



BAYPORT FINANCIAL SERVICES 2010 (PTY) LTD

(Hereinafter referred to as "Bayport" or "the Company")

Conflict of Interest Management Policy

This policy is intended for internal use only and may not be distributed unlawfully

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1. DOCUMENT CONTROL AND APPROVAL

1.1. Document Information

Document Owner	Bayport Governance and Compliance
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Approved By	BFS2010 Governing Body and relevant Sub Committees
Prepared by	Bukhosibethu Kunene
Reviewed By	Bayport ERCO
Circulation List	All Bayport Employees
Document Category	Internal and Confidential

Table 1: Document Information

1.2. Document Change Control

	Author	Document Version	Summary of Changes	Date
1	Bukhosibethu Kunene	Version 1	Initial Draft	August 2018
2	Bukhosibethu Kunene	Version 2	Annual Review	March 2021

Table 2: Document Version Control

1.3. Document Review Confirmation

Name	Role	Signature	Date
ERCO / Data Governance Forum	Executive: Legal, Risk and Compliance (ERCO Chairperson)		

Table 3: Policy Review Confirmation

1.4. Document Approval and Sign-off

Name	Signed By	Signature
ERCO	Executive: Legal, Risk and Compliance (ERCO Chairperson)	This policy was reviewed and approved by the Enterprise Risk Committee on 16 March 2021, and signed by the Enterprise Risk Committee Secretary in confirmation of the committee's approval. The signed version is available for inspection, on request from the Compliance Manager or Company Secretary.
Bayport Board of Directors	Company Secretary (confirming that required Governing Body approvals have been recorded)	This policy was approved by the Company's Board of Directors at its meeting held on 31 March 2021, as evidenced in the minutes of that meeting, an extract of which can be obtained from the Company Secretary.

Table 4: Policy Approval and Signoff

2. DEFINITIONS

Associate

In relation to a natural person, means:

- a person you are married to under the laws of South Africa, according to the laws of your religion or in a customary union, or you who are living with in a long-term relationship
- any biological or adopted child of that person, including a stepchild
- a parent or stepparent of that person
- a person 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.

In relation to a juristic person:

- a company, 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
- any member of a close corporation registered under the Close Corporations Act 69 of 1984, as defined in section 1 of the act
- any juristic person which is not a company or a close corporation as referred to in the two bullets above, which would have been a subsidiary or holding company of the first-mentioned juristic person:
 - had such first-mentioned juristic person been a company
 - in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company.
- Any person who directs or instructs the board of directors 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 according to the directions or instructions of the person first-mentioned.
- any trust controlled or administered by that person.

Clients:

A specific person or group of persons, excluding the general public, who is or may become the subject to whom a financial service is rendered intentionally, or is the successor in title of such person or the beneficiary of such service.

Compliance Officer:

The statutory compliance officer appointed by Bayport in terms of the Financial Advisory and Intermediary Services Act.

Conflict of Interest:

Any circumstance described in section 6 of this policy.

Contract:

Any agreement or relationship involving the sale or purchase of goods, services or rights of any kind, the providing or receipt of a loan or grant and the establishment of any other type of pecuniary relationship.

Employee:

Includes permanent employees, temporary employees, and employees, of any of the corporate entities forming part of the group.

FAIS:

Financial Advisory and Intermediary Services Act 37 of 2002 and all regulations, board notices and codes of conduct issued in terms of the act.

Financial Interest:

A financial interest includes cash, cash equivalent, voucher, gift, services, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, or any other incentive, or valuable consideration other than:

- an ownership interest
- training by a product supplier on products, general industry information and technical systems that aren't exclusively available to a selected group of financial services providers or representatives except for travel and accommodation associated with that training.

FSP:

Financial service provider authorised in terms of the Financial Advisory and Intermediary Services Act of 2002.

Immaterial Financial Interest:

Any financial interest with a determinable monetary value, the average of which is not more than R1 000 in any calendar year from the same third party in that calendar year received by a:

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

Key Individual:

A person registered as such in terms of FAIS to oversee and manage the business or representatives of Bayport.

Ownership Interest:

An equity ownership interest, for which the owner paid fair value. This excludes equity or ownership interest held by an approved nominee on behalf of another person. It includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Permitted Financial Interest:

- Commission authorised under the Long-Term Insurance Act 52 of 1998 or the Short-Term Insurance Act 53 of 1998
- Commission authorised under the Medical Schemes Act 131 of 1998
- Fees authorised under the Long-Term Insurance Act 52 of 1998, the Short-Term Insurance Act 53 of 1998 or the Medical Schemes Act 131 of 1998 if those fees are reasonable compensation for the service provided

- Fees charged for a financial service for which commission referred to in the three bullets above is not paid, if:
- the client specifically agreed in writing to the fees
- the client may stop the fee at their discretion.
- Fees or remuneration for a service to a third party if these fees or remuneration are reasonable compensation for the service being delivered
- Subject to any other law, an immaterial financial interest
- A financial interest, not referred to under the first four bullets above, for which the provider or representative pays a consideration, fair value or remuneration that is reasonable compensation for the fair value of the financial interest, at the receipt thereof

Person:

Any natural person, partnership or trust. Includes any organ of state as defined in section 239 of the Constitution of the Republic of South Africa Act 108 of 1996

Representative:

Any employee of a financial services provider who renders financial services to a client on behalf of a financial services provider as defined in the FAIS Act

Responsible Person:

Any person serving as an officer or member Executive Committee or the Board of Directors of Bayport and any employee who has authority to commit Bayport

Third-Party:

This is:

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

3. INTRODUCTION

Good business practice requires that employees and responsible persons make fair and objective decisions in Bayport's best interest. To this end, employees and responsible persons must avoid situations that may result in actual, perceived or potential conflicts of interest, involving themselves or close relatives and must be declared, registered and its impact mitigated.

