

**CONFLICT OF INTEREST MANAGEMENT  
POLICY**

**Baymont Wealth (Pty) Ltd**

("Baymont Wealth")

**FSP NUMBER 808**

## **1. INTRODUCTION**

- 1.1. This document embodies the Conflict of Interest Management Policy for Baymont Wealth.
- 1.2. "Conflict of interest" ("COI") means any situation in which Baymont Wealth or its representatives 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 Baymont Wealth or its representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to –
  - 1.2.1. a financial interest;
  - 1.2.2. an ownership interest;
  - 1.2.3. any relationship with a third party ("third party" means (a) a product supplier, (b) another provider, (c) an associate or a product supplier or a provider, (d) a distribution channel, (e) any person who in terms of an agreement or arrangement with a person referred to in paragraph (a) to (d) above provides a financial interest to a provider or its representative))
- 1.3. The primary objectives of this Policy are –
  - 1.3.1. To provide guidance on the behaviours expected in accordance with Baymont Wealth standards;
  - 1.3.2. To promote transparency and to avoid business-related COI;
  - 1.3.3. To ensure fairness in the interests of employees and Baymont Wealth;
  - 1.3.4. To document the process for the identification, mitigation, disclosure, approval and review of activities that may amount to actual, potential or perceived COI;
  - 1.3.5. To provide a mechanism for the objective review of personal outside interests.
- 1.4. Baymont Wealth is committed to ensuring that all business is conducted in accordance with good business practice. To this end Baymont Wealth conducts business in an ethical and equitable manner, and in a way that safeguards the interests of all stakeholders to minimize and manage all real or potential conflict of interest (COI). Baymont Wealth and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between Baymont Wealth and a client or its representative and a client.

## **2. FINANCIAL INTEREST**

- 2.1. Baymont Wealth or its representatives may only receive or offer financial interest from / or to a third party as determined by the Commissioner of the Financial Sector Conduct Authority ("the Commissioner") from time to time, and as set out in Annexure A hereto.
- 2.2. "Financial interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –
  - 2.2.1. an ownership interest;
  - 2.2.2. 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; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training;
  - 2.2.3. a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.
- 2.3. Any financial interest received by an employee of Baymont Wealth must within 10 days of that receipt be recorded in the gift registry of Baymont Wealth, attached hereto as Annexure B.
- 2.4. Baymont Wealth may not offer any financial interest to its representatives–
  - 2.4.1. That is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or
  - 2.4.2. For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
  - 2.4.3. For giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.
- 2.5. For purposes of paragraph 2.4, Baymont Wealth must be able to demonstrate that the determination of and entitlement to the final interest takes into account measurable indicators relating to the –
  - 2.5.1. Achievement of minimum service level standards in respect of clients;

## 2.5.2 Quality of the representative's compliance with this Act;

as agreed between Baymont Wealth 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. MECHANISMS FOR IDENTIFYING COI

- 3.1. Key individuals will conduct checks from time to time on business transactions to ensure that the Conflict of Interest Management Policy is being complied with.
- 3.2. Baymont Wealth will maintain a Conflict of Interest register and update it regularly with all new conflicts of interest within the Financial Service Provider.
- 3.3. All new employees must receive a copy of the Conflict of Interest Management Policy.
- 3.4. The register must be completed to record the conflicts of interest, the severity and the mechanisms used to avoid or mitigate conflicts of interest going forward.
- 3.5. All employees, representatives, key individuals and compliance officers within Baymont Wealth will be trained on the Conflict of Interest Management Policy and will be responsible for identifying instances thereof.
- 3.6. Feedback and complaints from clients or other stakeholders will be analysed.
- 3.7. All employees, representatives and key individuals must notify the compliance officer of any instances they become aware of.
- 3.8. The compliance officer will record the conflict of interest in the register and assist the reporting manager to decide how the conflict should be managed within the guidelines of the conflict of interest management policy. The compliance officer will also provide internal guidelines to Baymont Wealth from time to time.

### 4. RESOLVING COI

- 4.1. The first and most important line of defence against COI or commitment must be by the key individuals and representatives themselves.

