

CONFLICT OF INTEREST MANAGEMENT POLICY

Effective date: 1 February 2019 | Version 4 | Review date: 19 July 2024



1. PURPOSE

Naviga Solutions (Pty) Ltd (“NAVIGA”), a subsidiary of Efficient Group (Pty) Ltd (“Efficient Group”), and a Financial Services Provider (“FSP”) No. 381 is committed to avoiding, and where this is not possible, to mitigating and disclosing any conflict of interest that may arise between NAVIGA, its employees, associates, and/or its clients when rendering financial services. The objective of this policy is:

- + to manage conflict of interest within NAVIGA; and
- + to assist employees to identify potential and actual conflict of interest, and
- + to set standards to disclose conflicts of interest.

This policy has been developed in line with the requirements of the provisions of the General Code of Conduct for Authorised Financial Service Providers and Representatives. These provisions were issued under the Financial Advisory and Intermediary Services Act, 2000 Act No. 37 of 2002 (“FAIS”).

2. SCOPE

This policy is applicable to all employees working for NAVIGA and should be read in conjunction with the following Efficient Group policies:

- + Conflict of Interest Management Policy;
- + Gifts Policy;
- + Anti-bribery and Corruption Policy;
- + Treating Customers Fairly (“TCF”) Policy; and
- + Data Classification and Retention Policy.

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3. DEFINITIONS

In this policy, unless the context otherwise indicates:

Associate	<p>means:</p> <ul style="list-style-type: none"> a. subsidiary or holding company of NAVIGA; b. another subsidiary of Efficient Group; c. any person from whom the Board of Directors of NAVIGA is accustomed to take instructions or directions; d. any juristic person who is accustomed to taking instructions or directions from the Board of Directors of NAVIGA and acting in accordance with these; or e. any Trust controlled or administered by NAVIGA.
Conflict of interest	<p>means any situation in which NAVIGA, or a representative of NAVIGA, has an actual or potential interest in rendering a financial service to a client that may:</p> <ul style="list-style-type: none"> a. influence the performance objective of his/her obligations to that client; or b. prevent NAVIGA or a representative from rendering an unbiased and fair financial service to that client or from acting in the interest of that client, including but not limited to: <ul style="list-style-type: none"> i. a financial interest; ii. an ownership interest; or iii. any relationship with a third party.
Employee	<p>means full-time and part-time staff members, whether temporary or permanent, and includes directors and other contract workers.</p>
Financial interest	<p>means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentives, or valuable consideration, other than:</p> <ul style="list-style-type: none"> a. an ownership interest; b. training that is not exclusively available to selected group FSPs or representatives on: <ul style="list-style-type: none"> i. products and legal matters relating to those products; ii. general financial and industry information; and iii. specialised technology systems of a third party necessary for the rendering of a financial service, excluding travel and accommodation associated with such training;

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Gift	means any financial interest (defined above) with determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year received from the same third party and in that calendar year, by: <ul style="list-style-type: none"> a. an FSP who is a sole proprietor; b. a representative for the representative’s direct benefit; or c. an FSP, who for its benefit, or some or all of its representatives aggregates the financial interest paid to its representatives.
Key individuals	means the individuals who are individually and jointly responsible for managing and overseeing the financial services activities of this FSP.
Ownership interest	means any ownership interest which was bought for fair value and any dividend, profit share or similar benefit derived from this. Equity or proprietary interests held as an approved nominee on behalf of another person is not included in this definition.
Representative	means any person, who renders a financial service to a client for or on behalf of NAVIGA, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting, or other service which service: <ul style="list-style-type: none"> a. does not require judgement on the part of the latter person; or b. does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.
Intranet	means a web-based collaborative platform used by Efficient Group for various purposes, including document management and employee engagement. This is also referred to as Efficient Pulse.
Third party	means: <ul style="list-style-type: none"> a. a product supplier; b. another FSP or its associate; c. an associate of NAVIGA; and d. any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to NAVIGA or its representatives.

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4. MECHANISMS FOR IDENTIFYING CONFLICTS OF INTEREST

- 4.1 Receiving and offering of gifts by employees must comply with the Efficient Group Gifts Policy and be registered for approval on the Efficient Group [gifts register](#) on the intranet.
- 4.2 All employees are required to report any potential or actual conflicts of interest, which includes any outside business interest via the online [conflict of interest register](#) available on the intranet. The key individuals (“KIs”) and/or the compliance team must investigate declared conflicts of interest and ensure that necessary controls are implemented to mitigate the associated risks.
- 4.3 All KIs and representatives are required to attest to any potential or actual conflict of interest by completing a Fit and Proper Declaration on an annual basis. They must also attest to their awareness of this policy and the requirements of this policy in this declaration.
- 4.4 The Efficient Group provides an anonymous tip-off feature on its website, allowing stakeholders to report concerns regarding any unethical behaviour within the Efficient Group and its subsidiaries.

