

	CONFLICT OF INTEREST		
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BUSINESS POLICY		Issue Date: January 2015	

Authorised by: Divisional Director : Commercial and Human Resources	
Vanessa Morais	

Authorised by: Financial Director	
Clive Sack	

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The Data Department is responsible for the distribution of this document.

Additional copies may be obtained from:

Data Department
Value Group Limited
49 Brewery Street
Isando
Johannesburg
1600

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1.0 Purpose

The purpose of this Policy is to communicate Value Logistics' position on what matters could constitute a Conflict of Interest to employees and to establish a procedure for disclosing and dealing with such Conflicts of Interest.

2.0 Scope


This policy applies to all employees of the Value Group Limited.

3.0 Responsibilities

1. All employees are responsible for reading and understanding the Conflict of Interest policy and immediately disclosing to the Departmental Head or relevant Manager any Conflicts of Interest which may occur within twenty-four (24) hours of having knowledge of them.
2. The Departmental Head or relevant Manager is responsible for determining what, if any, further steps or actions should be taken regarding any disclosure received.

4.0 Definitions

1. **"Conflicts of interest"** refers to a situation where an employee's personal relationship (s) or financial interest (s) could reasonably be seen as influencing the employee's duty to act in the best interests of the Value Group Limited. Such Conflicts of Interest include but are not limited to:
 - (a) Being a relative of an individual who is employed by or involved with a business which seeks to do business with the Value Group Limited or does business with the Value Group Limited;
 - (b) Being involved with or investing in a business which is competitive to the business conduct of Value Group Limited;
 - (c) Being retained by another company or organisation, whether on a consultancy or part-time basis, to advise on business similar to that which is being transacted by the Value Group Limited (Refer statement 5.1 **Work outside current Employment**);
 - (d) Accepting "kickbacks" or "bribes";
 - (e) Failing to advise the Value Group Limited of a situation in which the Employment of Relatives policy would apply;
 - (f) Failing to advise the Value Group Limited of a situation in which corporate gifting policy would apply (**Refer VAL3-15015**);
 - (g) Being investigated, charged, indicted or convicted for a criminal activity which may have an impact on the perception of the individual's business conduct and which, if publicly known, might affect the reputation of the Value Group Limited as a company which maintains high ethical standards.


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(h) Refer statement “**Family controlled suppliers**”.

2. “**Relatives**”/ “**Family members**” shall include spouse, common-law spouse, same sex partner, child, sibling, parent or grandparent, former spouses or common-law spouses, cousins or being related through marriage.

5.0 Policy

1. Any employee who suspects or believes that he or she is involved in or may become involved in a Conflict of Interest must immediately disclose such Conflicts of Interest fully and accurately to either the Departmental Head or relevant manager. The Confidential Declaration of Interest shown in **Attachment A** to this policy shall be used for this purpose.
2. An employee who is unsure whether something constitutes a Conflict of Interest shall immediately discuss the specific concern with the Departmental Head or relevant manager in order to determine the Company’s position on the issue.
3. The Departmental Head or relevant supervisor will determine whether:
 - (a) A Conflict of Interest exists;
 - (b) The seriousness of the potential or actual Conflict of Interest;
 - (c) What steps are necessary to protect the Value Group Limited against the Conflict of Interest. In making this determination, the departmental Head or relevant supervisor shall be guided by any other policies which may apply. Additionally, the Departmental Head or relevant supervisor may consult legal counsel if the Conflict of Interest involves an issue of legal sensitivity.
4. The Departmental Head or relevant manger shall investigate the disclosure and seek Human Resources counsel if appropriate, regarding what steps should be taken as a result of the conflict of interest.
5. The Departmental Head or relevant supervisor may, depending on the circumstances, institute one or more of the following steps:
 - (a) Require that the employee cease to be involved in the situation giving rise to the Conflict of Interest;
 - (b) Remove the employee from a position of influence over the business with respect to matters which give rise to the Conflict of Interest;
 - (c) Require that the employee re-pay any benefit he or she has received as a result of the Conflict of Interest;
 - (d) Discipline the employee, up to and including termination for cause, for being involved in the Conflict of Interest. In determining the nature of such discipline, the Departmental Head or relevant supervisor shall consider:

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- The employee's disclosure of the existence of the Conflict of Interest, if such disclosure was made;
 - Whether any such disclosure was made promptly;
 - The severity of the Conflict of Interest;
 - Whether the conflict of Interest involved any kind of dishonesty;
 - Whether the Value Group Limited was actually harmed by reason of the Conflict of Interest;
 - Whether or not such harm, if any, can be repaired in any way; and
 - Whether disciplinary steps, short of termination, are adequate to deal with the violation.
- (e) Take any other action deemed advisable by the Departmental Head or relevant supervisor in the circumstances.
6. The Departmental Head or relevant manager shall ensure that the Confidential Declaration of Interest Questionnaire (Attachment A) is completed by every employee reporting through to them and at least once each year thereafter.
 7. An employee who becomes aware of a Conflict of Interest or a potential Conflict of Interest and fails to immediately report that conflict is subject to discipline. Depending on the severity of the conflict or potential conflict, an employee who fails to report a Conflict of Interest may also be terminated for "cause" without notice or compensation in lieu thereof.
 8. A copy of this policy shall be provided to each employee on his or her first day of employment with the Value Group Limited and periodically thereafter as deemed necessary by the Departmental Head or relevant manager.

