

MIPLAN CONFLICT OF INTEREST MANAGEMENT POLICY

CONFLICT OF INTEREST POLICY

Section 3A(2)(a) of the General Code of Conduct stipulates that every provider, other than a representative, must adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the Act. The policy is to provide for mechanisms in place at *MIPLAN (PTY) LTD* to identify, mitigate and manage the conflicts of interest to which the *MIPLAN (PTY) LTD* is a party. This Conflict of Interest Management Policy is designed as prescribed in Board Notice 58 of 2010 which amends the General Code of Conduct for Financial Services Providers and Representatives published in Board Notice 80 of 2003, as amended by Board Notice 43 of 2008.

OBJECTIVE OF THE POLICY

This Conflict of Interest Management Policy does not change our existing conflict of management procedures but intends to document them in simple form as required by the Financial Services Board.

In terms of the Financial Advisory and Intermediary Services Act, 2002, *MIPLAN (PTY) LTD* is required to maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflict of interest. *MIPLAN (PTY) LTD* has put in place a policy to safeguard its clients' interests and ensure fair treatment of clients.

All providers, key individuals, representatives, associates and administrative personnel will commit to such policy and the processes will be monitored on an ongoing basis. *MIPLAN (PTY) LTD* keeps and maintains a register in which all actual or potential conflicts are recorded.

MISSION STATEMENT ON CONFLICT OF INTEREST

MIPLAN (PTY) LTD is committed to ensuring that all business is conducted in accordance with good business practice. To this end *MIPLAN (PTY) LTD* conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimise and manage all real and potential conflicts of interests. Like any financial services provider, *MIPLAN (PTY) LTD* is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern and our policy sets out how:

- we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests;
- we have established appropriate structures and systems to manage those conflicts; and
- we will maintain systems in an effort to prevent damage to our clients' interests through identified conflict of interest.

UNDERSTANDING THE DEFINITIONS

Conflict of interest. A conflict of interest may occur when in rendering a financial service to you, we do not act objectively or do not render an unbiased or fair service to you or do not act in your interests, including but not limited to:

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- a) A financial interest
- b) An ownership interest
- c) Any relationship with a third party.

A financial interest:

Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1000 per annum) 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 technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.

An ownership interest:

- (i) any equity or proprietary interest for which a fair value was paid on acquisition other than such an interest held by a nominee;
- (ii) includes any dividend, profit share or similar benefit derived from such interest.

Fair value:

Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 61 of 1973.

WHAT MAY WE GIVE AND RECEIVE

We confirm that we will receive or give financial interest from the aforesaid providers in the form of:

- (i) Commission authorized under the Long-term Insurance Act, 52 of 1998;
- (ii) Commission authorized under the Short-term Insurance Act, 53 of 1998;
- (iii) Commission authorized under the Medical Schemes Act, 131 of 1998;
- (iv) Fees under the aforesaid acts if these fees are reasonably commensurate to the service being rendered;
- (v) Fees for rendering a financial service in respect of which no commission or fees are paid as aforesaid, if those fees are specifically agreed to by you in writing and may be stopped at your discretion;
- (vi) Fees or remuneration for the rendering of a service to a third party, which fees are reasonably commensurate to the service being rendered;
- (vii) Subject to any other law, an immaterial financial interest;
- (viii) Financial interest for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid at the time of receipt thereof.

REMUNERATION POLICY

MiPlan receives only fees from the provision of intermediary service on collective investment schemes and discretionary mandates as well as advice where applicable .

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REMUNERATION OF KEY INDIVIDUALS

- Warren Brown receives a fixed remuneration in terms of the contract between them and MiPlan (Pty) Ltd,
- Anton Turpin receives remuneration as a director and has ownership interest and is a KI.
- Miplan representatives may receive commission for securing investments from clients which does not give preference to the quantity of business secured to the exclusion of the quality of the service rendered, favor a specific product supplier or product of such product supplier.

Identification of Conflict of Interest

To adequately manage conflicts of interest we must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which the policy applies, **MIPLAN (PTY) LTD** considers whether there is a material risk of damage to the client, taking into account whether **MIPLAN (PTY) LTD** or its representative, associate or employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client;
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the legislated commission or reasonable fee for that service.

Our policy defines possible conflicts of interest as, *inter alia*:

- conflicts of interest between **MIPLAN (PTY) LTD** and or client;
- conflicts of interest between our clients if we are acting for different clients and the different interests conflict materially;
- conflicts of interest where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client;
- affect or advice or services provided to our clients. We may only receive commissions authorised in terms of applicable legislation.

MIPLAN (PTY)

All employees, including internal compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify the Key Individual of any conflicts they become aware of. The Key Individual will assess the implications of the conflict and how the conflict should be managed and act impartially to avoid a material risk of harming clients' interests.

MEASUREMENT FOR AVOIDANCE AND MITIGATION OF CONFLICT OF INTERESTS

- Create awareness and knowledge of applicable stipulations of the General Code of Conduct and relevant legislation relating to conflict of interest, through training and educational material.
- Ensure understanding and adoption of conflict of interest policy and management

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measures by all employees, representatives and associates.

- Regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance.
- Assess any conflict of interest within its TCF Framework.
- Once a conflict of interest has been identified it needs to be appropriately and adequately managed.
- Miplan will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk and implement controls to manage the conflict.
- Disclosure: Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the value as well as non-cash inducements will be disclosed to clients.
- Publication: our conflict of interest management policy is easily accessible for public inspection at all reasonable times is available on www.mi-plan.co.za.
- Declining to act: We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

ONGOING MONITORING OF CONFLICT OF INTEREST MANAGEMENT

This policy will be reviewed, to manage implementation, monitoring and compliance with, and the accessibility of the conflict of interest management policy.

TRAINING AND STAFF

- All employees and representatives are required to read Board Notice 58 of 2010 as well as this policy and to sign a statement to the effect that they have done so and fully understand the provisions of both documents and the application thereof. Comprehensive training on the Conflict of Interest policy is provided to all employees and representatives as part of general FAIS training or specifically.
- Training will be incorporated as part of all new appointees' induction and refresher training provided.
- Checks on business transactions to ensure the policy has been complied with. This will include monitoring of the Conflict of Interest policy as part of his general monitoring duties. Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable. Avoidance, limitation or circumvention of this policy via an associate will be deemed non-compliance.

MIPLAN (PTY) LTD has implemented the disclosures as below:

1. Nature and Extent of Ownership interests
2. Financial Interest Received per Minimum Disclosure Documents
3. Business Relationships and due diligence

DISCLOSURES:

MiPlan is mandated to run unit trust funds, administered by IP Management Company. Miplan (Pty) Ltd has a 49.06% ownership interest in IP Management Company (Pty) Ltd. IP Management is a registered Collective Investment Manager in terms of Cisca and

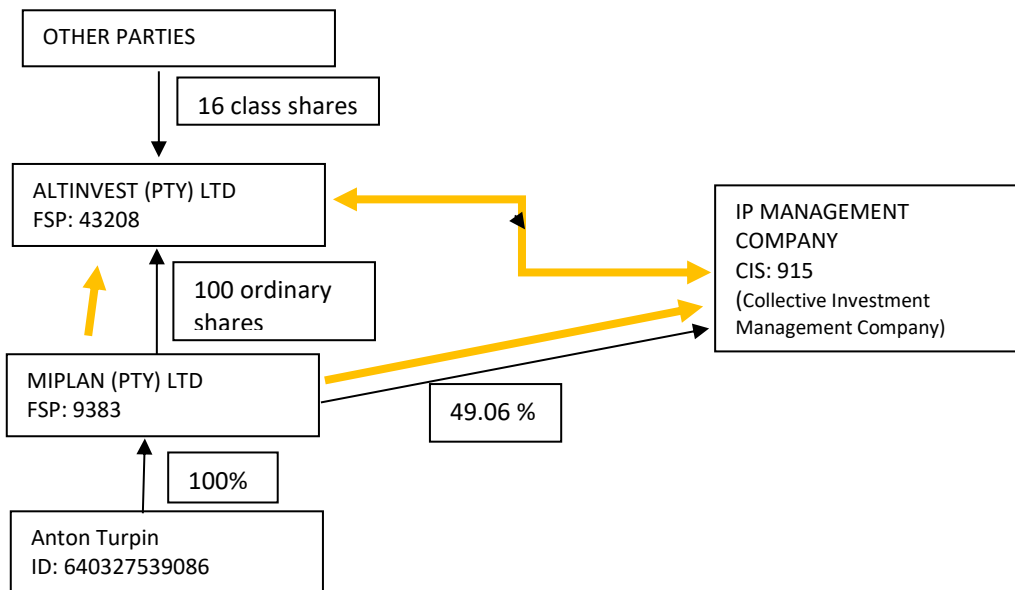
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performs administrative functions on, MiPlan unit trusts for which it receives contracted fees. Where mandated and unless otherwise specified MiPlan may invest in its own collective investments and received additional income. These fees as well as their nature are disclosed on the Minimum Disclosure Documents or as required by CISCA and may include:

Maximum charge, Total investment charge, methodology and how recovered, performance fees where applicable. These details are updated regularly together with performance, ranking and volatility statistics.

Ownership Structure:

- Miplan owns 49.06% of IP Management Company.
- Miplan owns 100 ordinary shares of Altinvest (Pty) Ltd where other parties own the other class shares and provides contracted services to Altinvest.



MiPlan offers investors a liability matching offering that matches the clients' portfolio to their unique needs as documented www.mi-plan.co.za. The complexity and uniqueness of this process and variability of each clients' needs require that technology be used to embed Miplan intellectual property and the financial service offering. In delivering this financial service software is provided by Miplan to advisers that determines a liability matched asset allocation constructed using Miplan IP funds. Miplan IP funds are specially designed to match this liability matched asset allocation. No fee is charged for the software and no obligation is placed on the advisor to offer, continue to offer or offer to a minimum number of clients. There are no other conditions placed on the advisers for the continued use of such technology that may influence the objective performance of the advisor. The advisers obligations to render unbiased, fair advice in the best interests of you the client remains with your advisor. Your advisor's obligation is to compare this financial offering against all others and ensure it is the most appropriate for your needs.

For the latest full disclosures please refer to the Minimum Disclosure Documents and the disclosures section of our website www.miplan.co.za.