



**BAYPORT FINANCIAL SERVICES
CONFLICTS OF INTEREST (COI)
MANAGEMENT POLICY**

Applicable to Bayport Financial Services 2010 (Pty) Limited

FSP – 42380

Adopted by the Board on 16 August 2011

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1 Bayport Conflicts of Interest Policy

- 1.1 The FAIS General Code of Conduct governing Conflicts of Interest provides as follows:
- 1.1.1 Financial Services Providers (FSPs) must avoid, and where this is not possible, mitigate conflicts of interest.
 - 1.1.2 All actual or potential conflicts of interest in respect of a client must be disclosed to that client in writing and must include: the disclosure of all ownership or financial interests (excluding immaterial financial interests) that the FSP or representative has or is eligible for, and the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest
- 1.2 Bayport Financial Services 2010 (Pty) Limited (“Bayport”) is committed to complying with this legislation and ensuring that conflicts of interest are appropriately managed in the best interests of our partners, customers and stakeholders.

2 Statutory Definitions

- 2.1 Associate
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.
- 2.2 Conflict of Interest
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;
- (a) influence the objective performance of his, her or its obligations to that client; or
 - (b) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client,
- Including, but not limited to:
- (i) a financial interest;
 - (ii) an ownership interest;
 - (iii) any relationship with a third party.

- 2.3 **Financial Interest**
Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than;
- (a) an ownership interest;
 - (b) training, that is not exclusively available to a selected group of providers or representatives, on;
 - (i) products and legal matters relating to those products
 - (ii) general financial and industry information;
 - (iii) specialised technical systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
- 2.4 **Immaterial Financial Interest**
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.
- 2.5 **Third Party**
A product supplier, another provider, an associate of a product supplier or a provider, a distribution channel and any other person who in terms of an agreement provides a financial interest to a provider or its representatives.

3 How to manage a Conflict of Interest

- 3.1 **Identify the Conflict of Interest**
- 3.1.1 Bayport is obliged to assess whether any new arrangement entered into with a third party will present a conflict of interest prior to the conclusion of that arrangement.
 - 3.1.2 Each Bayport employee responsible for entering into a relationship with a third party on behalf of Bayport must ensure that any potential conflicts of interests are identified and appropriately documented prior to the conclusion of any such arrangement.
 - 3.1.3 The Responsible Executive must ensure that any existing arrangements with third parties are reviewed at least annually to take into account changing circumstances in order to ensure that any potential conflicts of interests are identified and dealt with appropriately.
- 3.2 **Avoid or Mitigate the Conflict of Interest**
- 3.2.1 When a potential conflict of interest is identified every reasonable means to avoid this conflict must be employed.

- 3.2.2 Where it is determined that the avoidance of such conflict is not possible, the relevant employee must inform his manager and Compliance must be immediately notified.
 - 3.2.3 In conjunction with the respective Business Area, Compliance will determine actions to mitigate and manage the identified conflict of interest.
 - 3.2.4 These agreed upon actions must be documented and communicated to all staff involved in the respective relationship in order to mitigate and manage the identified conflict of interest.
- 3.3 Disclose the Conflict of Interest
- 3.3.1 When a conflict of interest has been identified the respective Responsible Executive is accountable to ensure that full disclosure is made of this conflict to potential customers.
 - 3.3.2 Customer documentation relating to this conflict must include the following information:
 - (a) the existence of the conflict of interest;
 - (b) a description of what the conflict is;
 - (c) the impact of the conflict of interest;
 - (d) any measures taken to mitigate or manage the conflict; and
 - (e) a statement that the customer is free to elect whether he wishes to continue purchasing the product or not.
- 3.4 Internal procedures and controls to ensure compliance
- 3.4.1 Responsible Executives are accountable for ensuring that this policy is implemented in their respective business areas and will on an annual basis, in writing, certify to Compliance that they have complied with their duties in terms of this policy.
 - 3.4.2 Compliance will provide training to all relevant staff in order to ensure that employees understand their obligations under this policy.
 - 3.4.3 Compliance will monitor compliance to this policy and will ensure that Senior Management is informed of any non compliance as well as steps taken to rectify any potential non compliance.
 - 3.4.4 Compliance will review this policy on an annual basis to ensure compliance with the relevant legislation.

