



## Policy Document Extract

<b>POLICY NAME:</b>	Conflicts of Interest Policy
<b>VERSION:</b>	05
<b>CLASSIFICATION:</b>	External Publication

This published document contains relevant extracts from Maitland's specific internal version of the above named policy which has been distributed to all Maitland staff.

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## Table of Contents

1.	Introduction .....	1
2.	Executive overview and policy objective .....	1
3.	Policy scope .....	1
4.	Policy statement.....	2
5.	Group governance .....	3

## 1. INTRODUCTION

- 1.1 This document sets out the policy of the Maitland Group of Companies (“Maitland”) with respect to conflicts of interest (the “Policy”).
- 1.2 Maitland operates in various jurisdictions and provides a broad range of products and services to many Client types across the globe. In the provision of its products and services, activities may appear to, or actually give rise to, a conflict of interest (‘Conflict’) between the interests of Maitland, individual companies within Maitland, third party providers, Employees, Clients, and between the interest of different Clients serviced by the Group or where different services are provided to the same Client.
- 1.3 Maitland seeks to maintain and operate effective organisational and administrative arrangements with a view to taking reasonable steps to identify, disclose and manage Conflicts. Maitland aims to avoid Conflicts. Where this is not possible, the Group seeks to mitigate risks associated with any Conflicts that may occur internally via its business operations and structures, between the Group and its Clients or Employees and between its Employees and its Clients.
- 1.4 Maitland recognises the importance of all applicable laws, regulations and relevant guidance and is committed the highest standards of compliance.

## 2. EXECUTIVE OVERVIEW AND POLICY OBJECTIVE

The objective of this Policy is to:

- 2.1 Ensure that Maitland is in compliance with all applicable laws, regulations and relevant guidance;
- 2.2 Protect Maitland, its Employees, and its Clients from reputational or other risks of Conflicts or from undisclosed or mismanaged Conflicts; and
- 2.3 Identify and deal with Conflicts before they arise in order to ensure that the Group treats its clients fairly and equally when providing products, services or when dealing on their behalf in accordance with the Treating Customers Fairly principles.

## 3. POLICY SCOPE

- 3.1 The Policy applies to all Maitland entities, however variations may be necessary in some instances due to local legislation or the type of product or service being provided. Where a jurisdiction has no local legislation on this subject, the relevant objectives will be adopted under a ‘best practice’ strategy.
- 3.2 This Policy applies to all Employees and directors of Maitland including non-executive directors and also imposes a duty to disclose any Conflicts in relation to those persons who are connected to an Employee or director in any of the following ways:
  - 3.2.1 their spouse, civil partner or equivalent, or co-habiting partner;
  - 3.2.2 their dependent child or stepchild;
  - 3.2.3 any other relative who has shared their household for at least one year on the date of the transaction to which this Policy relates;

- 3.2.4 any person with whom the Employee has close links by joint ownership or control of a legal entity or in an undertaking;
- 3.2.5 any person whose relationship with the Employee is such that the Employee has a direct or indirect material interest in the outcome of the transaction, other than a fee or commission for the execution of the transaction; and
- 3.2.6 any trustee or person who administers an entity such as a trust or a self-invested personal pension scheme in which the Employee has a financial interest.

## 4. **POLICY STATEMENT**

### 4.1 **Application of the Policy**

- 4.1.1 Maitland seeks to take all reasonable steps to maintain and operate effective organisational and administrative arrangements to identify and adequately manage Conflicts.
- 4.1.2 Conflicts should always be avoided wherever possible. Maitland requires that Conflicts must always be disclosed as soon as Employees become aware and steps should be put in place to mitigate them. Employees should always err on the side of caution and disclose any relevant external interests. Maitland takes any instances of non-disclosure very seriously.

### 4.2 **Responsibilities**

#### 4.2.1 Senior Management

- (a) It is the responsibility of senior management to oversee the implementation of the Policy by ensuring that appropriate processes and controls are in place for effective risk management, thus ensuring the identification, recording and management of Conflicts. Senior Management will be assisted by the local Compliance Officer of each jurisdiction concerned.
- (b) All Conflicts identified should be considered along with HR and Compliance. Any issues arising out of these considerations should be escalated to ExCO, with a further escalation line to the Boards if felt necessary.
- (c) The policy will be reviewed on no less than an annual basis.

#### 4.2.2 Role of the local Compliance Officer

- (a) Maintain records of the Conflicts management process, from identification through to effective resolution of the Conflicts.
- (b) Maintain a local register of all actual Conflicts that are reported or identified as they occur.