The responsibility for avoiding conflicts of interests does not end with individual employees or responsible persons but extends to their close family and friends or other beneficiaries who may have interests that conflict with those of Bayport.

This policy does not imply any lack of trust in Bayport's employees or responsible persons. It has been formulated to protect such parties against criticism by ensuring that they recognise and disclose

conflict of interest situations and take steps to avoid and/or manage them. It should be noted that disclosure will not necessarily restrict or preclude employees', or responsible person's activities.

4. POLICY STATEMENT AND PURPOSE

Whilst this policy sets the high-level standards for Bayport, Bayport has formulated and implemented detailed measures to proactively ensure compliance with these standards, having due regard for the specific business environment within which Bayport operates.

This policy is related to and must be read with the Bayport Gift Policy.

The purpose of this Policy is;

- To help Bayport employees and responsible persons make sound decisions when confronted with a potential conflict of interest situation by providing specific guidelines.
- To ensure that decision making is sound and in line with good business practice. The decision making must be fair and objective, and be in the best interest of Bayport and its clients. If an employee or responsible person of Bayport is unduly influenced by personal benefit, or benefits for related persons or other associates, they do not meet the aforementioned criteria. In essence, conflicts of interest undermine effective decision-making.
- The onus of declaring potential conflicts of interest lies with all employees and responsible persons of Bayport. All stakeholders are expected to actively demonstrate the moral obligation to do the right thing for the right reasons. It is acknowledged that conflict of interest situations can often be complex, thus this policy provides applicable guidelines for the behaviours and actions expected by Bayport.

5. BUSINESS OBJECTIVES

The primary objectives of this policy are to:

- give employees guidance on how to behave according to Bayport's values
- promote transparency and avoid - or where avoidance is impossible, mitigate - conflicts of interest
- ensure fairness in the interests of clients, employees and Bayport
- document the process for disclosing, approving and reviewing activities that may amount to actual, potential or perceived conflicts of interest
- provide a mechanism for the objective review of personal outside interests.

6. SCOPE

This policy applies globally, uniformly and without exception to all Bayport employees, directors, contractors and business relationships. Compliance with this policy is ultimately the responsibility of every employee, director and contractor acting on behalf of Bayport and is a condition of their employment or contract. Each employee, director and contractor must understand how this policy applies to their areas of responsibility, adhere to this policy in all their dealings and conduct themselves in a way that positively reflects and advances the commitments in this policy. Responsible persons and

Key individuals have added responsibility and accountability for applying ethical standards in their areas of responsibility.

This policy regulates processes and procedures according to existing legal duties that an employee owes an employer and should therefore not be construed or applied in a way that contradicts such duties and obligations, nor is it designed to replace such duties and obligations.

7. CONFLICT OF INTEREST DEFINED

7.1 A conflict of interest occurs when there is the following;

- 7.1.1 A situation in which Bayport or a representative has an actual or potential interest that may, in giving a financial service to a client:
 - 7.1.2 influence the objective performance of their obligations to that client
 - 7.1.3 prevent that service provider or representative from giving unbiased and fair financial service to that client, or from acting in the interests of that client.
 - 7.1.4 This includes but is not limited to:
 - 7.1.4.1 a financial interest
 - 7.1.4.2 an ownership interest
 - 7.1.4.3 any relationship with a third party.
 - 7.1.5 Any conflict between Bayport's interests and the direct or indirect private interest of a Bayport responsible person or employee (or their close relatives), which could improperly influence, or be perceived to influence, the objective and effective performance of their duties and responsibilities;
 - 7.1.6 Private and Bayport's interests are mixed thereby affecting the objectivity and discretion of an employee or responsible person in performing their duties or making decisions in the best interest of Bayport. This could also mean that a responsible person or employee is in a position to make or influence a decision that is not fair and objective in order to benefit personally or to benefit related persons or associates;
 - 7.1.7 Business judgement and business decisions are influenced by and based on private interests or personal gain;
 - 7.1.8 Private interests are material to distract a responsible person or employee from the effective discharge of their duties;
 - 7.1.9 Discretion, judgement or decision making is biased and influenced by the responsible person or employee's personal interests.

A personal interest is generally only deemed to be in conflict with Bayport's interest if it has the potential to influence, or could be perceived to influence a person's decisions in their role and position in Bayport.

7.2 There are three types of financial interests;

- 7.2.1 **Direct conflict of interest:** where a person is in a position to be influenced by their private interests when doing their job.
- 7.2.2 **Perceived conflict of interest:** where a person is in a position to appear to be influenced by their interests when doing their job.
- 7.2.3 **Potential conflict of interest:** where a person is in a position where they may be influenced in the future by their private interests when doing their job. Potential conflicts of interest include situations that impact negatively on the availability and use of resources, such as

time or facilities meant for work purposes, or situations where a person is in a position where they may be influenced in the future by their private interests when doing their job.