5.1 Work outside current Employment (Refer above 4.1.c).

The contract of employment forms the basis of the employment relationship, and the Company has the common law right to expect all employees to do their best in the interests of the Company, and the Company has the right to be able to trust their employees to carry out the duties for which they were employed.

No other forms of employment outside of employment with Value Group Limited will be permitted without the prior written consent of the Chief Executive Officer. Any other business undertaking that the employee has, or acquires, must be brought to the attention of management. Approval may only be granted in cases where the business does not result in a conflict of interests, and that will not interfere with the employee's daily duties.


The following conditions will apply for approval as stated above to be considered:

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- The business will not in any way prejudice Value Logistics;
- The business will not directly or indirectly negatively influence the employee's performance during normal working hours;
- The business will not embarrass Value Logistics or any members of its staff;
- The business is morally and legally acceptable;
- The business will not use materials, equipment or facilities of Value Logistics;
- The business will not indirectly compete with the activities of Value Logistics;
- The business will not interfere with the employee's normal duties.

5.2 Family controlled suppliers (Refer above 4.1.h)

The practice of procuring goods or services from family members of any Value Group employees is strictly prohibited. Family members include not only direct family such as brothers, sisters, fathers and mothers, but also cousins, uncles and aunts. If there is any uncertainty in this regard, the employee should contact the Group Financial Director for clarity.

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6.0 Records

Record	Held by	Kept for not less than	Disposal instructions
Hard & Electronic Copy	Data Department	1 year	Update and Archive
Hard Copy	HR Department	1 year	Return to Data Dept.

7.0 Revision History

This document will be updated when necessary by distribution of a complete replacement.

A vertical black line in the margin will mark amended or additional parts of revised pages. The briefing notes will detail any text removal from the document.

Revision	Date	Description of Change	Requested By
First revision	March 2012	Change of Date & Overall review of policy.	Louise Kriel

8.0 Special safety considerations

Nil

9.0 Appendices

Appendix A- Confidential Declaration of Interest Questionnaire

10.0 References

Nil

11.0 Associated procedures and work instructions

VAL3-15030 Termination of Employment;


VAL3-15015 Corporate gifting

VAL3-15020 Employment Status

Disciplinary Code and Procedure (refer to employee hand book)

12.0 Associated forms, posters or cards

Nil

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Attachment A

CONFIDENTIAL DECLARATION OF INTEREST QUESTIONNAIRE

Complete and return this questionnaire to [Departmental Head or relevant Manager]

Where a potential conflict of interest existed at any time during the time period shown in paragraph 3, or now exists, provide full details in the space below as to the nature of the situation or relationship giving rise to that conflict. Use additional pages, if necessary. If the potentially conflicting situation has changed during the year, please indicate the nature of such change.

INITIAL ONLY THE STATEMENTS BELOW WITH WHICH YOU AGREE

	<u>Employee Initials</u>
1. I have read and understood Value Group Limited's Policy and Procedure concerning Conflicts of Interest (VAL2-548).	
2. I am aware of no such conflicts as of (Date).	
3. I am aware of no such conflicts during the [twelve (12) month] period preceding the date shown in paragraph 2.	
4. I am reporting a Conflict of Interest as shown below.	
5. I undertake to inform you of any changes to the above.	

Signature: _____

NOTE: Your signature will attest to knowledge gained by you in any position held throughout the period covered by this questionnaire

Printed Name: _____

Title: _____

Date: _____



CONFLICT OF INTEREST MANAGEMENT POLICY

1. Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, the Authorised Financial Services Provider (FSP) is required to maintain and operate effective organizational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflicts of interest. The FSP has put in place a policy to safeguard its client's interests and ensure fair treatment of clients. The key information is summarized below. Detailed information can be obtained on request from the key individual who is responsible to monitor and manage conflicts of interest on behalf of the FSP.

2. Our objectives

The FSP provides advice and intermediary services to our clients. Like any financial services provider, the FSP is potentially exposed to conflicts of interest in relation to various activities.