5. MANAGING CONFLICTS OF INTERESTS

- 5.1 Representatives of NAVIGA are salaried employees of the Efficient Group. NAVIGA may not offer any financial interest to its representatives for giving preference to the quantity of business secured by NAVIGA to the exclusion of the quality of the service rendered to clients.
- 5.2 Gifts offered and received by representatives of NAVIGA for their own direct benefit are limited to a value of R1000 (one thousand rand) from the same third party in a calendar year.
- 5.3 NAVIGA may not enter into an arrangement with an associate or involving an associate in the Efficient Group to avoid, limit, or circumvent or attempt to avoid, limit, or circumvent compliance with this policy. The Efficient Group legal structure that sets out the associates of NAVIGA and the ownership structure of NAVIGA is attached hereto marked as ANNEXURE A.
- 5.4 NAVIGA receives a management fee for providing discretionary model portfolio management services. This fee is deemed reasonable in accordance with the services rendered. This management does not result in NAVIGA being remunerated more than once for performing a similar service and does not impede the delivery of fair outcomes to clients.
- 5.5 Offering or receiving any form of inducement by any employee that could result in a conflict of interest is strictly prohibited.

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6. DISCLOSING CONFLICT OF INTERESTS

- 6.1 This policy must be easily accessible by all clients and other third parties and must be published on the NAVIGA website and on the Efficient Group intranet. Reference to this policy must be included in the client facing documentation.
- 6.2 NAVIGA may invest in financial products that are issued, managed, or underwritten by associate companies in Efficient Group listed in **ANNEXURE A**.

7. ROLES AND RESPONSIBILITIES

7.1 KIs

The KIs of NAVIGA is responsible for:

- 7.1.1 enforcing the standards and rules of this policy;
- 7.1.2 ensuring that the necessary controls are in place within NAVIGA to identify and to prevent conflicts of interest. If prevention of a conflict is not possible, the KIs are responsible for implementing controls to mitigate the risk of such a conflict of interest and to inform the Compliance team accordingly;
- 7.1.3 ensuring that the basis upon which a representative is remunerated is not contrary to the requirements of the FAIS General Code of Conduct;
- 7.1.4 identifying any actual or potential conflicts of interest in financial service offerings and receiving on an ongoing basis; and
- 7.1.5 considering declarations of conflict of interest from employees and to either approve such conflicts if the necessary mitigating controls are in place or to reject such conflicts; and
- 7.1.6 annually reviewing the controls included in this policy.

7.2 Representatives

The representatives of NAVIGA are responsible for:

- 7.2.1 ensuring that the financial services rendered are in the best interest of the client in accordance with the Efficient Group TCF Policy, and not for their own personal gain;
- 7.2.2 immediately disclosing any conflict of interest, or potential conflict of interest on the conflict of interest register on the Efficient Group intranet and if relevant to the client.

7.3 The Compliance Department

The Compliance Department is responsible for:

- 7.3.1 creating conflict of interest awareness amongst all employees;

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- 7.3.2 assisting KIs with the implementation and the enforcement this policy;
- 7.3.3 monitoring that the Conflict of Interest Management Policy is made available to all employees and overseeing that it is readily available to all clients of NAVIGA;
- 7.3.4 monitoring compliance with this Policy and the Efficient Group Conflict of Interest Management Policy and reporting any potential regulatory risk in accordance with the Compliance Manual.
- 7.3.5 monitoring the Efficient Group conflict of interest register and ensuring that conflicts are considered by the MD for approval or rejection;
- 7.3.6 annually reviewing this policy; and
- 7.3.7 monitoring the annual fit and proper declarations of KIs and representatives to ensure that they are fully completed and to identify any declarations of conflicts of interest.

7.4 Employees

Employees must:

- 7.4.1 record gifts offered or received in their capacity as employees of Efficient Group on the gifts register on the intranet in accordance with the Efficient Group’s Gifts Policy;
- 7.4.2 report any potential or actual conflicts of interest including outside business interests via the online conflict of interest register that is available on the intranet.

8. RECORDKEEPING

Records pertaining to identified or potential conflicts of interests, e.g., the gifts register, the conflicts of interest register, the FAIS disclosures, and any other applicable records, and mitigation action must be retained in accordance with the Efficient Group Data Classification and Retention Policy.