Conflicts of interest are not limited to direct financial interests. They extend to accepting business courtesies (including immaterial financial interests) and having private business interest in entities that might directly or indirectly do business with Bayport, and affiliations with non-profit organisations.

8. ROLES AND RESPONSIBILITIES

8.1 Board of Directors

The board of directors is ultimately responsible for the Conflict of Interest Management Policy.

8.2 Governance and Compliance Department

The Governance and Compliance Department is responsible for:

- drafting and implementing this policy and submitting it to the board of directors for consideration and approval
- ensuring that all employees and, where appropriate, associates are made aware of the contents of this policy, including training or education
- publishing this policy in the appropriate media so that it's easily accessible for public inspection at all reasonable times.
- monitoring and maintaining a register of conflicts of interest management (all declaration forms completed by employees and representatives are kept in this register).

8.3 Key Individuals

In terms of the FAIS Act, the key individuals are responsible for managing or overseeing the activities of Bayport as they offer financial services. In terms of this policy, the key individuals are responsible for;

- implementing it and training employees, especially as it relates to the FAIS Act.
- providing relevant input and guidance to the operational areas or support functions

8.4 Compliance Officers

Compliance officers are responsible for:

- submitting annual compliance reports which must be submitted to the Registrar of Financial Services Providers under the FAIS Act that deal with monitoring, complying with and accessing this policy

9. MECHANISMS FOR IDENTIFYING CONFLICTS OF INTEREST

Bayport has identified a number of mechanisms to identify potential conflicts of interest:

- a) Key individuals will conduct checks from time to time on business transactions to ensure that the Bayport's Conflict of Interest Management Policy is being complied with.
- b) The Governance and Compliance Department will maintain a conflict of interest register and update it regularly with all new conflicts of interest identified within Bayport.

- c) The register (**ANNEXURE B: MASTER OF CONFLICTS REGISTER**) must be completed to record the conflicts of interest, the nature of the conflict and the mechanisms used to avoid or mitigate conflicts of interest going forward.
- d) All employees, representatives and key individuals within Bayport will be made aware of the Conflict of Interest Management policy through an awareness programme and will be responsible for identifying specific instances thereof. All new employees must be trained on the Conflict of Interest Management policy during induction.
- e) Feedback and complaints from clients or other stakeholders will be analysed.
- f) All employees, representatives and key individuals must notify the Governance and Compliance Department of any instances of conflict of interests they become aware of.
- g) The Governance and Compliance Department will record the conflict of interest in the register and assist management to decide how the conflict should be managed within the guidelines of the Conflict Of Interest Management Policy.
- h) The Compliance Officer will also provide internal guidelines to Bayport from time to time.

10. GUIDELINES AS TO WHAT CONSTITUTES A CONFLICT OF INTEREST

A conflict of interest exists if circumstances would lead a reasonable person to question whether an employee or responsible person's motivations are aligned with Bayport's best interests.

There are many circumstances that will give rise to a conflict of interest. The following are examples of the most likely situations that will lead to perceived conflicts of interest:

- a) Employment outside of Bayport - moonlighting
- b) Outside activities (for example non-profit or civic organisations)
- c) Service on a board of directors
- d) Sitting on technical/advisory boards
- e) Honorariums
- f) Family/personal relationships
- g) Spouses/partners, family members or relatives as suppliers or other business partners
- h) Profiting or helping others to profit from Bayport's confidential information
- i) Gifts from suppliers or customers
- j) Kickbacks and rebates from suppliers
- k) Ownership (or another interest) in a competitor or a business that the company has, or is contemplating, a relationship with (directly or indirectly).

There are many other situations that may also create a potential for a conflict of interest, or the appearance of one. It is the responsibility of the employee or responsible person to be aware of the potential for a conflict of interest in a particular situation and to declare and, where required, resolve it in accordance with this policy. In any situation where an employee or responsible person is uncertain as to a specific arrangement, advice should be sought from the human resource department or the compliance department.

11. RULES RELATING TO SPECIFIC CONFLICTS

11.1 Employment Outside of Bayport – Moonlighting

During working hours, employees are expected to devote their full time to the business and affairs of the company. As a general rule, an employee should refrain, during the course of his/her employment with Bayport, from taking up other employment (full time, part-time, temporary, paid or unpaid).

If an employee wishes to engage in employment or business activity outside his/her employment with Bayport, the employee must first disclose to Bayport the nature and extent of the proposed employment or activity and obtain Bayport's written approval. Employees should carefully consider the demands that additional work activity will create before seeking or accepting outside employment.

Approval may be withheld if Bayport reasonably determines that the employee's proposed outside employment or activity could conflict or compete with Bayport's interests, or could negatively affect the employee's loyalty to Bayport or job performance or attendance.

11.2 Outside Activities

In general, employees and representatives may not have any outside business interests or additional employment which could in any way conflict with the proper performance of their duties, unless given specific written permission to do so. The employee's activities outside Bayport should not impact the company's reputation in any way. Employees may not engage in practices or pursue private interests, whether directly or indirectly, which in any way conflict with Bayport's interests.

11.3 Service on Boards of Directors

Directors owe a duty of loyalty to the company on whose board they serve. Careful consideration should be given to all potential conflict of interest issues before agreeing to serve on the board of a for-profit company.