#### 4.2.3 Role of all Employees

All Maitland's Employees must meet the requirements of this Policy and follow the underlying processes. Employees are required to:

- (a) Know, understand and comply with this Policy and ask questions of their local Compliance Officer if clarification or advice is required; and

- (b) Identify and disclose any perceived or actual Conflicts to their Line Manager or local Compliance Officer in their respective jurisdiction. The failure of Employees to notify the local Compliance Officer of Conflicts may result in disciplinary action being taken against the relevant individual(s).

## 5. **GROUP GOVERNANCE**

### **Policy Review**

Regular reviews on the effectiveness of group policies are carried out by members of the compliance function with further periodic audits undertaken by the Maitland internal audit function. This provides the executive management of Maitland with the necessary assurances regarding the operational effectiveness of Maitland's controls relating to Conflicts.

## 6. **DISCLAIMER**

- 6.1 Nothing in this summary will amount to a delegation to Maitland or an assumption by Maitland to perform such duties as otherwise described within the contractual agreement between Maitland and its Client(s).
- 6.2 Please note that this information is strictly confidential and intended solely for the use of the intended recipient(s). It is for your general information only and Maitland is not soliciting any action based upon it. Before acting on anything contained in this material, you should consider whether it is suitable for your particular circumstances and, if necessary, seek professional advice. This material has been prepared based upon information that Maitland believes to be reliable; however, Maitland does not represent that that this material is accurate, complete and up to date and accepts no liability if it is not.

## **ANNEXURE TO CONFLICTS OF INTEREST POLICY**

### **JURISDICTIONAL REQUIREMENTS: SOUTH AFRICA**

## 7. **PURPOSE**

- 7.1 The Conflicts of Interest Policy ("the Policy") sets out the policy and related procedures of the Maitland Group of Companies ("the Group") with respect to conflicts of interest. The Group is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, disclose and manage conflicts of interest.
- 7.2 The Policy applies to all Maitland entities within the Group, however variations may be necessary in some instances due to local legislation or the type of product or service being provided.
- 7.3 The purpose of this annexure is to provide clarity on the jurisdictional regulatory requirements for Maitland South African Financial Service Providers ("FSPs").

## 8. **JURISDICTIONAL SPECIFIC PROVISIONS**

### 8.1 **Policy scope**

- 8.1.1 As per paragraph 4.1 of the Policy, this section sets out the scope of the Conflict of Interest Management policy for the Maitland South African FSPs.
- 8.1.2 The applicable Conflict of Interest provisions are specific to the FSPs in South Africa in accordance with the Financial Advisory and Intermediary Services Act, 2002 ("FAIS").

- 8.1.3 Maitland is committed to maintaining a Conflict of Interest management policy that complies with the provisions of FAIS.

## 8.2 Application of the Policy

- 8.2.1 As per paragraph 5.1 of the Policy, this section sets out the mechanisms for the identification, mitigation, avoidance and disclosure of conflicts of interest for South Africa.
- 8.2.2 In terms of the FAIS General Code of Conduct for Authorised FSPs and their Representatives, a conflict of interest is a situation in which the interests of Maitland or of its associates, in the exercise of its activities, and the interests of its clients, are directly or indirectly in competition, and which could significantly prejudice the client's interests.
- 8.2.3 In determining whether there is an actual or potential conflict of interest, we must consider whether the conflict may influence the objective performance of our obligations or prevent us rendering an unbiased and fair financial service to the client, taking into account whether Maitland or a Representative, associate or employee –
- (a) Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
  - (b) 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;
  - (c) 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;
  - (d) 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 money, goods or services, other than the legislated commission or reasonable fee for that service;
- 8.2.4 In line with the Policy, conflicts (actual or potential) must always be disclosed as soon as Employees become aware of them. Employees are informed they should always err on the side of caution and disclose any conflict, including any external interests.
- 8.2.5 In South Africa, the Code of Conduct categorizes conflicts of interest as financial interests, ownership interests or any relationship with a third party. These definitions are included in Annexure A.
- 8.2.6 Relevant employees must consider whether they need to disclose personal involvement with persons or organizations or business interests that might influence their judgement, deliberation or action as employees, or which might be perceived by a client as doing so. The purpose of this disclosure is to be able to provide information to clients about the relevant interests of the regulated entity and the key persons.
- 8.2.7 In terms of Section 3A(1) of the General Code of Conduct, Maitland's South African FSPs and its Representatives may only receive or offer the following financial interest from or to a third party –
- (a) Commission authorised under the Long-term Insurance Act, the Short-term insurance Act or the Medical Schemes Act, as applicable;

- (b) Fees authorised under the Long-term Insurance Act, the Short-term insurance Act or the Medical Schemes Act;
- (c) Fees for the rendering of a financial service in respect of which commission or fees referred to above are not paid, if those fees (including the amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by Maitland or its representatives in exchange for the fees) are specifically agreed to by a client in writing and may be stopped at discretion of the client;
- (d) Fees or remuneration for services rendered to a third party;
- (e) Subject to any other law, an immaterial financial interest as defined (refer annexure A);
- (f) A financial interest for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest is paid by Maitland or the Representative at the time of receipt thereof, which is not referred to in the preceding sub-sections (a) – (e).