The FSP's primary objective in relation to the management of conflicts of interest is to avoid conflicts where possible. Where this is not possible, we will mitigate and manage any conflicts that may arise between the FSP and its client/s or any representatives of the FSP and its client/s.

The protection of our clients' interests is essential and so our policy sets out how:

- we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our client's 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 client's interests through identified conflicts.

3. Conflict of interest

A conflict of interest is any situation where the FSP or any of our representatives has an actual or potential interest that when rendering a financial service to a client, its/ his or her ability to provide such service objectively is influenced or prevents the FSP or any of our representatives from rendering an unbiased and fair financial service to the client or from acting in the best interests of the client.

4. Identifying and Managing Conflict of Interest

The FSP strives towards ensuring it is able to appropriately and effectively identify and manage potential conflicts. It may manage potential conflicts through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected clients.

In determining whether there is or may be a conflict of interest to which the policy applies, the FSP considers whether there is a material risk of damage to the client, taking into account whether the FSP or any of our employees –

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has any ownership interest in another FSP, product supplier or other third party that would affect the FSP or any of our representatives ability to render a fair and unbiased service to clients;
- has an interest in the outcome of a service provider 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 interests of another client or group of clients 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 standard commission or fee for that service.
- any other relationship with another FSP, product supplier or third party that affects the FSP or any of our representatives ability to render a fair and unbiased service in the interests of clients.

5. Confidentiality barriers

Our 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 prior written consent of a client.

No confidential client information may be used by the FSP or employees of the FSP for their own personal financial gain.

6. Financial Interest

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

The FSP'S employees will not accept any financial interest other than those considered normal in their line of business. Excessive financial interest from clients may result in a conflict of interest, which we are committed to avoiding.

Remuneration from third parties in relation to a service provided to clients is acceptable to the FSP only if they are appropriately disclosed to clients and if it is either the payment of a normal fee or commission to continue the quality of our services to clients and does not impair our duty to act in the best interests of clients.

Employees of the FSP may accept other financial interest from third parties including other financial services providers and product suppliers where the aggregated value of the financial interest received does not exceed R1000.00 in any calendar year from the same third party.

The FSP and our employees must similarly ensure that we do not offer financial interest in excess of R1000.00 to any representative of another financial services provider or product supplier in any calendar year.

The FSP does not offer any financial interest to a representative for:

- Giving preference to the quantity of business secured for the FSP to the exclusion of the quality of the service rendered to clients; or
- Giving preference to a specific product supplier, where the representative may recommend more than one product supplier to a client; or
- Giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.

7. Disclosure

Where a conflict of interest affecting a client has been identified, the FSP will ensure that the Key Individual or representative following consultation with the Key Individual, at the earliest opportunity discloses to the affected client the existence of the conflict of interest.

The disclosure will where applicable include –

- The measures taken to avoid or manage the conflict;
- Details of any ownership or financial interest that the FSP or any representative of the FSP may become eligible for as a result of the situation giving rise to the conflict;
- The nature of the arrangement or relationship with the third parties that has caused the conflict;
- The fact that this Conflict of Interest Policy exists and is available to the client on request.

The above disclosures will be made in writing in sufficient detail that will allow the affected client to make an informed decision on whether to continue using our services in the situation concerned.

8. 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.

Our policy defines possible conflicts of interest as:

- conflicts of interest between the FSP and the client;
- Conflicts of interest between our clients if we are acting for different clients and the different interests conflict materially;
- Holding confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

9. Monitoring

The key individual in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters.

A Financial Interest Register is maintained as an additional mechanism to monitor potential and actual conflicts of interest.

Associated Companies

None

10. Procedures

Whenever the FSP or one of our representatives renders a financial service, we must disclose the existence of any financial interest in the relevant services or any other circumstances which gives rise to an actual or potential conflict of interest in relation to such service and take all responsible steps to ensure fair treatment of the client.

Any potential or actual conflict of interest must be reported by the representative to the Key Individual so that the appropriate action can be taken.

All representatives are responsible for ensuring that any financial interest received or offered is recorded in the Financial Interest Register which available on the premises should a client wish to obtain further details. Representatives are responsible for ensuring that they do not exceed with prescribed limit as detailed under item 6 above.

11. Non-Compliance with this policy

If any representative is uncertain whether a particular situation gives rise to an actual or potential conflict of interest, the representative must bring the matter to the Key Individual's attention.

Failure to comply with this policy and the FAIS regulatory requirements relevant to the management of conflicts of interest, will be subject to the FSP disciplinary procedures. If found to have acted contrary to this policy and / or the regulatory requirements, the representative may be debarred in terms of section 14 of the FAIS Act.


Dewald Stander

6/5/16
Date


Gina Luzzatta

6/5/16
Date