbiased and fair financial service**” to that client.....
-including but not limited to a “**financial interest**”

It is generally understood that the word “objective” refers to a situation where an individual’s personal feelings or opinions are completely removed from the equation. The “objective performance” of GrowthHouse or representative’s obligations therefore implies a situation where financial services are rendered without any untoward influences.

The word “bias” or “biased” is understood to mean a form of prejudice towards a particular person or viewpoint, whereas the word “fair” or “fairness” indicates a situation of just circumstances or being treated on an equal footing. An unbiased financial service therefore implies a financial service that does not lend itself to a particular persuasion, where no reasonable justification for such persuasion can be found. Similarly, a fair financial service implies a situation where the same conclusion or outcome will consistently present itself given the exact same set of circumstances.

Subject to section 3A(1)(c) of the General Code of Conduct, GrowthHouse and its representatives may only receive or offer the following “financial interest” from or to a “third party”:

- **commission** authorised under the Long-term Insurance Act, Short-term Insurance Act or under the Medical Schemes Act
- ***fees** authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act
- ***fees** for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if:
 - 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 representatives in exchange for the fees are specifically agreed to by a client in writing; and
 - those fees may be stopped at the discretion of that client
- ***fees or remuneration** for the rendering of a service to a third party

[*GrowthHouse or its representatives may only receive or offer these financial interests if –

- i. those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;
 - ii. the payment of those financial interests does not result in GrowthHouse or its representative being remunerated more than once for performing a similar service;
 - iii. any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated; and
 - iv. the payment of those financial interests does not impede the delivery of fair outcomes to clients.]
- an **immaterial financial interest** (subject to any other law)
 - a **financial interest, not referred to above** for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that FSP or representative at the time of receipt thereof

GrowthHouse may not offer any financial interest to its representatives:

- that is determined with reference to the **quantity of business** secured for GrowthHouse without also giving due regard to the delivery of fair outcomes for clients; or
- for giving preference to a **specific product supplier**, where a representative may recommend more than one product supplier to a client; or
- for giving preference to a **specific product of a product supplier**, where a representative may recommend more than one product of that product supplier to a client.

GrowthHouse must be able to demonstrate that the determination and entitlement to the financial interest, that may not be offered to representatives as determined by quantity of business secured without also giving due regard to the delivery of fair outcomes for clients, takes into account measurable indicators relating to the-

- achievement of **minimum service level standards** in respect of clients;
- delivery of **fair outcomes** for clients;
- **quality** of the representative’s compliance with this Act;

as agreed between GrowthHouse 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.

3.3 INTERNAL CONTROLS TO IDENTIFY CONFLICTS OF INTEREST

GrowthHouse has implemented the following internal controls to identify actual or potential conflicts of interest that may arise:

- Provide internal guidance and training to representatives on Conflicts of Interest.
- Ensure representatives are competent in identifying conflicts that may arise during their regular duties.
- Require representatives to avoid treating any client in a manner that unfairly favors or disadvantages them.
- A list of GrowthHouse's associates is attached as an annexure hereto. The list is reviewed on an annual basis.
- A list of all third parties in which GrowthHouse holds an ownership interest is attached as an annexure hereto. The list is reviewed on an annual basis.
- A list of all third parties that holds an ownership interest in GrowthHouse is attached as an annexure hereto. The list is reviewed on an annual basis.
- GrowthHouse maintains a Gift Register. All gifts received from a third party with an estimated value of R500 or more will be recorded in GrowthHouse's Gift Register.
- All relevant personnel (Key Individuals and Representatives) are required to immediately disclose in writing to the governing body of GrowthHouse and GrowthHouse's Compliance Officer, any actual or potential conflicts of interest as soon as they become aware of such situation.

4. AVOIDING AND MITIGATING A CONFLICT OF INTEREST

Once an actual or potential conflict of interest has been identified, the following procedures will be followed in order to determine whether the conflict of interest is avoidable:

- The governing body of GrowthHouse will convene and evaluate the actual or potential conflict of interest in an open and honest manner.
- All information that's led up to and resulting in, or causing the actual or potential conflict of interest will be disclosed to GrowthHouse's governing body and its compliance officer.
- The governing body of GrowthHouse will apply its mind and determine by way of majority vote whether GrowthHouse is in a position to avoid the actual or potential conflict of interest.
- During the evaluation process, the governing body of GrowthHouse will consider the following possible outcomes prior to a finding in favour of unavailability:
 - The possible negative impact it will have on GrowthHouse's clients where the actual or potential conflict of interest is deemed to be unavoidable.
 - The possible negative impact it will have on the integrity of the financial services industry where the actual or potential conflict of interest is deemed to be unavoidable.
- Where the governing body of GrowthHouse has determined that the actual or potential conflict of interest is in fact avoidable, the following processes will be followed:

- The governing body will remove the underlying cause or situation that results in the actual or potential conflict of interest as soon as reasonably possible
- Any immediate negative impact or prejudice towards clients pending the removal of the actual or potential conflict of interest will be kept to a minimum
- The reasons why the actual or potential conflict of interest was determined to be avoidable will be recorded in GrowthHouse's Compliance Manual
- Similar circumstances that has led up to the actual or potential conflict of interest will be avoided in the future
- Where the governing body of GrowthHouse has determined that the actual or potential conflict of interest is unavoidable, the following processes will be followed:
 - The governing body of GrowthHouse and GrowthHouse's compliance officer will convene and determine the measures that will be implemented in order to mitigate the actual or potential conflict of interest as far as reasonably possible
 - The reasons why the actual or potential conflict of interest was considered to be unavoidable will be recorded in GrowthHouse's Compliance Manual
- Any measures implemented towards mitigating the actual or potential conflicts of interest will include the following arrangements:
 - The status of whether the actual or potential conflicts of interest's is still deemed to be unavoidable shall be reassessed on a continuous basis
 - Where a previously deemed unavoidable actual or potential conflicts of interest is subsequently deemed to be avoidable, such actual or potential conflict of interest shall immediately be avoided
 - All representatives will be notified of any actual or potential conflicts of interest as well as the reasons for its unavoidability
 - When rendering a financial service, a representative shall be required to disclose to the client in writing that an actual or potential conflict of interest exist
 - GrowthHouse and/or the compliance officer shall report on the status of the actual or potential conflict of interest in GrowthHouse's compliance report to be submitted to the Financial Sector Conduct Authority.