4 Financial Interests

4.1 Bayport Representatives

4.1.1 The following financial interests are permitted:

- (a) basic salary
- (b) performance based incentives as approved by the Bayport Board from time to time

4.1.2 The following financial interests are not permitted:

- (a) incentives that induce representatives to prefer one product over another when recommending products to a customer;
- (b) any remuneration or financial incentives from third party product suppliers for selling their products.

5 List of Bayport Associates

- 5.1 Transaction Capital (Pty) Limited
- 5.2 Bayport Financial Services (Pty) Limited
- 5.3 M Stores (Pty) Limited
- 5.4 Bayport Securitisation (RF) Limited
- 5.5 BayMobile (Pty) Limited
- 5.6 Zenthyme Investments (Pty) Ltd
- 5.7 Rand Trust Financiers (Pty) Ltd
- 5.8 Dubrovnik Properties (Pty) Ltd
- 5.9 Rand Trust Securitisation (Pty) Ltd
- 5.10 SA Taxi Finance Holdings (Pty) Ltd
- 5.11 SA Taxi Development Finance (Pty) Ltd
- 5.12 Taximart (Pty) Ltd
- 5.13 SA Taxi Securitisation (Pty) Ltd
- 5.14 SA Taxi Finance Solutions (Pty) Ltd
- 5.15 SA Taxi Risk Management Services (Pty) Ltd
- 5.16 Bompas Collections (Pty) Ltd
- 5.17 SA Taxi Finance Insurance Brokers (Pty) Ltd
- 5.18 Origin Eight Financial Services (Pty) Ltd
- 5.19 Sanderville Investments (Pty) Ltd
- 5.20 Mortgage Capital (Pty) Ltd
- 5.21 Specialised Mortgage Capital (Pty) Ltd
- 5.22 Company Unique Finance (Pty) Ltd
- 5.23 Afribrokers (Pty) Ltd
- 5.24 CUP Properties (Pty) Ltd
- 5.25 Specialised Mortgage Capital Warehouse (Pty) Ltd
- 5.26 Specialised Mortgage Capital Guarantee (Pty) Ltd
- 5.27 Specialised Mortgage Capital Security (Pty) Ltd
- 5.28 CUF Security (Pty) Ltd
- 5.29 Paycorp Holdings (Pty) Ltd
- 5.30 ATM Solutions (Pty) Ltd
- 5.31 ATM Solutions (Botswana) (Pty) Ltd

5.32	ATM Solutions Mauritius Ltd
5.33	ATM Solutions (Namibia) (Pty) Ltd
5.34	BDB Data Bureau (Pty) Ltd
5.35	Drawcard (Pty) Ltd
5.36	EFTPos (Pty) Ltd
5.37	Savvy Financial Solutions (Pty) Ltd
5.38	ATM Solution Group Securitisation (Pty) Ltd
5.39	MBD Credit Solutions Holdings (Pty) Ltd
5.40	Asset Solutions Company (Pty) Ltd
5.41	MBD Asset Solutions (Pty) Ltd
5.42	BayBridge System (Pty) Ltd
5.43	Capital Data Asset Recovery Management (Pty) Ltd
5.44	Capital Data Recovery (Pty) Ltd
5.45	First Credit (Pty) Ltd
5.46	Legal and Trade Collections (Pty) Ltd
5.47	MBD Credit Solutions (Pty) Ltd
5.48	Collection and Financial Services (Pty) Ltd
5.49	Capital Debt Recovery (Pty) Ltd
5.50	CMS Capital (Pty) Ltd
5.51	Credit Management Solutions (Pty) Ltd
5.52	Credit Management Solutions Group (Pty) Ltd
5.53	Credit Management Solutions Trading (Pty) Ltd
5.54	MBD Securitisation (Pty) Ltd
5.55	CMS Securitisation (Pty) Ltd
5.56	Munnik Basson Dagamar Inc
5.57	Bradley Campbell Inc
5.58	Credit Health (Pty) Ltd
5.59	Processing Integration Consulting Solutions (Pty) Ltd
5.60	TC Corporate Support (Pty) Ltd
5.61	TC Treasury (Pty) Ltd
5.62	Nisela Investments (Pty) Ltd
5.63	Cresol (Pty) Ltd
5.64	Aquarella Investments 468 (Pty) Ltd
5.65	Aquarella Investments 471 (Pty) Ltd
5.66	Zumhold (Pty) Ltd
5.67	TC Nominees (Pty) Ltd
5.68	Transaction Capital Business Partners (Pty) Ltd
5.69	Ellehove Investments (Pty) Ltd
5.70	Red Sky Finance (Pty) Ltd