8.2.8 Maitland or Representatives may only receive or offer the financial interest referred to in sub-sections (c) – (e) above if

- (a) Those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;
- (b) The payment of those financial interests does not result in Maitland or representative being remunerated more than once for performing a similar service;
- (c) Any actual or potential conflicts between the interest of the clients and the interests of the person receiving the financial interests are effectively mitigated; and
- (d) The payment of those financial interests does not impede the delivery of fair outcomes to clients.

8.2.9 Furthermore, the Code of Conduct, expressly prohibits the offering any financial interest to Representatives:

- (a) For giving preference to a specific product supplier, where the Representative may recommend more than one product supplier to the client; or
- (b) For giving preference to a specific product of a product supplier, where the Representative may recommend more than one product of that product supplier to the client.
- (c) That is determined with reference to the quantity of business secured for Maitland without also giving due regard to the delivery of fair outcomes for clients.

8.2.10 For the purposes of subsection (c), unless Maitland is able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the

- (a) achievement of minimum service level standards in respect of clients;
- (b) delivery of fair outcomes for clients;

(c) quality of the representative's compliance of the Act;

as agreed between Maitland and the representative, 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 Maitland of the fair treatment of the clients.

8.2.11 Maitland does not permit the practice of offering or providing a sign-on bonus by any of its Financial Services Providers nor receipt of a sign-on bonus by its Category I Financial Services Providers.

### 8.3 Management of Conflicts of interest

8.3.1 Conflicts must always be disclosed and steps should be put in place to mitigate them but what constitutes an appropriate response to a given conflict of interest will always depend on the circumstances and facts of the case.

8.3.2 According to South African legislation, depending on the circumstances and the nature of any given conflict, it may be appropriate to:

- (a) Disclose the conflict of interest to the client;
- (b) Allocate another Representative to provide the service to the client;
- (c) Decline to provide a service to the client;
- (d) Initiate internal/external disciplinary action (referring matter to the Regulator for instance) where warranted.

8.3.3 In line with the Policy, in the event that a conflict of interest is identified and avoidance of this conflict of interest is not possible, the Compliance Officer must be advised of the reasons therefore and what measures the business will implement to mitigate such conflict of interest.

8.3.4 In South Africa, measures to mitigate will include disclosure to clients as South African legislation requires Maitland, at the earliest reasonable opportunity, to disclose in writing to our client any conflict of interest in respect of that client, including –

- (a) The measures taken to avoid or mitigate the conflict;
- (b) Any ownership interest or financial interest, other than an immaterial financial interest, that we or our Representatives may be or become eligible for;
- (c) The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to our client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest; and
- (d) inform the client of Maitland's conflict of interest management policy and how it may be accessed

8.3.5 Maitland is required to render the service in accordance with the contractual relationship and reasonable requests or instructions of the client, which must be executed as soon as reasonably possible and with due regard to the interests of the client which must be accorded appropriate priority over any interests of Maitland;

8.3.6 Transactions of a client must be accurately accounted for; and



- 8.3.7 Maitland must not deal in any financial product for own benefit, account or interest where the dealing is based upon advance knowledge of pending transactions for or with clients, or on any non-public information the disclosure of which would be expected to affect the prices of such product.

#### 8.4 **Responsibilities and consequences of non-compliance**

- 8.4.1 In line with the Policy, the Compliance officer will maintain records of the Conflicts management process, from identification through to effective resolution as well as a register of actual conflicts. In South Africa the Compliance Officer will also co-ordinate a bi-annual questionnaire to be completed by relevant staff.
- 8.4.2 Similarly, in South Africa the responsibility to oversee the implementation of the policy sits with Senior Management and legislation requires an annual review of the Policy.
- 8.4.3 In accordance with the Policy, it is the responsibility of all South African Employees to declare any potential or actual conflicts of interests and failure to do so may result in disciplinary proceedings including debarment, if applicable, as well as dismissal or possible legal sanction.

#### 9. **THIRD PARTY OWNERSHIP INTERESTS**

- 9.1 There are no third parties in which Maitland FSPs hold an ownership interest.
- 9.2 There are no third parties which hold an ownership interest in Maitland FSPs.

#### 10. **SCHEDULES**

- 10.1 Schedule 1: Definitions
- 10.2 Schedule 2: List of Associates

#### **Compliance**

#### **Maitland**

1 February 2022