Employees may take up board responsibilities and directorships with other charitable or non-competing business but only after seeking board approval. Any such approval granted is subject to the company's periodic review and the company may at any time revoke its approval. Further, the company's approval of an employee's request to serve on an outside board does not constitute any endorsement or ratification of any action taken by that employee as a board member of the outside company.

The company may at times ask an employee to serve on the board of directors of another company pursuant to the company's investment in, or strategic partnership with, that organisation. The company may also request an employee to serve on the board of a non-profit organisation, such as a standards body or industry affiliation. Service on such boards as a representative of the company is outside the scope of this policy.

11.4 Technical/ Advisory Boards

Employees are required to obtain prior approval before accepting an invitation to serve on a technical advisory board. Before seeking such approval, the employee should consider whether;

- 11.4.1 the entity is offering the opportunity in order to leverage the employee's relationship with the company to gain a special advantage for itself with the company;

- 11.4.2 serving on the board will interfere with the employee's ability to exercise his/her independent judgment in the best interest of the company; and
- 11.4.3 the products/technologies the employee works on at the company are so similar to those of the entity on whose board the employee will serve, that it would be difficult to serve as a technical advisor without using or disclosing the company's confidential information and trade secrets.

11.5 Family Relationships

No favour shall be bestowed upon friends and relatives. An Employees' position as a staff member of Bayport shall not be misused at any time and no favour or reward of any kind should be granted for the rendering of their services. Employees must disclose any personal interest they or a member of their immediate family has in relation to the group's business. This conflict of interest could include directorships, significant shareholdings and employment of family members.

11.6 Personal Relationships

Employees must avoid being in a subordinate position, or one of supervision or control over other employees in a close relationship with them. Similarly, employees shall avoid being part of decisions in respect of contracting persons with whom they have a close relationship.

11.7 Information Privacy and Confidential Information

During the course of employment, employees of the company will become intimately concerned with the affairs of the company, and will thus acquire knowledge of the company's trade secrets and clients. In this respect, employees are restrained from engaging, transmitting, sharing and disclosing strategy, trade secrets, client secrets or other confidential information to any third party or using them directly for personal gain.

Employees may not use the company's confidential information to further their private interests (financial or non-financial) or those of their family, friends, or anyone else.

It is important that commercially sensitive and proprietary information be kept confidential even to the extent of not discussing it with colleagues who are not entitled to this type of information.

All employees must maintain during his/her relationship with Bayport, the confidentiality of any matter which comes to his/her knowledge. Employees must ensure that information in any form is not released to unauthorised parties.

11.8 Immaterial financial interest (Gifts, Kickbacks and Business Hospitality)

Bayport recognises that in the process of executing its business, employees and responsible persons may be required to accept, receive, or give gifts or hospitality invitations (such as business lunches, sporting invitations, and entertainment events) as a means of gratitude or cultural diplomacy.

Employees may not accept any gifts and hospitality invitations that are not in accordance with the company's corporate gift policy. Under no circumstances should anything be accepted that might make it appear that an employee's decision in the execution of his/her duties would be compromised.

In addition, representatives or Key Individuals of Bayport may accept or offer an immaterial financial interest if it is not more than R 1,000 (one thousand Rands) per natural person per year from or to the same third party. Note that the R 1,000 limit applies per Representative, and not per FSP or Product Supplier. This amount may therefore not be aggregated across the FSP and averaged to R 1,000 or less per Representative and or Key Individual. The immaterial financial interest must be allocated individually per Representative and or Key Individual.

11.9 Financial and Other Interests

11.9.1 Financial Interests To and From Third Parties

Bayport and its representatives may only offer or receive a permitted financial interest from a third party, other than an immaterial financial interest and authentic training and educational sessions as set out here.

11.9.1.1 Training and Education Sessions

Bayport may receive or provide training that is not exclusively available to a selected group of financial services providers or representatives. The training permitted must only relate to:

- a) products and legal matters relating to those products
- b) general financial and industry information
- c) specialised technological systems of a third party necessary for the rendering of the services for Bayport's day to day operations.

A provider that provides Bayport with training may not provide Bayport with travel and accommodation. Light refreshments and modest meals incidental to the training may be provided if the training time extends over meal times or ends reasonably close in time to the next meal time.

11.9.2 Financial interests to own employees and representatives

11.9.2.1 Remuneration

11.9.2.1.1 Bayport employees and representatives are remunerated in the form of salaries. Some of them may be eligible for the payment of incentives and in certain instances for annual performance-based bonuses that recognise their overall contribution to the performance of Bayport as a whole. Salaries are paid according to their employment contract and in instances where an employee or representative is paid a performance bonus, it is calculated on a formula that includes the net profit performance of Bayport and the overall performance appraisal of the individual concerned.

11.9.2.1.2 Bayport may not offer any financial interest to its employees and representatives for giving preference to:

- 11.9.2.1.3 the quantity of business to the exclusion of the quality of service given to clients

- 11.9.2.1.4 This means that:
- a) all remuneration packages, bonus and incentive programmes and competitions must be structured in line with these rules
 - b) where required, there is full disclosure to clients on all Bayport financial products.

11.9.2.2 Employees must not:

- 11.9.2.2.1 have any interest, financial or otherwise, direct or indirect, or engage in any business, transaction or professional activity which is in conflict with the proper discharge of his/her duties;
- 11.9.2.2.2 use the Bayport name, brand or their position in the company to further private interests, monetary or non-monetary for themselves or anyone affiliated with Bayport;
- 11.9.2.2.3 use the Bayport name or their position in the company to obtain goods or services or preferential treatment for themselves or anyone else;
- 11.9.2.2.4 use their position in the company to coerce any member of the public or secure any type of benefits for themselves or anyone else.