9. NON-COMPLIANCE

Violation of this policy by any employee may result in disciplinary action being taken against the employee, in accordance with the Efficient Group Disciplinary Policy. Providing false or misleading information, or concealing material facts relating to activities logged, that must be logged in the conflicts of interest register is, in addition to being a disciplinary action, a punishable offence.

10. POLICY MAINTENANCE

The Group Compliance Officer will review this policy annually and any changes thereto are subject to the approval of the NAVIGA Board of Directors.

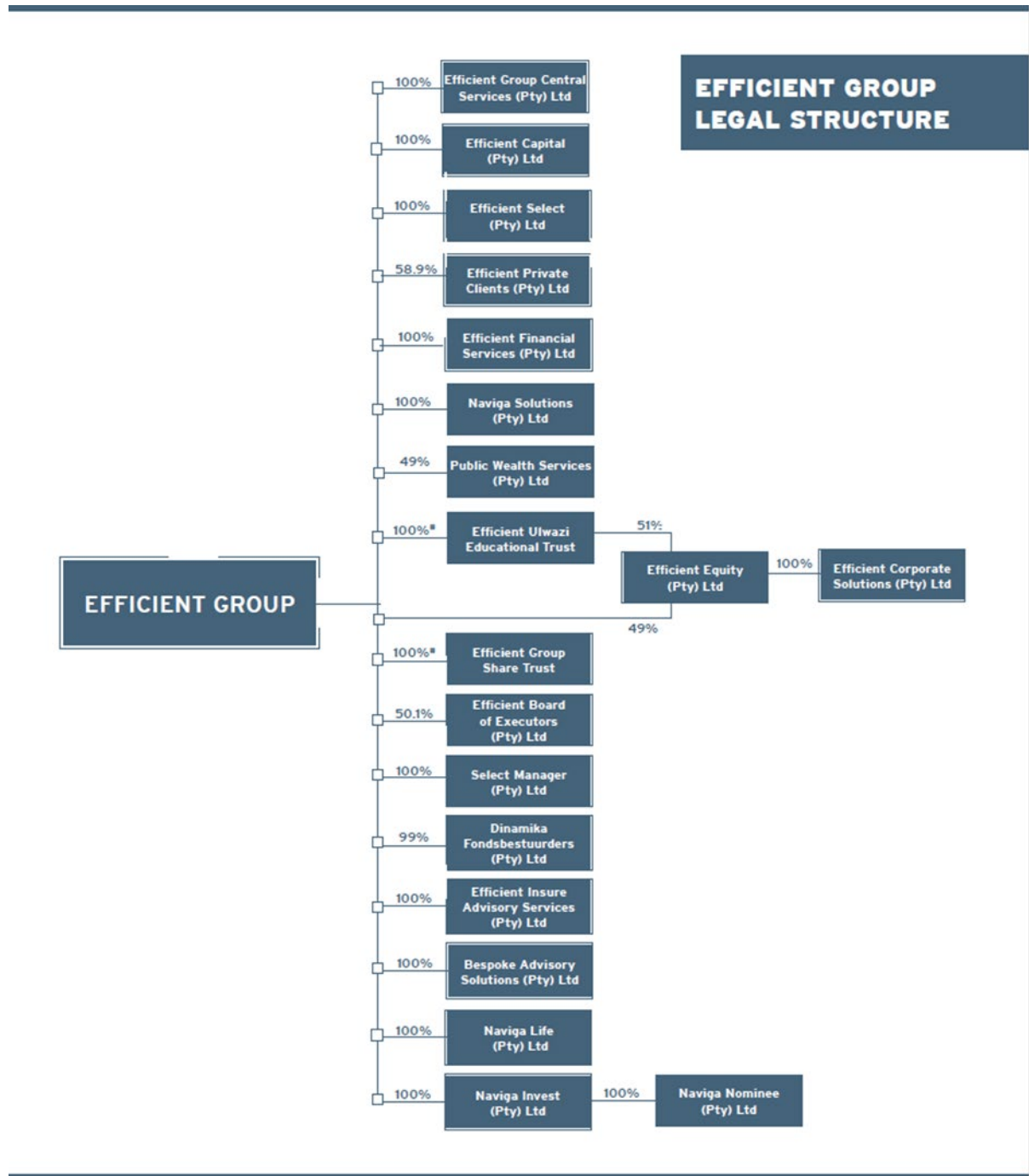
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11. POLICY APPROVAL

This policy is approved by the NAVIGA Board of Directors.

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ANNEXURE A: EFFICIENT GROUP LEGAL STRUCTURE



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