

Business Continuity Plan (BCP) October 2018

Vunani Fund Managers (“VFM”)

Version Control

Date	Version	Author	Comments
28/2/2011	1	Guy Fletcher	Finalised
10/10/2011	1.1	Guy Fletcher	Finalised
29/11/2013	1.2	Kirsten Elvin-Jensen	Finalised
12/06/2015	1.3	Kirsten Elvin-Jensen	Finalised
09/09/2016	1.4	Leon Starker	Finalised
21/10/2018	1.5	Leon Starker	Finalised

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Registration Number: 1999/015894/07. | Executive Directors: B Khoza, L Rankin | Non-Executive Directors: N Chonco, M Nhlanhla

Vunani Fund Managers (Pty) Ltd is an authorised financial services provider. FSP License No.: 608

1) Emergency Contact Persons

Emergency contact persons are:

- a) Butana Khoza– CEO
butanak@vunanifm.co.za
082-658-2718 (mobile)
- b) Kirsten Elvin-Jensen – Chief Operating Officer
kirstenej@vunanifm.co.za
082-462-8090 (mobile)
021-789-2617 (home)
- c) Leon Starker – IT Manager
leons@vunanifm.co.za
082-571-4263 (mobile)
- d) Craig MacArthur – Portfolio Manager
craigm@vunanifm.co.za
079-074-0471 (mobile)
021-712-2527 (home)

These names will be updated in the event of a material change, and the Executive Committee (EXCO) or its Representative, will review them twice a year.

2) Company Policy

VFM's Business Continuity Plan (BCP) seeks:

- a) to protect clients, employees, information and assets until normal business operations are resumed.
- b) to ensure that a viable capability exists to respond to an incident and manage all responses and recovery activities including
 - Data back-up and recovery
 - All mission critical systems
 - Financial and operational assessments
 - Alternate communications between the company and clients

- Alternate communications between the company and its employees and shareholders.
 - Alternate physical location of employees
- c) to accomplish rapid and efficient resumption of critical business operations, technology and functional support areas.
- d) to support and communicate with employees, regulatory agencies and clients.
- e) to ensure all insurance and regulatory requirements are satisfied in the event of a crisis and activation of this Plan.

3) Scope of this Plan

This Plan covers Vunani Fund Managers

a) Significant Business Disruptions (SBD's):

Our Plan addresses internal and external SBD's.

- Internal SBDs affect only our firm's ability to communicate and do business, such as any event that denies VFM access to the premises.
- External SBDs prevent the operation of the securities markets or a number of firms, such as a regional power outage, floods, terrorist attack or a wide scale regional disruption. In this scenario, VFM's response relies more heavily on market conditions and systemic risks associated with such a catastrophe

b) Approval and execution authority

VFM EXCO, are responsible for approving this Plan, and the COO and IT Manager for conducting an annual review.

- (i) The Plan is submitted to the VFM Board in order for the Board to evaluate overall risk and the effectiveness of the Plan as a risk mitigation measure.
- (ii) Furthermore, VFM participates in the Vunani group IT Steering Committee, where effective BCP measures are discussed and recommended actions to be implemented initiated.
- (iii) VFM EXCO, along with designated senior management, have the delegated authority to execute any of VFM's strategies for business continuity under this Plan.

c) Plan location and access

An electronic copy of our BCP is located on VFM's internal systems and in the cloud. Hard copies are kept in the office and the COO and IT Manager are requested to keep copies at home.

VFM will maintain copies of its BCP plan and the annual reviews, and the changes that have been made to it for inspection.

4) **Business Description**

VFM is an authorized Financial Services Provider (FSP # 608) delivering asset management services to a substantial number of institutional clients. These services include

- a) Equity funds
- b) Fixed interest and inflation-linked bond funds
- c) Balanced, Target return and Absolute return funds
- d) Multi-Asset funds
- e) Derivatives
- f) International investments

VFM is responsible for *inter alia* placing and executing orders with intermediaries, confirming client fund structures, creating client reports, calculating fund performances and liaising with clients. The back-office client administration function is outsourced to Maitland, which has a separate Business Continuity Plan that is outside the scope of this Plan. The IT support function is outsourced to iSquared who is an integral structure and resource in VFM's Disaster Recovery Plan (DRP).