11.10 Harm to Business or Reputation

Employees should refrain from engaging in conduct that could adversely affect the company's business or reputation. Such conduct includes, but is not limited to:

- 11.10.1 Publicly criticising the company, its management or its employees; or
- 11.10.2 Engaging in criminal conduct or any other behaviour that could harm the company's business or reputation.

11.11 Company Funds and Property

Employees must be conscientious and scrupulous in their handling of funds and property belonging to the company, and must always avoid any form of impropriety.

Employees must not use or permit the use of, Company property or resources for anything other than approved company business or activities.

12. DISCLOSURE OF POTENTIAL CONFLICTS

- a) Every employee must fully communicate and disclose any conflict of interest or any appearance of a conflict of interest that could impair or be perceived to impair their ability to act with integrity or objectivity in their role at Bayport immediately once identified.
- b) Executive and Senior Managers must forward their disclosures to the company secretary who will consider the disclosures and decide on their permissibility. For all other employees, the EXCO member overseeing the division the employee is in will be responsible for considering the disclosures and deciding on their permissibility.

- c) Any pre-existing conflicts of interest previously disclosed and that currently prevail, must be further disclosed on an annual basis to the Governance and Compliance Department, using the appropriate form (see **ANNEXURE A: DECLARATION OF INTERESTS FORM**), the details of which must be updated in the Master Conflicts of Interest Register (see **ANNEXURE B: MASTER OF CONFLICTS REGISTER**) accordingly.
- d) In addition, if a conflict of interest arises or may arise, employees must disclose it before undertaking any activity, at the beginning of any negotiations or at the beginning of any decision-making process. In exceptional circumstances, the formalities of the disclosure may be finalised after the event in instances where time is of the essence and the substance of this policy has been complied with, provided that the formalities are completed afterwards.
- e) A new disclosure must be made if the facts and circumstances relating to a previously disclosed interest or activity change materially, thereby introducing a new undisclosed interest.

12.1 Ownership Interest

The definition of third party according to Board Notice 58 means a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel, or any other person who in terms of an agreement or arrangement with a person referred to in the preceding list provides a financial interest to a provider or its representatives.

In terms of this definition, Bayport neither has an ownership interest in any third party nor does any third party have an ownership interest in Bayport.

12.2 List of Associates

Companies that are associated with Bayport are those which are part of the Bayport Group of companies of which Bayport is itself a subsidiary but limited only to operating companies and holding companies of operating companies. Please refer to **ANNEXURE D: NAMES OF ASSOCIATED COMPANIES**.

13. MANAGING CONFLICTS OF INTERESTS

The declarations submitted by employees will be assessed by the Governance and Compliance Division, in consultation with the Chief Executive Officer, and other executive management to determine whether the declared interests constitute an appreciable real, potential or apparent conflict of interest.

After appropriate evaluation, the executive management must determine what actions are required to avoid, mitigate and/or manage the identified conflict of interest. Such actions may include:

- a) Requiring the employee to refrain from being involved in any decisions made by the company regarding its dealings with such person, business or enterprise; or
- b) Requiring the employee to refrain from being involved in any dealings made by the company regarding its dealings with such person, business or enterprise; or
- c) Requiring the employee to dispose of his/her interest in such a business or enterprise if he/she wishes to remain in the Company's employ

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.

13.1 Approval

Where Bayport considers the conflict potential of an activity or interest to be minimal and there's no risk of reputational damage to Bayport, employees must record approval of this activity on **ANNEXURE B: MASTER OF CONFLICTS REGISTER**. Bayport must also note any conditions attached to the approval on the form. This must be reviewed yearly to make sure that the basis on which approval was granted remains sound. The employee applying for approval may not undertake the activity or make any decisions on behalf of Bayport without the required written approval. In order to ensure objectivity and consistency when assessing conflicts of interest, reliance must be placed on the guide for assessment of conflict of interest contained in **ANNEXURE C: GUIDE FOR ASSESSMENT OF CONFLICTS OF INTEREST**.

Employees and representatives have the right to request a review of the decision where the activity or interest is declined or where conditional approvals are granted. Such a request must be in writing, set out the reasons for the request and include copies of all relevant documents relating to the original disclosure of the activity or interest and the decisions relating thereto. The right of review is to the Executive: Legal and Compliance.

13.2 Maintaining Independence

In all situations in which disclosure is required, the relevant employee making the disclosure must abstain from any decision making relating to the conflicting activity or interest as well as from the process relating to the consideration of that disclosure. Where appropriate, that abstention must be formally noted.

14. RECORD KEEPING

The Governance and Compliance Department is responsible for maintaining a register of all declarations made by employees, as well as the assessment outcome and actions agreed upon in terms of 12 above. Refer to **ANNEXURE E: GUIDE TO MASTER CONFLICTS REGISTER** for a guide as to the contents of the register.

In all cases where disclosures are approved or declined, copies of the disclosure forms must be forwarded to the divisional Governance and Compliance Department. If EXCO members are unsure about a potential conflict of interest, they must get clarity from the Governance and Compliance Department and record it accordingly. Bayport will keep a conflict of interest and gifts register. Copies of these registers must be submitted to the Executive: Legal and Compliance on a monthly basis. All records must be stored in accordance with the data protection rules of Bayport. Such records are to be treated as confidential and handled in alignment with the Protection of Personal Information Act, 2013 ("PoPI Act".)