5. DISCLOSURE OF CONFLICTS OF INTEREST

It is acknowledged that while disclosure alone will often not be enough, disclosure must be treated as an integral part of managing conflicts of interest. GrowthHouse is therefore committed to ensure that clients are fully informed about actual or potential conflicts of interest in relation to the provision of financial services.

GrowthHouse has adopted the following disclosure measures:

- Representatives must declare whenever they receive or offer a Financial Interest to or from Third Parties, with declarations made prior to any transaction.
- GrowthHouse maintains a gift register for tracking such interests.
- Representatives are required to disclose any Conflict of Interest to the client.

6. COMPLIANCE MEASURES

- Provide training to employees on Conflicts of Interest, relevant legislation, and company policies and procedures, with most policies forming part of representatives' terms and conditions of employment.

- Representatives may not receive or offer any Financial Interest to a Third Party, except for Immaterial Financial Interests, as these can create Conflicts of Interest.
- Require representatives to acknowledge receipt and understanding of the Conflict of Interest Policy.
- Ensure representatives disclose any conflicts of interest.
- The governing body of GrowthHouse must annex a list of all parties in which GrowthHouse holds an ownership interest to the Conflict of Interest Management Policy, conducting an annual review of this list.
- The governing body must also annex a list of all third parties holding an ownership interest in GrowthHouse, with an annual review.
- The governing body of GrowthHouse must maintain a Gift Register, ensuring that any gifts from third parties with an estimated value of R500 or more are recorded.

- Ensure proper disclosures are made to clients regarding any actual or potential conflicts of interest.
- The Conflict of Interest Policy must be regularly reviewed by the appointed Compliance Officer and updated as needed to maintain effectiveness.
- Publish the Conflict of Interest Management Policy in appropriate media and make it accessible for public inspection at reasonable times.
- The governing body of GrowthHouse must ensure that the Conflict of Interest Management Policy is reviewed at least annually.

7. CONSEQUENCES OF NON-COMPLIANCE

Where there is reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest through the proper communication channels, GrowthHouse will investigate and take any necessary actions to mitigate potential financial prejudice to GrowthHouse, its clients, or any third parties involved.

If an investigation confirms that an employee or representative of GrowthHouse has indeed failed to disclose an actual or potential conflict of interest, GrowthHouse will promptly initiate appropriate disciplinary measures and corrective actions. Any failure by an employee to comply with the Conflict of Interest Management Policy will be regarded as serious misconduct and may result in dismissal.

8. ANNEXURE A: LIST OF ASSOCIATES

In terms of Section 3A(2)(b)(iii) of the General Code of Conduct, a Conflict of Interest Management Policy must include a list of all GrowthHouse’s associates.

Please refer back to the definition of an “associate” and list all the FSP’s associates, as well as the nature of the associate relationship:

Not applicable. No other FSP’s associated.	

Key Individual Signature:	
Date:	

9. ANNEXURE B: OWNERSHIP INTERESTS HELD BY THE FSP

In terms of Section 3A(2)(b)(v) of the General Code of Conduct, a Conflict of Interest Management Policy must include the names of any third parties in which the provider holds an ownership interest.

Please refer back to the definition of a “third party” and “ownership interest” and list all third parties in which the FSP holds an ownership interest. Also specify the nature and extent of the ownership interest.

Not applicable. No other ownership interest held in any other FSP

Key Individual Signature:

Date:

11. ANNEXURE D: TYPE OF FINANCIAL INTEREST & ENTITLEMENT THERETO

In terms of Section 3A(2)(b)(ii), a Conflict of Interest Management Policy must specify the type of financial interest that the provider will offer a Representative and the basis on which a Representative will be entitled to such a financial interest. The Conflict of Interest Management Policy must also include a motivation regarding how the financial interest complies with sections 3A(1)(b) and 3A(1)(bA).

Please refer back to the definition of “Financial Interest” and specify in the table below which types of financial interest is offered by the provider to its Representatives. Also specify the basis on which these Representatives are entitled to such a financial interest. Lastly, specify how the financial interest afforded to the Representatives comply with sections 3A(1)(b) and 3A(1)(bA).

Form of Financial Interest Section 3A(1)(a)(i) – (vii)	Basis for entitlement to Financial Interest	Compliance with Sections 3A(1)(b) and 3A(1)(bA)
Commission authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Short-term Insurance Act, 1998 (Act No. 53 of 1998).	Advice and Intermediary Services	Yes
Commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998).	Advice and Intermediary Services	Yes
Fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998).		
Fees for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if <ul style="list-style-type: none"> ▪ 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 representatives in exchange for the fees are specifically agreed to by a client in writing; and ▪ Those fees may be stopped at the discretion of that client. 		
Fees or remuneration for the rendering of a service to a third party.		
Subject to any other law, an immaterial financial interest.		
A financial interest, not referred to in the column above, 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.