



CONFLICT OF INTEREST POLICY

INTRODUCTION

The General Code of Conduct for Financial Services Providers and Representatives published in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002, requires every financial services provider to adopt, implement and maintain a conflict of interest policy.

As conflicts of interest affecting clients could undermine the integrity and professionalism of Southwood Financial Planning's business, any instances must be identified as early as possible. If conflict situations cannot be avoided, they must be managed equitably and in the clients' interest.

Detecting potential or recognised conflicts of interest that could compromise the interest of its clients, and managing and limiting the impact such conflicts of interest, constitutes an integral part of Southwood Financial Planning's duties and obligations.

WHAT IS A CONFLICT OF INTEREST?

A conflict of interest:

- is a situation in which the interests of Southwood Financial Planning, or of its associates, in the exercise of its activities, and the interests of its clients, are directly or indirectly in competition, in a way which could significantly prejudice the clients' interests;
- may occur in the provision of investment services; and
- may be recognised (actually identified) or potential (conceivable).

HOW WE MANAGE A CONFLICT OF INTEREST

Conflict of interest situations that could prejudice a client may take a variety of forms, whether or not Southwood Financial Planning suffers any financial loss, and independently of whether the actions or the motivations of the employees involved are intentional.

A conflict may arise where an employee has a direct, or indirect interest in a transaction. This may be where the employee has a connection with the other party to the transaction, or where the employee's family has a connection. The connection may be from a directorship, significant shareholding, employment or consultancy.

Southwood Financial Planning requires disclosure of any connection which could, or could be seen to have the effect of compromising the judgment of any of our employees. Employees are required to notify Southwood Financial Planning of any such potential conflicts of interest, who will then decide if the employee can be involved in the transaction.



Southwood Financial Planning expects all its employees to maintain the highest standards in carrying out their business activities, adhering to legislative requirements and our policies on business conduct, and to act professionally, honestly and ethically in all their dealings with clients, colleagues and third parties.

WHAT DOES SOUTHWOOD FINANCIAL PLANNING'S CONFLICT OF INTEREST POLICY ENCOMPASS?

- Rules regarding personal transactions
- Professional ethics of employees
- The use of sensitive or privileged information, insider dealing, and professional secrecy
- Respect for clients' interests

PREVENTION, DETECTION AND MANAGEMENT

Southwood Financial Planning has identified specific potential conflicts of interest in relation to its activities. These may be encountered by Southwood Financial Planning or its employees when they deliver services to clients. For each situation, Southwood Financial Planning has analysed whether the risk is actual or potential for one or more of its clients. To handle potential or actual risks, Southwood Financial Planning may:

- conduct the transaction while, given the conflict of interest generated by it, implementing procedures that enable appropriate management of the situation in order to avoid damaging the interests of the client in question,
- avoid conducting a transaction that could potentially cause a conflict of interest, or
- inform the client in the event that certain conflicts of interest cannot be properly handled and communicate the necessary information about the type and origin of the conflict of interest to the client, so that the client can make a fully informed decision regarding the proposed transaction.

Southwood Financial Planning has established a management policy for conflicts of interest enabling it to prevent potential conflicts of interest, manage actual conflicts and communicate them effectively to clients.

A register is kept of any gifts, or hospitality received. Employees must not accept any cash payments, significant gifts or hospitality. Token gifts may be accepted, providing they have not been solicited, have not been given as a business inducement and will not compromise Southwood Financial Planning's integrity. Employees cannot attend hospitality events, without Southwood Financial Planning's approval. Where an invitation could be construed as being a business inducement, it must be declined.

Our Conflict of Interest Management Framework document is available to all clients upon request.