15. COMPLIANCE AND VERIFICATION

Strict adherence to the provisions of this policy is a condition of employment with Bayport. Non-compliance with this policy and the procedures described in it may be considered to be misconduct, and employees and representatives may be subject to disciplinary action including dismissal.

We aim to create the climate and opportunity for our employees and representatives to voice genuine concerns about behaviours or decisions that they perceive to be unethical. The Governance and Compliance Department is responsible for initiating and supervising the investigation of all reports of breaches of this policy and assisting Bayport to make sure the appropriate disciplinary action is taken when required. Bayport's Internal Audit function may be asked to report on any practice uncovered in their work that appears to breach this code of business conduct.

16. AMENDMENT TO POLICY

This policy can be changed, modified, revised or can be rescinded completely by the Group at any time with appropriate approvals.

17. DOCUMENT REVIEW

Document Review

This policy was reviewed and approved by the Enterprise Risk Committee on **16 March 2021**, and signed by that Chairman to confirm the committee's approval.

Governing Body Approval

Audit Committee Approval:

This policy has been reviewed and approved by the Company's Audit, Risk and Compliance Committee at its meeting held on **31 March 2021**, as evidenced in the minutes of that meeting, an extract of which can be obtained from the Company Secretary.

Board Approval:

This policy has been approved by the Company's Board of Directors at its meeting held on **31 March 2021**, as evidenced in the minutes of that meeting, an extract of which can be obtained from the Company Secretary.

ANNEXURE A: DECLARATION OF INTERESTS FORM

DECLARATION OF INTERESTS

Employer Details		
To:	Governance and Compliance Division - Bayport Financial Services 2010 (Pty) Ltd	
Employee Details		
From	Name of Employee	
	Job Title of Employee	
	Employee Number	
	Department of Employee	
	Declaration Date	

Table 5: Annexure A - Declaration of Interests - Information Table

I hereby declare that I have the following interests as described in the Conflict of Interest Policy;

1. Shareholdings in Public Companies (held other than through registered Unit Trusts) in excess of 5%

Name of Company	Number of Shares	Date/s Acquired

Table 6: Annexure A - Shareholdings in Public Companies - Declaration Information Table

2. Shareholdings in Private Companies

Name of Company	Number of Shares	Date/s Acquired

Table 7: Annexure A - Shareholding in Private Companies - Declaration Information Table

3. Directorship of Companies

Name of Company	A brief description of the company's line of business	Date/s Appointed

Table 8: Annexure A – Company Directorship: Declaration Information Table

4. Interests in Other Entities (Partnerships, NGO, Joint Ventures, Sole Proprietor, Businesses, Trusts, etc)

Name of Company	Interest (e.g. Owner, Partner, Trustee, Donor, Beneficiary)	Date/s Acquired

Table 9: Annexure A - Interest in Other Entities - Declaration Information Table

5. Interests held by spouse and/or dependent/relatives within the second degree of consanguinity (parents, children [natural or adopted])

Entity	Nature of Interest	Date/s Acquired

Table 10: Annexure A - Interest Held by Related Parties - Declaration Information Table

6. Interests in Contracts with Bayport Financial Services (other than an employment contract)

Include all entities in which you and/or your relatives to the third degree of consanguinity (parents, grandparents, children (natural or adopted) aunts, uncles, nieces, and nephews) have an interest.

Contracting Entity	Nature of Contract	Date of Contract

Table 11: Annexure A - Interest in Contracts with Bayport - Declaration Information Table

7. Family/Personal relationships

List all Bayport employees, agents, directors, service providers and shareholders that you:

- a. Are related to; or
- b. Have a personal (romantic) relationship with.

8. Conflict of time commitment

List external activities such as consulting, external employment, public service, holding of office or pro bona, even if not compensated, that represent significant time commitment efforts which may be or appear to be a conflict of time commitment situation.

Entity	Activity	Amount of Time

Table 12: Annexure A - Conflict of Time Commitment - Declaration Information Table

9. General Declaration of Interest

Do you, or persons connected with you (spouse or partner, children or close relatives) have any other interests that you should report? (In cases of doubt as to whether you have a disclosable interest please make the disclosure). Is there anything else that could affect your objectivity or independence at work, or the perception by others of your objectivity and independence?

Specify Details

Table 13: Annexure A - General Declaration of Interests - Declaration Information Table

10. Declaration

I hereby declare that the information supplied above is:

- a. Includes any and all interests held by my relatives and myself whether directly, indirectly or through proxies, nominees or other representatives.
- b. I also undertake that should any circumstances related to the above issues change, I shall notify Bayport promptly thereof.
- c. I hereby declare that the disclosed information is correct and complete and that no other situation of real, potential or apparent conflict of interest is known to me.

Employee

SIGNED AT ON THIS DAY OF..... 201..... AT

EMPLOYEE SIGNATURE

DATE RECEIVED:// 201.....

