

Verso Benefits Administrator

CONFLICT OF INTEREST POLICY

Title	Conflict of Interest Policy – Conduct Standard 2 of 2025 ("CS2")		
Company	Verso Benefits Administrator (Pty) Ltd. ("VBA")		
Document Owner	VBA		
Effective date	6 February 2026		
Approved by	Governing Body	Approved on	30 January 2026
Last Review Date	31 January 2026	Next Review Date	31 January 2027
Applies to	VBA and covers the Governing Body, key persons (directors, senior managers, heads of control functions), all employees, temporary staff, secondees, and contractors involved in administration services. It applies to all interactions with customers (funds), members, beneficiaries, suppliers, vendors, and other stakeholders.		
Doc Reference	CS2-PVIII-15-v1		
Annexures	CS2-PVIII-15-ANNEXURE 1-Event-driven COI Disclosure Form CS2-PVIII-15-ANNEXURE 2-COI Register CS2-PVIII-15-ANNEXURE 3-COI Gifts & Hospitality Log CS2-PVIII-15-ANNEXURE 4-COI Meeting Recusal & Disclosure CS2-PVIII-15-ANNEXURE 5-COI Risk Assessment CS2-PVIII-15-ANNEXURE 6-COI Related Party Decision Checklist		

1) Purpose (CS2-PVIII-15)

To prevent, identify, disclose, manage, and, where necessary, avoid or prohibit conflicts of interest, in alignment with CS2 (Conflict of Interest Management). This policy is designed to safeguard fair outcomes for funds, members, and beneficiaries, support objective and unbiased decision-making, and provide clear evidence of compliance to the FSCA.

2) Definitions (CS2-PVIII-15)

- Conflict of Interest (COI): A situation where a personal, financial, or other interest (including that of an associate or related party) could improperly influence, or be perceived to influence, the impartial performance of duties or decisions relating to VBA administration services.
- Associate/ Related Party: Any person or entity that has a relationship with the individual that could give rise to influence (e.g., spouse/ partner, close family, close personal relationships, companies where the person or associate has a material interest, or other relevant connections).
- Gifts, Hospitality & Other Advantages: Anything of value (monetary or non-monetary, including entertainment, travel, or preferential terms) offered, given or received in connection with VBA's business.
- Outside Interest: Any external employment, directorship, advisory role, investment, or business activity that could conflict with VBA's duties.

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- Recusal: Temporary withdrawal from a decision, discussion, access to information, or activity to remove the effect or perception of a conflict.
- COI Register: The central register of declared interests, gifts/ hospitality, recusals, and COI cases with treatments and evidence.

3) Regulatory Basis & Principles (CS2-PVIII-15)

- FSCA Conduct Standard 2 of 2025 (RF), Part VIII, paragraph 15: Requires VBA to adopt, implement and enforce an effective conflict of interest policy and controls as part of the governance arrangements.
- Outcomes-based supervision: This policy executes fair treatment, transparency, and integrity expectations; it complements broader governance obligations (Part II) and communications/ complaints expectations (Part IX).

4) Roles & Responsibilities (RACI) (CS2-PVIII-15)

- Governing Body (A/R): Approves this policy; sets risk appetite and thresholds; ensures independence of decisions; reviews COI management information (MI) and serious cases; approves restricted-party lists and remedial actions.
- Compliance (R): Owns the policy; maintains COI Register; oversees disclosures and recusals; performs monitoring; reports to the Board and FSCA as required.
- HR (R): Maintains annual attestations; embeds COI clauses in contracts; tracks completion of training and disclosures.
- Secretariate (R/C): Manages Board/ Committee interests registers; minute recusals; ensures Board papers exclude conflicted recipients.
- Senior Directors and Assistant Directors (R): Ensure staff understand duties; identify and approve outside interests; challenge potential conflicts; enforce recusals.
- All Staff/ Contractors (R): Disclose interests promptly; decline prohibited gifts/ advantages; comply with recusals and information barriers (maintain confidentiality).
- Control Function (C): Independent assurance of design and operating effectiveness; sample disclosures, gifts, and recusals; track findings.

5) Policy Statements (CS2-PVIII-15)

- 5.1. Zero tolerance for unmanaged COI: Actual, potential, or perceived conflicts must be disclosed and managed before decisions are taken. Where a conflict

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cannot be adequately managed, it must be avoided or the conflicted person removed from the matter.

- 5.2. Mandatory disclosure: All staff and key persons complete an annual disclosure and update it promptly (within 5 business days) upon change; directors declare at each meeting any interests relevant to agenda items.
- 5.3. Gifts & hospitality: Prohibited where intended to influence or could be perceived to influence; permitted only if modest, infrequent, in line with thresholds, registered within 5 business days, and not linked to a live or prospective decision.
- 5.4. Outside interests & employment: Require prior written approval; positions with counterparties/ customers or suppliers require enhanced safeguards or are prohibited.
- 5.5. Personal account dealings/ access to non-public information: Use of non-public/ confidential information for private gain is prohibited; inside information barriers (to ensure confidentiality) must be erected where appropriate.
- 5.6. Related-party engagements & procurement: Competitive, transparent processes are required; conflicted persons are excluded from scoping, evaluation, and award decisions; additional approvals apply to any sole-source award involving a related party.
- 5.7. Recusal & information barriers: Where a COI is identified, apply recusal and restrict access to information; minutes must reflect the recusal and the reason.
- 5.8. Customer outcomes: Any COI treatment must preserve the fair treatment of funds, members and beneficiaries; where a residual risk remains, disclose to the customer per communications standards (CS2 Part IX) as appropriate.
- 5.9. Record-keeping: All disclosures, approvals, recusals, and logs (gifts/ hospitality, outside interests, related-party decisions) are retained in the Governance Library (SharePoint FSCA 2 of 2025) with durable links and are retrievable for FSCA inspection.
- 5.10. Whistleblowing & protection: Staff can report concerns confidentially; retaliation is prohibited; allegations are investigated promptly with outcomes recorded in the COI Register.