6 List of Third Parties in which Bayport holds an ownership interest

None

7 List of Third Parties who hold an ownership interest in Bayport

None

8 Declarations of Interest

- 8.1 The FSP is required to keep a register of interests for the FSP as an entity as well as for all its Key Individuals, Representatives and members of the Board.
- 8.2 These relevant persons are required to declare any private interests that might affect the carrying out of their duties in order to ensure proper governance, as well as accountability and transparency in the FSP.
- 8.3 These persons will also be required to take steps to resolve any conflicts that arise in a way that protects the customers of the FSP.
- 8.4 The purpose of this disclosure is to be able to provide information to customers about the relevant interests of the FSP and its key individuals. These are personal or business interests that might influence their judgement, deliberation or action, or which might be perceived by a customer as doing so.
- 8.5 Relevant parties must consider whether they need to disclose personal involvement with persons or organisations which customers might reasonably think could influence their judgement.
- 8.6 Any interest relating to Board members, which come to light should be declared prior to discussion at a Board meeting.
- 8.7 Where there is uncertainty about whether a particular interest should be declared, advice should be sought from Compliance.
- 8.8 The interest disclosure registers should be intended as a record available to customers on request. All material conflicts of interest should however be disclosed to affected customers. An appropriate mechanism would be to disclose such conflicts in the initial disclosure documentation of the FSP, or other suitable means.
- 8.9 It is each person's responsibility to inform the internal person responsible for conflicts of interest, including Compliance, of any relevant changes as they occur and to register their interests in the register provided.
- 8.10 Where there is a complaint received about a failure of the FSP to disclose a relevant interest, the complaint should immediately be sent to Compliance for evaluation and response.

9 Consequence of Non Compliance with this Policy

Non Compliance with this policy is a serious offence and may result in the institution of disciplinary action against any such staff member or representative. Disciplinary action may include dismissal.

SCHEDULE A

BAYPORT FINANCIAL SERVICES 2010 (Pty) Ltd – MASTER CONFLICTS REGISTER
IN TERMS OF SECTION 3 OF THE FAIS GENERAL CODE OF CONDUCT
RECORDING OF MATERIAL FINANCIAL INTERESTS AND OWNERSHIP INTEREST

Financial Advisory and Intermediary Services Act "FAIS"

Purpose – To record the incidence of conflicts of interest by the FSP to ensure compliance with the requirements of the FAIS Act and other legislation. (Section 3 of the General Code of Conduct) This register is intended as a summary document only.

Case Ref No and ID of conflict/ name of the person from whom or to whom the financial interest was received or offered	Date financial interest Received or offered	Rec'd from or offered to	Rec'd by	Referred Internal	Description of conflict (incl. detail and nature of financial interest)	Rand amount or value of the financial interest	Status (SEE BELOW for guide)	OUTCOME- Description/ Comments AND Learnings
Version number					Last updated on		Last Updated by	

GUIDE TO MASTER CONFLICTS REGISTER

1 FIELDS

- 1.1 Case Reference Number
This field contains the reference number linked to an internal system (where applicable)
- 1.2 Identification of conflict
This field will reflect the date on which the actual or potential 'conflict' was identified
- 1.3 Received From
The name and designation of the person that submitted the actual or potential conflict must be entered here.
- 1.4 Received by
Conflicts person or other member of senior management? Conflicts handler responsible.
- 1.5 Description of conflict
What was the nature the conflict about? (Incl. Impact Assessment – what impact will the conflict have on the FSP)
- 1.6 Status
O – for Ongoing
C/D – for Closed with Action of Disclosure
C – for Closed and Decided to Avoid Conflict

(Date of final resolution to be added here.)
- 1.7 Outcome
Summary of what decisions were taken in respect of the actual or potential conflict. Controls – what controls were utilised to control the conflict?