Bayport

SIGNED AT ON THIS DAY OF..... 201..... AT

CAPACITY: SIGNATURE:

ANNEXURE B: MASTER OF CONFLICTS REGISTER

Master of Conflicts Register								
Purpose: To record the conflicts of interest by the financial services provider to comply with the requirements of the FAIS Act and other legislation. This register is intended as a summary document only.								
Case Reference Number	Type of Conflict	Date of Declaration/ Identification of Conflict	Received from	Received by	Description of conflict	Status and Date of		Outcome – description, comments, controls and learning
						Status	Date	

Table 14: Annexure B - Master of Conflicts Register

ANNEXURE C: GUIDE FOR ASSESSMENT OF CONFLICTS OF INTEREST

PURPOSE OF THE GUIDE:

1. To document the considerations made in assessing conflict.
2. To define a standard for assessing conflicts
3. To ensure objectivity and consistency in the assessment of conflicts of interest.

1. STEP 1. The Initial Review: Relevance and Significance of the Interest

- 1.1. Upon receipt of a completed DOI Form from an employee, an Initial Review is conducted by the Governance and Compliance department (primarily the Risk Officer or the Senior Compliance Officer) (hereinafter jointly referred to as the “*Responsible Person*”) for the activity in which the employee is involved, to determine whether an interest has been declared, and if so, whether it is insignificant or whether it is potentially significant.
- 1.2. A declared interest is insignificant or minimal if it is unlikely to affect or be reasonably perceived to affect the employee’s judgment. Normally, insignificant or minimal interests are:
 - 1.2.1. Unrelated or are only tangentially related to the subject of the activity or work and their outcome;
 - 1.2.2. Nominal in amount or inconsequential in importance;
 - 1.2.3. Expired and are unlikely to affect current behaviour.
- 1.3. If, after the Initial Review, the Responsible Person determines that no relevant interest has been declared or such interest is insignificant or minimal, then he/she must record this in writing, e.g. in a note for the record.
- 1.4. In case of doubt or uncertainty, the Responsible Person should consult with their business unit Head. However, if the Initial Review indicates that the declared interest is significant or potentially significant, no further action may be taken until the Responsible Person undertakes a full assessment, as described in the next step, of the potential conflict of interest.

2. STEP 2. The Conflict of Interest Assessment: Factors to Consider

- 2.1. The purpose of this assessment is to determine whether the employee may participate in the activity at all or whether the employee may do so only under certain conditions. The following actions should be undertaken to ensure that an appropriate and robust assessment takes place:
 - 2.1.1. After the Initial Review, the Responsible Person, in consultation with each other, should convene a meeting with the Executive of the concerned department to discuss and review all the DOI Forms in which a relevant interest has been declared. All relevant interests should be individually discussed and any decisions or follow-up actions agreed upon. In this regard, the following non-exhaustive and indicative list of issues should be considered:
 - 2.1.1.1. The nature of the interest e.g. intellectual property (e.g. patents), financial and/or investment.
 - 2.1.1.2. Number of relevant interests declared on the DOI Form;
 - 2.1.1.3. Personal vs. non-personal (department or institution) nature of the declared interest;

- 2.1.1.4. If non-personal, the position and role of the employee in the department or institution;
 - 2.1.1.5. Relationship of the employee's interest with Bayport;
 - 2.1.1.6. The relevance and specificity of the declared interest in view of the subject matter of the employee's role and/ or department;
 - 2.1.1.7. The timeliness of the interest. Is it still current i.e. has it occurred within a period of one the period of declaration or from the employment, transfer or promotion date of the employee;
 - 2.1.1.8. Whether the interest relates to an employee's immediate family member;
 - 2.1.1.9. Whether the interest could be attributed to a professional bias reflected repeatedly as part of employee testimony in a regulatory or judicial proceeding or by reason of employees role or office; and
 - 2.1.1.10. Whether the participation of the employee in the activity provides or may provide him or her, with clear actual and direct financial or pecuniary benefit or enable him or her to obtain access to a competitor's or potential competitor confidential proprietary information.
- 2.1.2. A further investigation should always be undertaken if the Responsible Person has any concerns about any aspect of the information provided. Further information or clarifications may be required from the employee concerned.

3. STEP 3. The Conflict of Interest Assessment: The Balancing Test

- 3.1. A conflict of interest assessment essentially involves carrying out a "***balancing test***". In carrying out such a balancing test, the relevant Executive, while fully considering the contribution, tasks and function of the employee, must weigh:

3.1.1. *nature, type and magnitude of the employee's interest and therefore the degree to which the interest may be reasonably expected to influence the employee's judgment.*

against

3.1.2. *the adequacy of measures/options available to protect the independence and integrity of the decision-making process.*

4. STEP 4. The Conflict of Interest Assessment: Possible Options

- 4.1. If it is concluded that a declared interest is potentially significant, one of the following three options, or a combination of those options, may be considered to determine under what conditions, if any, the employee may participate in the activity.

4.1.1. **Conditional Participation:** Under this option, the responsible Executive would decide to continue the employee's involvement in the interest and devise applicable measures to mitigate the conflict to an extent where the executive has satisfied themselves that the risk of actual, potential or perceived conflict is mitigated in line with the provisions of the Bayport Conflict of Interest Management Policy. This approach is especially appropriate where the employee's interest is relatively minor.

4.1.2. **Partial Exclusion:** In this alternative, the responsible Executive would limit the employee's involvement, either

4.1.2.1. by excluding the employee from that portion of the interest where a conflict of interest has been identified and/or;

4.1.2.2. excluding the employee from participating in the decision-making process relating to certain decisions, for example, guidelines or recommendations.

