

RAILWAY FURNISHERS (PTY) LTD (FSP 46186)

CONFLICT OF INTEREST MANAGEMENT POLICY (CIMP)

VERSION 5 DATE 22 June 2023

During 2010, the Financial Services Board (now the Financial Sector Conduct Authority : www.fsca.co.za) revised how financial service providers (FSP) must deal with a conflict of interest, by way of Board Notice No 58 of 2010 (BN 58/2010).

A **conflict of interest** is defined by the Code of Conduct to the Financial Advisory and Intermediary Act No 37 of 2002 (FAIS), as

“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, -

- (a) influence the objective performance of his, her or its obligations to that client; or*
- (b) prevent a provider or representative 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 -

- (i) a financial interest;*
- (ii) an ownership interest;*
- (iii) any relationship with a third party.”*

Railway recognises the importance of operating in an open and transparent manner in all aspects of the business operations, be they with our clients, our suppliers, our service providers or members of the Community, within which we work, be they directly a part of the financial services industry or not. Whilst the legislative requirements may be the foundation, our policy is far more practical in its application and takes basic business ethics as its overall primary standard and objective. The directors personally take this policy

as a statement that binds the ethics of Railway.

(I) MANAGEMENT OF CONFLICTS OF INTEREST BY RAILWAY

As an FSP, Railway manages **conflicts of interest** in the following three ways :

1. due to the Cell Captive being 100% owned by Railway and no commissions or any fees being paid in respect of any sales, the prospects of a conflict of interest arising are not significant. Due to the structure of the arrangement, employees are also precluded from actively selling. The client (customer) will purchase a policy purely on his/her own volition.
2. to facilitate compliance with this CIMP, Railway's processes, procedures and internal controls are as follows :
 - (a) regular training sessions to apprise its representatives of the latest developments in the relevant legislation; and
 - (b) regular newsletters providing its representatives with educational material on the latest developments in the relevant legislation and matters of interest; and
 - (c) regular sampling of representatives' client files by our compliance officer appointed in terms of FAIS; and
 - (d) submission of annual reports by our compliance officer in respect of our CIMP to the Registrar at the Financial Sector Conduct Authority (FSCA) in terms of FAIS, as regards:

- (i) our implementation of the CIMP; and
- (ii) our monitoring and compliance with the CIMP; and
- (iii) the accessibility of the CIMP.

3. the general strategy is, where possible, to avoid such conflicts i.e. prevent them by physically removing the conflict situation. Where such is not possible, then to mitigate and put controls in place to reduce the likelihood of a conflict arising. Railway subscribes to the ethos of formal disclosure "at the earliest reasonable opportunity", achieved by the provision of such within the initial advice/quote. Disclosures are to be clear, concise and effective and to therefore include (a) What conflicts we have. (b) What measures taken to avoid or mitigate these. (c) Ownership interests that may become due to us. In our case this is the 100% ownership of the cell captive by Railway mitigated by the non-payment of any fees, benefits or commissions to any companies, persons or parties.

(II) ADHERENCE TO CONFLICT OF INTEREST MANAGEMENT POLICY

This policy is published within Railway and is readily available to all staff, clients and other interested parties. It is developed in consultation with Railway's FAIS Compliance Officer. All staff are advised of this policy and receive training throughout the year. As stated previously, annual reviews are designed to highlight any aspects requiring attention or revision.

CHAIRMAN/SECRETARY
CONFLICT OF INTEREST
MANAGEMENT POLICY
ADOPTED BY BOARD
2023/06/22 (date)

VERSION HISTORY

VERSION	APPROVED BY	REVISION DATE	DESCRIPTION OF CHANGE	AUTHOR
5	J Shankman obo Board of Directors	22/06/2023	Compliance review	N S Norval
4	J Shankman obo Board of Directors	17/12/2021	Add version history	N S Norval

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VERSION	APPROVED BY	REVISION DATE	DESCRIPTION OF CHANGE	AUTHOR
3	J Shankman obo Board of Directors	14/08/2020	Business updates	N S Norval
2	J Shankman obo Board of Directors	09/03/2019	Business updates	N S Norval
1	Jeff Shankman obo Board of Directors	28/09/2015	None - First Draft	N S Norval

PREPARED BY	N S Norval	TITLE	External FAIS Compliance Officer	DATE	22/06/2023
APPROVED BY	J Shankman obo Board of Directors	TITLE	Director	DATE	22/06/2023