6) Procedures (CS2-PVIII-15)

6.1. Identification & Disclosure

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	Steps	Responsible
(a)	Complete annual COI disclosure (CS2-PV-7 to 10-ANNEXURE 2-Annual Attestation Form or CS2-PVIII-15-ANNEXURE 1-Event-driven COI Disclosure Form) and update within five business days of any change.	All VBA Staff, management and directors
(b)	Declare agenda-specific conflicts to the chair/secretariate before or at the start of the meeting (CS2-PVIII-15-ANNEXURE 4-COI Meeting Recusal & Disclosure).	All VBA Staff, management and directors
(c)	Log all disclosures in the central COI Register (CS2-PVIII-15-ANNEXURE 2-COI Register).	Compliance

6.2. Assessment & Treatment

	Steps	Responsible
(a)	Assess the disclosure using the COI Risk Matrix (CS2-PVIII-15-ANNEXURE 5-COI Risk Assessment) and recommend a treatment: permit (no conflict), manage (conditions/ controls), or avoid (prohibit/ recusal).	Chairperson or alternate
(b)	If managed: set conditions (e.g., recusal from certain decisions, alternative approver, information barriers, independent review).	Chairperson or alternate
(c)	If avoided: remove the conflicted person from the decision/ activity; consider reassignment or termination of the conflicted arrangement.	Chairperson or alternate
(d)	-Record the decision, rationale, controls, and review date in the COI Register; notify affected parties.	Compliance

6.3. Gifts & Hospitality

	Steps	Responsible
(a)	Prohibited: cash/ cash-equivalents; gifts during tenders or negotiations; gifts linked to explicit or implicit trade-offs (quid pro quo).	All VBA Staff, management and directors
(b)	Permitted (within threshold): token or customary items of modest value (R500 or less) not linked to a specific decision; must be recorded in the Gifts & Hospitality Log (CS2-PVIII-15-ANNEXURE 3-COI Gifts & Hospitality Log) within 5 business days and, where required, pre-cleared by Compliance.	All VBA Staff, management and directors
(c)	Any gift/ hospitality from an existing/ potential customer or supplier must be carefully assessed and may require refusal or return.	All VBA Staff, management and directors

6.4. Outside Interests & Employment

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	Steps	Responsible
(a)	Seek written approval before accepting external roles (employment, directorships, advisory) or initiating a business that could intersect with VBA's interests.	All VBA Staff, management and directors
(b)	Submit details via CS2-PVIII-15-ANNEXURE 1-Event-driven COI Disclosure Form; Compliance/ HR records the approval with conditions in the COI Register.	All VBA Staff, management and directors

6.5. Related-Party Transactions / Procurement

	Steps	Responsible
(a)	Run competitive processes; declare evaluation panel interests; exclude conflicted persons.	All VBA Staff, management and directors
(b)	Where a related party is involved, complete the Related-Party Decision Checklist (CS2-PVIII-15-ANNEXURE 6-COI Related Party Decision Checklist); obtain elevated approvals; document fair-value assessment and customer-outcomes review.	All VBA Staff, management and directors

6.6. Recusal & Minute-keeping

	Steps	Responsible
(a)	Record the interest and recusal in minutes (CS2-PVIII-15-ANNEXURE 4-COI Meeting Recusal & Disclosure).	Chair/ Secretariate
(b)	Conflicted individuals leave the room (physical/virtual) for that item; do not receive minutes/ papers for that item; regain access only after the matter is concluded.	All VBA Staff, management and directors

6.7. Monitoring, Management Information (MI) & Key Risk Indicators (KRIs)

	Steps	Responsible
(a)	Monthly: Update the COI Register; review new disclosures, recusals, gifts, and approvals; flag overdue actions	Compliance
(b)	Quarterly: MI: new disclosures; recusals; related-party decisions; top gift sources; overdue actions; training completion %.	Board/ Exco
(c)	KRIs (examples): % directors/ officers with up-to-date disclosures; gifts above threshold; COI policy breaches; exceptions requiring Board approval.	Board/ Exco Control Function

6.8. Breaches & Escalation

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	Steps	Responsible
(a)	Report suspected breaches to Compliance/ Whistleblowing line; log case; investigate; remediate controls.	All VBA Staff, management, and directors Compliance
(b)	Serious breaches are escalated to the Governing Body and, where appropriate, to the FSCA; disciplinary action may follow per HR policy.	Governing Body HR

7) Training & Awareness (CS2-PVIII-15)

- Onboarding: Mandatory COI training for all new staff.
- Annual refresher: For all staff; board-level briefing yearly.
- Role-specific training: For new business, client-facing and control functions.
- Targeted campaigns: During high-risk periods (e.g., tenders, year-end entertainment season).

8) Recordkeeping & Retention

All COI supporting documentation (disclosure forms, approvals, recusals, logs, meeting minutes, related-party checklists, and MI) are retained per the Records Policy (CS2-PX-24 to 26-POLICY-Data Management and Maintenance of Records) and retrievable for FSCA inspection.

9) Review & Maintenance

This policy is reviewed annually or upon material regulatory change or incidents indicating control weaknesses. History and approvals are maintained in the governance library.