A decision to partially exclude an employee should always be taken in consultation with the Human Capital Executive to ensure conformance with labour laws.

4.1.3. **Total Exclusion.** In this case, the employee is excluded from participating in the interest altogether, where the nature of the conflict of interest is too significant vis-à-vis the overall objective, or where limiting the employee's involvement to only a portion of the interest is not feasible (because, for example, the employee is actively involved in the day to day operations and decision-making which is in direct conflict with their employment obligations and outputs with Bayport. A decision to exclude an employee should always be taken in consultation with the Human Capital Executive to ensure conformance with labour laws.

4.1.4. As a general matter, a useful approach is to assess the situation through the eyes of a hypothetical "reasonable person on the street". If an appropriately well-informed person might reasonably conclude that the work or proceedings as a whole was tainted, or were unfair or were unduly influenced by the employee's interest in the outcome, then the employee's involvement should be excluded or limited (rather than merely disclosed).

4.1.5. If the Executive, after meeting with the Responsible Person, is unable to determine which action should be taken in an individual case, the DOI responses should be reviewed with the Executive Committee, who may consult with external counsel, as appropriate.

4.1.6. It is recommended that the Responsible Person also personally contact the employee whenever considering partial or full exclusion, both as a courtesy towards the employee and in order to confirm the employee's understanding of the interests declared as such exchange may yield additional information that may be pertinent to a conflict of interest analysis.

5. STEP 5. Note for the Record:

5.1. At the end of the meeting(s) during which the DOI Forms are reviewed and assessed, the Responsible Person should prepare minutes of the meeting(s) or a memo to file to record the decisions made and, in brief, the reasoning behind such decisions. The minutes or memo to file should be approved by the Executive of the unit concerned.

ANNEXURE D: NAMES OF ASSOCIATED COMPANIES

Names of associated companies (Excludes dormant companies)	Registration number
Bayport Financial Services 2010 (Pty) Ltd	2009/018403/07
Bayport Management Limited	54787C1/GBL (Mauritius)
Bayport Securitisation (RF) Ltd	2008/003557/06
Bayport Tutari (RF) (Pty) Ltd	2014/136028/07
Firefly Investments 326 (RF) (Pty) Ltd	2016/261710/07
The Real Automobile Finance and Insurance Consulting Company (Pty) Ltd	2004/017525/07
West Road South No 4 (RF) (Pty) Ltd	2014/147816/07
Zenthyme Investments (Pty) Ltd	2009/018665/07

ANNEXURE E: GUIDE TO MASTER CONFLICTS REGISTER

FIELDS

- **Case Reference Number:** This field contains the reference number linked to an internal system (where applicable)
- **Type of Conflict:** This may be one of the 9 conflicts contemplated in the disclosure form which may fall into either Financial or Ownership interest.
 - **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:
 - an ownership interest
 - training that is not exclusively available to a select 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 giving a financial service, but excluding travel and accommodation associated with that training.
 - **Ownership Interest:** Any equity or ownership interest, for which the owner paid fair value, other than equity or an ownership interest held as an approved nominee on behalf of another person. This includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
- **Date of Declaration/ Identification of Conflict:** This field will reflect the date on which the actual or potential “conflict” was declared/identified
- **Received from:** The name and designation of the person that submitted the actual or potential conflict must be entered here
- **Received by:** The name and designation of the person that received information about the actual or potential conflict must be entered here
- **Description of conflict:** What was the nature of the conflict about?
- **Status and Date of Status:**

Status Indicator	Description of Indicator	Date
O	Entry is ongoing	Date when this status is decided
C/D	Entry closed with no further action	
A	Entry requires action to manage conflict	
C	Entry closed and a decision has been made to avoid conflict	

Table 15: Annexure E - Status and Date of Status

- **Outcome:** Summary of what decisions were taken in respect of the actual or potential conflict including the Controls that have been instituted.

CONFLICTS OF INTEREST CONTROL MEASURES

Declaration of Interests

The disclosure of interests is to be completed by Bayport (as the entity), key individuals in Bayport and members of the senior management team of the organisation.

- For proper governance, and the accountability and transparency of Bayport, relevant persons must declare any private interests that might affect them in carrying out their duties. The key persons will also be required to take steps to resolve any conflicts that arise in a way that protects the clients of Bayport. To fulfil these duties, any relevant interests must be declared on the register of interests.
- The defining purpose of this disclosure is to provide information to Bayport about the relevant interests of its Key Individuals, Representatives and employees. These are personal or business interests that might influence their judgement, deliberation or action, or which might be perceived by a client as doing so.
- Relevant parties must consider whether they need to disclose personal involvement with persons or organisations which clients might reasonably think could influence their judgement.
- Any interest which comes to light should be declared before discussion at MANCO/ EXCO. It should take place irrespective of whether the interest has already been recorded in the register.
- Where there is uncertainty about whether a particular interest should be declared, advice should be sought from the Governance and Compliance Department of Bayport.
- The interest disclosure should be intended as a record available to clients on request. However, all material conflicts of interest should be disclosed to affected clients. An appropriate mechanism would be to disclose such conflicts in the initial disclosure documentation of Bayport or other suitable means.
- 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.
- The disclosure will be reviewed every year by the compliance function.

Where there is a complaint received about a failure of Bayport to disclose a relevant interest, the complaint should immediately be sent to the Governance and Compliance Department for evaluation and response.