SCHEDULE B

<p>BAYPORT FINANCIAL SERVICES 2010 (PTY) LTD –Gift Register –Outbound All Immaterial Financial Interests only</p>					
<p>Prevention and Combating of Corrupt Activities Act, 2004 “PCCA”</p> <p>Financial Advisory and Intermediary Services Act “FAIS”</p>					
<p>Purpose -Records the flow of outgoing gifts and other gratifications within the FSP to ensure compliance with the requirements of the PCCA Act and the FAIS Act. (Section 3 of the General Code of Conduct)</p>					
Employee Name (Sent by)	Nature of Gift or Item Received and Monetary Value	Date Sent	Received by (Client Name or Other)	Reason For Gift	Response / Comments
Last updated on.....		Last Updated by (Compliance Officer)			

SCHEDULE C

<p>BAYPORT FINANCIAL SERVICES 2010 (PTY) LTD – Gift Register – Inbound</p> <p>All Immaterial Financial Interests only</p> <p>Prevention and Combating of Corrupt Activities Act, 2004 “PCCA”</p> <p>Financial Advisory and Intermediary Services Act “FAIS”</p>					
<p>Purpose -To record the flow of incoming gifts and other gratifications within the FSP to ensure compliance with the requirements of the PCCA Act and the FAIS Act.(Section 3 of the General Code of Conduct)</p>					
<p>Client Name (Sent By)</p>	<p>Nature of Gift or Item Received and Monetary Value</p>	<p>Date received</p>	<p>Received by (Employee Name)</p>	<p>Reason For Gift</p>	<p>Response / Comments</p>
<p>Last updated on</p>		<p>Last Updated by (Compliance Officer) Page 1 of 1</p>			

SCHEDULE D

Conflict of Interest Questionnaire for Key Individuals and Representatives

ATTENTION KEY INDIVIDUALS/REPRESENTATIVES OF FSP LICENCE NUMBER 42380

To be completed by all duly appointed key individuals and representatives of the firm on an annual basis

FSP42380 (“Bayport”) requires each key individual and representative of the business to annually

- 1) Review the FSP's Conflicts of interest Management Policy (the “Policy”);
- 2) to disclose any possible personal, familial, or business relationship that reasonably could give rise to a conflict of interest or the appearance of a conflict of interest in the **Conflict of Interest Questionnaire (found here)**; and
- 3) To acknowledge by his or her signature that he or she is acting in accordance with the letter and spirit of such Policy.

Please respond to the following questions to the best of your knowledge.

1 .Please list all corporations, partnerships, associations or other organizations of which you are an officer, director, trustee, partner, or employee, and describe your affiliation with such entity.

2. In terms of the FAIS Code of Conduct you must disclose to the client the existence of any personal interest in a relevant service, or of any circumstances which gives rise to annual or potential conflict of interest in relation to such service, and take all reasonable steps to ensure the fair treatment of the client:
Comment

3. Non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person to the provider could be viewed as a potential conflict of interest. Please list any received in last 12 months (can include incentive trips, sponsorships, gifts that amount to material benefits, business services, entertainment expenses, access of preferential, differentiated service/training/advice facilities, shareholdings, sales quota obligations, product biases etc)

4. Where applicable, the fact that the provider – directly or indirectly holds more than 10% of the relevant product supplier’s shares COMMENT

5. Has any equivalent substantial financial interest in the product supplier; during the preceding 12 month period received more than 30% of the total remuneration, including commission, from the product supplier- COMMENT

6. Has the information above been disclosed on the disclosure documentation of the FSP? YES or NO

7. Please list all corporations, partnerships, or other entities in which you and/or the FSP have a material financial interest as defined in the manual.

8. Please list any proposed business dealings between product suppliers and you/the FSP, your family members, and/or entities. Describe each such relationship listed and the actual and potential financial benefits as you can best estimate them.

9. Are you aware of any other relationships, arrangements, transactions, or matters which could create a conflict of interest or the appearance of conflict? If so, please describe.

I have read the FSP conflicts of interest management policy. I am currently, and agree to remain, in compliance with the Policy at all times.

Entered into on this, the _____ day of _____, 20__.

Signature _____

SCHEDULE E

Disclosure template for Directors of the Board

BAYPORT FINANCIAL SERVICES 2010 (PTY) LTD GENERAL DISCLOSURE OF INTERESTS In terms of section 75 of the Companies Act No. 71 of 2008					
Surname Full Names Residential Address Postal Address Occupation Nationality Identification No.					
Name of Companies/Closed Corporations/Firms in which you have direct/indirect material interest	Registered Address of Company	Registration Number	Capacity	Date of Appointment	Nature & Extent of Direct/Indirect Material Interest e.g. Number of shares

SIGNED:

DATE:

[INITIALS & SURNAME]

[Director's name]

General notice in terms of section 75 of The Companies Act.

Annexure 1

Company	Number of Shares	% of Interest Capital	Registration Number