Ulf Brinkmann	- declares no potential conflicts of interest
Warren Quin	- declares no potential conflicts of interest
Oliver Dresner	- declares no potential conflicts of interest
Vanessa Hofmeyr	- declares no potential conflicts of interest
Robert Lachman	- declares no potential conflicts of interest
Marilet Tait	- declares no potential conflicts of interest

## **5. POTENTIAL COI THAT COULD AFFECT BAYMONT WEALTH**

5.1. The following are potential COI that could affect Baymont Wealth –

- 5.1.1. Directorships or other employment;
- 5.1.2. interests in business enterprises or professional practices;
- 5.1.3. share ownership;
- 5.1.4. beneficial interests in trusts;
- 5.1.5. personal Account Trading;
- 5.1.6. professional associations or relationships with other organizations;
- 5.1.7. personal associations with other groups or organizations, or family relationships;
- 5.1.8. commission

## **6. MEASURES TO AVOID COI**

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

- management will convene and review the actual or potential conflict of interest in an open and honest forum;
- all information surrounding the actual or potential conflict of interest must be disclosed to all interested parties;
- all information surrounding the actual or potential conflict of interest must be disclose to Baymont Wealth's Compliance officer.

6.2. The following consequences must be considered during the review process:

- the consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on Clients;
- the consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the integrity of the financial services industry;

- the consequences of both avoidance and unavoidability as well as the subsequent negative impact it will have on Baymont Wealth;
- Baymont Wealth management must apply its mind whether Baymont Wealth can obtain a more advantageous arrangement with reasonable efforts from a person or entity that would give rise to a conflict of interest;
- if a more advantageous arrangement is not attainable to not give rise to a conflict of interest, management will determine by a majority vote whether the arrangement is in the best interest of Baymont Wealth and any affected Clients and accordingly make a decision as to whether to enter into the arrangement.

6.3. If Baymont Wealth management has determined that the actual or potential conflict of interest is avoidable, the following processes must be adhered to:

- management must approve, by a majority vote, the removal of the underlying cause of the actual or potential conflict of interest;
- the underlying cause of the actual or potential conflict of interest must be removed as soon as reasonably possible;
- any negative impact on Clients owing to the removal of the actual or potential conflict of interest must be kept to a minimum;
- the reasons why the actual or potential conflict of interest was determined to be avoidable must be recorded;
- all determinations and interventions as it pertains to the avoidance of the conflict of interest must be documented and kept on the compliance file;
- similar situations that give rise to actual or potential conflicts of interest must be avoided in the future.

## **7. DISCLOSURE OF COI**

7.1. At the earliest reasonable opportunity, Baymont Wealth and its representative must, in writing, disclose to a client any COI in respect of that client including –

- 7.1.1. measures taken to avoid or mitigate the conflict;
- 7.1.2. any ownership interest or financial interest that the provider or representative may be or become eligible for;

- 7.1.3. the nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI.
- 7.2. At the earliest reasonable opportunity, Baymont Wealth and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.
- 7.3. Notification of an actual or potential COI should be made to the person with responsibility for the issue or area in question, such as the relevant management team, supervisor, head of the department or key individual.
- 7.4. In accordance with an employee's obligation to act in the best interest of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with Baymont Wealth.
- 7.5. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures as governed by relevant industrial awards or agreements.
- 7.6. Baymont Wealth has adopted the following disclosure measures:
- disclose to a Client any conflict of interest in respect of that Client;
  - the disclosure shall be made in writing at the earliest reasonable opportunity. The disclosure may be communicated by way of appropriate electronic media;
  - the disclosure shall include the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest;
  - the disclosure shall include the measures taken to avoid or mitigate the conflict;
  - the disclosure shall include any ownership interest or financial interest, other than an immaterial financial interest, that Baymont Wealth or representative may be or become eligible for;
  - the disclosure shall include a reference to Baymont Wealth's Conflict of Interest Management Policy and how it may be accessed.

## **8. PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY**

- 8.1. Every staff member must have a copy of the Conflicts of Interest Management Policy.
- 8.2. If a potential COI arises, the transaction must first be discussed with management before entering the transaction.

