

CONFLICT OF INTEREST MANAGEMENT POLICY

Annual Declaration and Disclosure

Conflict of interest and time commitment

Purpose

In order to comply with the provisions published under Section 15 of the Financial Advisory and Intermediary Services Act (Act No. 37 of 2002) (FAIS) regarding the General Code of Conduct for Authorised Financial Service Providers and Representatives, Value Portfolio Managers (Pty) Ltd (VPM or the Company) requires its key individuals, representatives and all other members holding part time or full time appointments or involvement who have real or potential conflicts of interest or time commitment to avoid and to disclose such conflicts.

VPM recognises the value of member interaction with business and industry, private foundations and government agencies to foster our Company's mission and to facilitate professional development and promote expansion of knowledge and experience. In some cases the external activities of members, such as outside employment, consulting, public service, pro bono work or serving as an officer of an external entity, even without compensation, can result in real or apparent conflicts.

Members should be aware of the nature of their actions and whether they are likely to, or in fact do, conflict with the interest of our Company or our clients. Circumstances that could allow the integrity of VPM or one of its members to be questioned needs to be avoided. Disclosure of financial and other interest is required by all key individuals, representatives and all other members who have or may have potential or possible conflicts of interest or time commitments. Failure to comply with this policy may result in disciplinary action.

Definitions

Conflict of Interest:

A potential conflict of interest occurs when there is a divergence between private interests and professional obligations to VPM or its clients such that an independent observer might reasonably question whether the professional actions or decisions are determined by personal financial gain. An interest includes, but is not limited to:

- a. a financial interest;
- b. an ownership interest; and
- c. any relationship with a third party.

Financial Interest:

Means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration.

Ownership Interest:

Means ownership interest in any corporation, partnership, trust, joint venture, and every other business interest, including land used for income which you or other member of your family own or have owned within the preceding 12 months, which represents a legal or equitable interest. Ownership of intellectual property (for example, patents, royalties, and copyrights) is also included. Ownership of funds and holdings acquired through VPM's Pension Fund is not included.

Third Party Interest:

Means another financial services provider, a financial product supplier, an associate of a product supplier or provider, a distribution channel and any person who, in terms of an agreement with these persons, provides a financial interest to VPM or one of its members.

Conflict of Time Commitment:

A potential conflict of time commitment exists when professional activities external to the Company exceed reasonable time limits or whenever primary professional responsibility is not to our Company or its clients.

Individuals (Members) Covered:

This policy covers all key individuals, representatives and other members with potential, possible or actual conflicts of interest or time commitments.

Family:

Family includes spouse, dependent children, partner and members of personal household.

Policy Management

Identification

VPM recognises that conflicts of interest are inherent to the nature of our business. To avoid and adequately manage these conflicts they must be identified in a timely manner. The identification process includes:

1. Members need to be aware of and be able to recognise real and potential conflicts. The directors should be notified of any possible or actual conflicts a member becomes aware of.
2. The annual declaration of interest and time commitment considers any real or potential conflict of interest or time commitment related to a member's position or responsibility.
3. Single-occasion activities or ad hoc actions that can result in an actual or possible future conflict should be disclosed in anticipation and prior to the undertaking or immediately after becoming aware of the possible or actual conflict.

Disclosure

The annual declaration consists of two forms, Form A and Form B. If you answer "NO" to all questions in Section A and Section B on Form A, then simply sign and return Form A leaving Form B incomplete. If you answer "YES" to any question on Form A then complete the relevant sections on Form B, sign and return both forms. A new disclosure must be made of facts and circumstances relating to a previously disclosed interest or activity when it changes materially, thereby introducing a new undisclosed interest.

Key individuals, representatives and all other members who have or may have potential or possible conflicts are required to disclose any personal or professional single-occasion activities or ad hoc actions which might present potential conflicts. Such activities must be logged in advance with the Company's directors on Form C (the Condition Request).

Each Annual Disclosure and Condition Request will be considered by a committee or the board of our Company to determine whether actual or potential conflicts of interest are present. VPM maintains records of all disclosures and conflicts and their resolutions.

Avoidance and Management

The objective performance of a member's duties and the rendering of fair and unbiased financial services should be maintained. To this end, identified conflicts should be avoided and appropriately managed. Key individuals, representatives and members with actual or potential conflicts should use care and professional judgement. VPM runs an annual program to enhance this process through guidance and workshops.

Conflicts identified through the Annual Disclosures and Condition Requests are considered by a committee or the board of our Company. Approval of a Condition Request is required prior to undertaking any act that may lead to an actual or potential conflict.

Management plans are formulated, where necessary, to manage and mitigate actual or potential conflicts. These management plans include approval or disapproval of anticipated actions as well as conditions to current and anticipated acts. Specific instances of potential or actual conflict may require distinct management intervention.

Representatives, key individuals and other members will receive no remuneration, other than that based on their contract of employment with VPM, on the basis of:

1. Preference given to the quantity of business secured for any provider; or
2. Preference given to a specific product supplier; or
3. Preference given to a specific product of a product supplier.

1 July 2014