



## **CONFLICT OF INTEREST MANAGEMENT POLICY**

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#### **1. PURPOSE OF THE POLICY:**

The General Code of Conduct for Financial Service Providers requires Financial Service Providers and their representatives to disclose to their clients the existence of actual or potential Conflict of Interest (COI).

The purpose of the regulation is to ensure that there is no Conflict of Interest when advice is provided to clients. This Policy serves to clarify what constitutes a Conflict of Interest as well as measures taken to avoid or mitigate such COI. The aim is to ensure that there is no unfair treatment of clients or rendering of inappropriate financial service.

#### **2. DEFINITION OF CONFLICT OF INTEREST:**

Conflicts of interest are circumstances where some or all of the interests of people (clients) to whom an authorised financial services provider (or representative/key individual) provides financial services inconsistent with, or diverge from, some or all of the interests of the Financial Service Provider ( FSP). This may include actual, apparent and potential conflicts of interest.

Therefore, COI is any situation in which an FSP or a representative has an actual or potential interest in rendering financial service to a client,

- Influence the objective performance of his/her or its obligations to that client or
- Prevent an FSP or representative from rendering an unbiased and fair financial service to that client or from acting in the interest of the client or from acting in the interests of that client including, a financial interest, an ownership interest or any relationship with a third party.

#### **3. OBJECTIVES OF THE POLICY:**



Trive Investment South Africa is an authorised Financial Service Provider, providing non automated advise to clients and intermediary services on Category 1 and is therefore potentially exposed to Conflict of Interest in relation to various activities.

Trive SA is committed to comply with standards and prescriptions set by the FSCA and has adopted this policy to ensure compliance with the COI Regulations.

Trive SA ensures that it is able to appropriately and effectively identify and manage potential conflicts. We manage potential conflict through avoidance, establishing confidentiality barriers and by providing disclosure of the conflict to the affected clients.

#### **4. POLICY SCOPE**

Trive SA, Directors, officers and employees are all bound by this policy and must comply with this policy.

#### **INTERNAL CONFLICTS**

Internal conflicts of interest include instances where a decision maker competes with Trive or has an interest in a third party that is entering into a contract with Trive.

Example is where a decision maker gains or benefit from a situation at the expense of Trive or the employee has a direct interest in a company that competes with Trive or the employee has an interest in a contract between Trive and a supplier. In this instance, the decision maker must submit any potential conflict of interest to the Executive committee.

Where a potential conflict of interest cannot be avoided it must be managed in a manner to ensure that all interested parties are always protected.

#### **5. MECHANISM FOR MANAGING CONFLICT OF INTEREST:**

To comply with any conflicts management obligation, Trive has arrangements in place to manage all conflicts of interest affecting their business. These arrangements involve the following mechanisms:

- **Controlling Conflicts of Interest-** identify the conflicts that exist, assess and evaluate the conflicts; decide upon and implement, an appropriate response to those conflicts
- **Avoiding Conflicts of Interest altogether-** This will take place if serious potential impact on Trive or a client exists. Merely disclosing them and imposing internal controls will not be enough.
- **Disclosing Conflicts of Interest appropriately-** An integral part of managing conflicts. There will be a clear, concise and effective disclosure so that client can make an informed decision. What constitutes appropriate disclosure to a client will depend on all facts presented and a number of circumstances including the level of financial literacy of the client, the extent to which other clients are likely to rely, directly or indirectly, on the service, how much the client already actually knows about the specific conflict and the complexity of the service being presented to the client.



Where conflict may arise, avoidance or declining to act for the customer is the safest course. If the conflict is to arise then it will be managed effectively using a combination of tools namely

- Disclosure: disclosing an interest to a client
- Internal Policies and Procedures: systems and controls to minimize the impact that any conflict is likely to have on the client's interest
- Declining to act for a client

Trive thrive to demonstrate that any activity it undertakes does not disadvantage a client and compliance will continually monitor that these procedures have been complied with.

Examples of conflicts is deemed as contrary to standards of fair dealing for clients would include:

- Analysts issuing favorable reports on clients to boost investment banking income
- High percentage of buy recommendations to increase trading activity and subsequent fee levels
- Issuing recommendations in support of proprietary or in- house portfolios
- Exposure to non- public information
- Trading/Dealing ahead of investment research
- Pre-hedging trades ahead of client approval
- High percentage of recommendations to buy or sell an investment in which the institution has respectively a long or short position
- Not executing client orders fairly and in due turn
- Not achieving a timely execution of client orders

Depending on the circumstances and the nature of any given conflict, it may be appropriate to:

1. Disclose the conflict of interest to the client;
2. Allocate another representative to provide the service to the client
3. Decline to provide a service to the client
4. Initiate internal / external disciplinary action (referring matter to regulator for instance) where warranted.

## **6. RECEIPT OF GIFTS**

Trive has set a threshold amount of R1000 per calendar year over which all gifts received by an employee in the line of duty must be reported and recorded in a gift register.

Records are kept in a register that is retained by the Conflict of Interest Officer or Compliance Officer. The reporting duty extends to all gifts offered in the line of duty even if the client declines such a gift.

Compliance Officer/ Conflict of Interest Office may investigate any gift reported in order to ascertain whether there was any basis for providing an employee with such a gift and whether the recipient of



the gift is in a position to do something or cause something not to be done or influence a decision or grant a contract.

All gifts given and received will be entered into the gift register.

#### **7. RECORDKEEPING:**

Records will be kept for at least a period of 5 years of:

- Conflict of interest identified, and action taken
- Reports submitted to senior management about matters relating to conflicts
- Copies of written conflict of interest disclosures given to clients.
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#### **8. CONSEQUENCES OF NON-COMPLIANCE:**

Any person who fails to adhere to this policy will be subject to disciplinary action. If the person is a representative, debarment procedures will be instituted and the FSCA will be informed of same.

#### **9. POLICY REVIEW:**

Policy will be formally reviewed every 12 months or as required.

Signed and Adopted

Name: Travis Robson

Designation: CEO & Director

Date: 30.8.2022

Signature: 