

Conflict of Interest Policy for Heffer Risk Consulting cc

Financial Service Provider number: 13149

Amendment to policy adopted 19 April 2011

Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, we are required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflict of interest. Heffer Risk Consulting has implemented a policy to safeguard its clients' interests and ensure fair treatment of clients.

Accessibility of "Conflict of Interest Management Policy" and method of publication

The policy is accessible in electronic format and can be obtained by contacting our offices or it can be viewed in electronic format at our offices or on our website at <http://www.hefferriskconsulting.co.za>

Our objectives

Heffer Risk Consulting is an authorized financial services provider, providing to its clients advice intermediary services on short-term insurance for Commercial and personal lines. Like any financial services provider, Heffer Risk Consulting is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern.

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.

What is a conflict of interest?

Any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client;

- Influence the objective performance of obligations to client
- Prevent the provider or representative from rendering an unbiased and fair financial service to client or acting in the interest of that client Including, but not limited to –
 - A financial interest
 - An ownership interest
 - Any relationship with a third party

Heffer Risk Consulting strives towards ensuring it is able to appropriately and effectively identify and manage potential conflicts. We may manage potential conflicts through avoidance, establishing confidentiality barriers and by providing appropriate disclosure of the conflict to affected clients. We do not hold any shares in any Product supplier or other financial service provider and we only receive fees and commission as set out in the Short term Insurance Act thereby avoiding any conflict of interest. Heffer Risk Consulting cc is a single independent entity run as a family business without any connection to any other entity whether juristic or natural.

In determining whether there is or may be a conflict of interest to which the policy applies, Heffer Risk Consulting considers whether there is a material risk of damage to the client, taking into account whether Heffer risk Consulting or a 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 Heffer Risk Consulting and the client;
- 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;
- Holding confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

Avoid or mitigate

A provider and representative must

- Avoid and where not possible mitigate any conflict of interest between client and representative or provider
- Disclose to client in writing any conflict of interest in respect of that client including -
 - ❖ Measures taken to avoid or mitigate the conflict
 - ❖ Any ownership interest or financial interest other than an immaterial one
 - ❖ Sufficient details of any relationship with a third party that gives rise to a conflict of interest in sufficient detail so that the client can understand the nature of the relationship

A provider or its representative may only receive or offer the following financial interest from or to a third party –

- Commission authorised under LTA or STA
- Commission authorised under Medical Schemes Act
- Fees authorised under LTA, STA or MSA1 if reasonable commensurate to the service being rendered
- Fees for rendering service i.r.o. which commission or fees is not payable if those fees
 - Are specifically agreed to by client in writing
 - may be stopped at discretion of client
- Fees or remuneration for the rendering of a service to third party but reasonable commensurate to the service rendered
- Subject to any other law an immaterial financial interest and
- Financial interest not referred to under (i) to (vi) for which the provider or representative pay a consideration, fair value or remuneration at time of receipt such as receiving training for which the provider pays

We will not offer any financial interest to any representative for:

- Giving preference to the quantity of business secured for the provider to the exclusion of quality service
- Giving preference to a specific product supplier where more than one supplier can be recommended to a client
- Giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

The measures Heffer Risk Consulting have adopted to manage identified conflicts are further summarized below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified potential conflict of interest, we act impartially to avoid a material risk of harming clients' interests.

Procedures:

We have adopted appropriate procedures throughout our business to manage potential conflict of interest. Our representatives, associates and employees receive guidance and training in these procedures and they are subject to monitoring and review processes. There are specific measures and consequences in place for non-compliance with our conflict of interest policy.

Confidentiality barriers:

Our representatives, associates and employees respect the confidentiality of client information and disclose or use it with circumspect. No such information may be disclosed to a third party without the written consent of a client.

Monitoring:

The key individual, Lisa Heffer in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters. The policy will be reviewed annually

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 monetary value of non-cash inducements will be disclosed to clients.

Report:

The provider, compliance officer or key individual will include a report on the conflict of interest management policy in the annual compliance report submitted to the Registrar.

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.

Particular management measures adopted by Heffer Risk Consulting

- Identification of conflict of interest:- 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;
- Avoidance of conflict of interest: - ensure understanding and adoption of conflict of interest policy and management measures by all employees, representatives and associates;
- Do regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance;
- Keep a register of conflict of interest.
- Monthly confirmation of Sources of income reconciled with suppliers register and signing off by KI
- All new agreements to be signed off by KI
- Declaration from all staff members that They are aware of the contents of the Col management policy and have received training on the contents and are not aware of any potential conflict of interest arising from a financial interest, an immaterial financial interest or a relationship with a Third Party

HEFFER RISK CONSULTING CC is a closed corporation and the following details are provided

Any subsidiary – None

Holding company or Subsidiary of that holding company - None

Any company of which holding company is subsidiary - None

Ownership interests in third parties: No

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