- 8.3. Define the type of financial interest to which a representative may be entitled, and how Baymont Wealth will ensure compliance with paragraphs 2.4 and 2.5
- 8.4. Baymont Wealth's representatives are remunerated in the form of salaries and some of them may be eligible for the payment of a 13<sup>th</sup> cheque or in some instances adhoc performance bonuses that recognise their contribution to the overall performance to Baymont Wealth. Salaries are paid in accordance with employment contracts and in instances where a representative is paid a performance bonus, in all instances it will be calculated based on a formula which includes the net profit performance of Baymont Wealth and the overall performance appraisal of the individual concerned.

**9. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE PROVIDER'S EMPLOYEES AND REPRESENTATIVES**

- 9.1. Non-compliance with this policy and the procedures described in it may amount to misconduct and employees may be subject to internal disciplinary action that may lead to dismissal.
- 9.2. Where there is reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest via the proper communication channels, Baymont Wealth will proceed and take any appropriate steps it deems necessary to limit any financial prejudice that may be suffered by Baymont Wealth, its Clients or any third party.
- 9.3. Where an investigation concludes that an employee or representative of Baymont Wealth has indeed failed to disclose an actual or potential conflict of interest, Baymont Wealth shall immediately take appropriate disciplinary steps and corrective actions against such employee or representative. Any failure by any employee to comply with the Conflict of Management Policy will be considered as a serious form of misconduct and a dismissable offence.

**10. LIST OF ALL BAYMONT WEALTH'S ASSOCIATES**

Not Applicable

**11. NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLDS AN OWNERSHIP INTEREST AND THE EXTENT THEREOF**

Not Applicable

**12. NAMES OF ANY THIRD PARTIES THAT HOLD AN OWNERSHIP IN THE PROVIDER AND THE EXTENT THEREOF**

Not Applicable



**13. APPROVAL OF CONFLICT OF INTEREST POLICY**

The board of directors hereby approves this Conflict of Interest Policy and binds itself to create a culture of compliance within the institution.

Full name: Ulf Ernst Brinkmann

Signature: .....

Designation: Director

Signed on this day of 29 November 2022 in Cape Town.

Full name: Warren John Quin

Signature: .....

Designation: Director

Signed on this day of 29 November 2022 in Cape Town

Full name: Egerton Tyrell Bisset

Signature: .....

Designation: Director

Signed on this day of 29 November 2022 in Cape Town

## **ANNEXURE A - FINANCIAL INTEREST**

1. Baymont Wealth or its representatives may only receive or offer the financial interests referred to herein if-
  - 1.1. Those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service being rendered and the resources, skills and competencies reasonably required to perform it;
  - 1.2. The payment of those financial interests does not result in the provider or representative being remunerated more than once for the performance of a similar service;
  - 1.3. Any actual or potential COIs between the interests of the client and the interests of the person receiving the financial interests are effectively mitigated; and
  - 1.4. The payment of those financial interest does not impede the delivery of fair outcomes to the client.
2. Baymont Wealth or its representatives may only receive or offer financial interest from / or to a third party as follows
  - 2.1. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
  - 2.2. Commission authorised under the Medical Schemes Act;
  - 2.3. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act;
  - 2.4. Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (1.1), (1.2) or (1.3) is not paid, if
    - 2.4.1. 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 representative in exchange for the fees are specifically agreed to by a client in writing; and
    - 2.4.2. those fees may be stopped at the discretion of that client.
  - 2.5. Fees or remuneration for the rendering of a service to a third party.
  - 2.6. Subject to any other law, an immaterial financial interest; and

2.7. A financial interest, not referred to under sub-paragraph (2.1) to (2.6), 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.

2.8. For purposes of this document -

2.8.1. "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 –

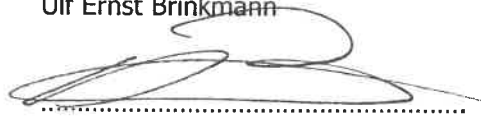
2.8.1.1. a provider who is a sole proprietor; or

2.8.1.2. a representative for that representative's direct benefit;

2.8.1.3. a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

Full name : Ulf Ernst Brinkmann

Signature :



Designation : Director

Signed on this day of 29 November 2022 at Cape Town

**ANNEXURE B - GIFTS REGISTRY**

<b>NAME OF KEY INDIVIDUAL / REPRESENTATIVE</b>	<b>DATE ON WHICH GIFT WAS RECEIVED</b>	<b>SOURCE OF GIFT</b>	<b>TYPE OF GIFT</b>	<b>VALUE OF GIFT</b>