

FINANCIAL

A S S O C I A T E S

ETHICAL CONDUCT POLICY

FINANCIAL ASSOCIATES SPECIALIST ADVISORY SERVICES (PTY) LTD

Authorised Financial Services Provider Registered with the FSB

FSB Number: 44829

ETHICAL CONDUCT POLICY

POLICY STATEMENT

- Any reference to the “organisation” shall be interpreted to include the “policy owner”.
- The organisation’s governing body, its employees, volunteers, contractors, suppliers and any other persons acting on behalf of the organisation are required to familiarise themselves with the policy’s requirements and undertake to comply with the stated processes and procedures.

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1. INTRODUCTION

The organisation has always been committed to conducting business in an open and transparent manner. Given the growing importance of ethics and the potential scope for unethical behaviour within the workplace, it is necessary to further articulate and solidify the organisation's commitment to establishing an ethical business culture. Therefore, this policy has been adopted by the members of the governing body, and applies equally to all directors, employees and representatives of the organisation.

The organisation is committed to establishing and fostering ethical and effective leadership by the governing body so as to enable the organisation to achieve a number of identified governance outcomes. One of the primary outcomes is the creation of an ethical business culture. Ethical leadership encompasses values such as honesty, competence, responsibility, accountability, fairness and transparency.

Ethics and integrity form the foundation of corporate governance, and as such the organisation regards the subject of ethical conduct as the foundation upon which the organisation has structured itself. Given the potential reputational and financial losses that unethical conduct can incur, initiating and entrenching an ethical culture is a necessary organisational goal, one that the organisation takes seriously.

Furthermore, the ethical culture of the governing body and the employees of the organisation, is an absolute requirement in order to ensure that the risk management structure of the organisation is effective.

2. DEFINITIONS

2.1 Ethics

Ethics refer to moral principles that govern a person's behaviour or the conducting of an activity.

2.2 Integrity

Integrity means the quality of being honest and having strong moral principles.

2.3 Responsibility

Responsibility means the state or fact of having a duty to deal with something and being accountable for any action that you take.

2.4 Transparency

The exercise of accountability in such a manner that any decision-making activities are aligned with the organisation's ethical values.

2.5 Values

Principles and views informing the behaviour of the organisation and its employees.

2.6 Governing Body

The governing body refers to a person or group of people that govern an organisation, sets directions and hold top management accountable.

3. POLICY PURPOSE

The organisation recognises that ethical governance is imperative in order to ensure that the organisation's strategic objectives and outcomes are achieved. In light of the aforementioned, steps must be taken to ensure that policies and procedures establishing an ethical culture are established and maintained in accordance with an explicit governance process whereby the roles and responsibilities of those involved, are clearly defined and separated.

The main purpose of this Ethical Conduct policy is therefore to enforce the organisation's commitment towards the Policy Statements and any supplementary Standards, Procedures and Best Practice Principles which provide support and direction to this policy.

4. POLICY STATEMENTS

4.1 THE GOVERNING BODY

The organisation commits itself to the following ethical principles and practices:

4.1.1 INTEGRITY

Integrity entails the exercise of the organisation's and its employees' responsibilities in an honest and transparent manner. This means that the organisation is committed to go beyond every day compliance, and will strive to always implement its policies and practices in an ethically suitable manner.

4.1.2 ACCOUNTABILITY

The members of the governing body accept that they are accountable for the execution of their responsibilities.

The Governing Body furthermore understands that it may delegate its responsibilities, however, the Governing Body will always be accountable for their actions, irrespective of the delegation of these responsibilities. Accountability relating to compliance matters and ethical conduct cannot be superseded by the decision to delegate.

4.1.3 TRANSPARENCY

The members of the governing body are committed to exercising ethical governance and any responsibilities in a transparent manner.

4.1.4 RESPONSIBILITY

The members of the governing body assume responsibility for determining the direction of the organisation, and will:

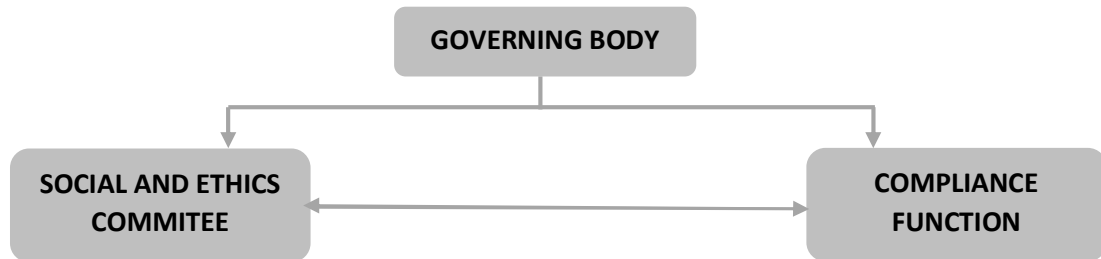
- Approve all policies and regulatory procedures; and
- Monitor implementation by management.

4.2 ENCOURAGING ETHICAL CONDUCT

- The governing body is committed to implementing policies and procedures in such a manner which enhances the execution of ethical conduct by the organisation and its employees.
- The organisation will at all times adhere to the applicable regulatory requirements as imposed by legislation, regulations and best practice guidelines.
- The ethical principles to which the organisation will adhere to are contained in the code of conduct of the organisation.
- The employees of the organisation are instrumental in order to achieve the effective implementation of an ethical culture within the organisation. The governing body will therefore ensure that all employees have familiarised themselves with any policy and code of conduct which aims to enhance the organisation's ethical culture. The aforementioned will be achieved by creating awareness and establishing the appropriate training and induction programmes.
- The governing body will delegate to management the responsibility of ensuring that the implementation and execution of the abovementioned codes of conduct and ethics policies are seen to be done. Despite the aforementioned delegation, the governing body will still exercise ongoing oversight of managing ethics within the organisation, with specific reference to the monitoring of adherence to the organisation's ethical standards by employees.
- An ethical culture is largely dependent on compliance with the regulatory requirements which are applicable to the organisation. The governing body therefore re-emphasises the organisation's commitment to the established compliance function within the organisation. Any non-compliance with regulatory requirements will be seen as unethical conduct, which may result in immediate dismissal.

4.3 SOCIAL AND ETHICS COMMITTEE

- The organisation is aware that the Companies Act 71 of 2008 imposes an obligation on certain organisations to appoint a social and ethics committee. According to regulation 43(1) of the Companies Act, only companies listed on the JSE and state-owned companies are required to appoint a social and ethics committee., however in order to enhance the ethical culture within the organisation, it is committed towards establishing a Social and Ethics Committee.



- In light of the above, the organisation confirms its commitment to establishing a structure within the organisation which performs the functions of a social and ethics committee.
- The responsibilities of the social and ethics committee would include any regulatory and statutory duties, and any responsibilities which are delegated to it by the governing body.
- The social and ethics committee has direct access to the governing body. This enables the committee to inform decision-making at the highest level.
- The committee must operate in conjunction with the compliance function of the organisation, due to the fact that compliance is dependent upon the ethical culture of the organisation. If there are instances of non-compliance with regulatory requirements, it is an indication that the ethical culture of the organisation is not functioning as it should. The compliance function must report instances of non-compliance that deal specifically with the ethical conduct of employees and members of the governing body, to the social and ethics committee.