5) **Office Location**

VFM operates from its premises at the following location:

Cape Town : 6th Floor, Letterstedt House, Newlands-on-Main, Newlands
Telephone : 27-21-670-4900/1
Fax : 27-21-683-5788

VFM's parent company, the Vunani Group, operates from 2 premises

Cape Town: 3rd Floor, Wesbank Centre, 9 Long Street, Cnr Riebeeck, Cape Town
Telephone : 27-21-481-6200
Fax : 27-21-422-2823

Johannesburg : Vunani House, Block C, Athol Ridge Office Park, 151 Katherine Street,
Sandown, Sandton
Telephone : 27-11-263-9500
Fax : 27-11-784-3095

6) Alternative Physical Location of Employees

In the event of an SBD where VFM's Cape Town office infrastructure becomes unavailable, VFM will move its operations into iSquared's DR site at 1st Floor, Montclare Place, Newlands; (021 671 5778) – **this will be Location X**. These premises have sufficient spare facilities including office space, internet and telephone lines and data feeds. In the case of a severe regional disruption, the Johannesburg premises (contact numbers and physical address as above) will become the final alternative physical location – **this will be Location Y**. VFM will operate on a skeleton staff from these locations consisting of

- a) Senior Dealer (Siv Govender)
- b) Client Liaison (Shameema Levy)
- c) Chief Operating Officer (Kirsten Elvin-Jensen)
- d) Chief Investment Officer (Tony Bell)
- e) IT Manager (Leon Starker)

All other critical employees, including the CEO, Portfolio Managers and Head of Finance, will operate from their homes utilizing remote desktop via the internet. A number of staff regularly connect to the company's terminal server (using remote desktop via a vpn tunnel on the internet) when working from home and are therefore familiar with the process. All employees will be notified telephonically and / or by e-mail of the status of the SBD daily including the plan to return the

business to a normal footing.

7) Client Access to Funds

VFM does not maintain custody of client assets (scrip, contracts) but will continue to facilitate the movement of cash into and out of bank accounts. Clients will be notified to change the address for the delivery of fax instructions through Client Liaison and or marketing staff.

8) Data Back-up and Recovery

Electronic data back-up and recovery forms part of the SLA with iSquared (see separate document).

9) Financial and Operational Assessments

a) Operational Risk

In the event of an SBD, VFM will immediately identify by what means it can communicate with its employees, clients, critical business constituents, critical banks, critical counter-parties, and regulators. Although the severity of an SBD may affect the available means of alternative communication, the communications options VFM will employ will include the telephone, cellphone, voice mail, e-mail and VFM's Web site. All essential data is replicated to iSquared's safe site, three times a day. The use of virtualisation software VMWARE and VEEAM allow for a complete backup of all VFM's computer servers. VFM also make use of the services of MIMECAST where all e-mail communication is stored on MIMECAST servers and available at any time from any location. Essential data is also archived to Mimecast's cloud-based archiving service. VFM's paper records are stored in accordance with regulatory requirements.

b) Financial and Credit Risk

In the event of an SBD, VFM will determine the value and liquidity of investments and other assets to evaluate its ability to continue to fund its operations and remain in capital compliance. VFM will contact the critical banks, and shareholders to appraise them of the financial status if necessary. If VFM determines that it may be unable to meet its obligations to those counter-parties or otherwise continue to fund its operations, VFM will request financing from its shareholders and in conjunction with the Board, may consider other credit sources to fulfill its obligations to its clients, in the event that shareholders are unable to fund the company. If VFM

cannot remedy a capital deficiency, it will file appropriate notices with its regulators and immediately take all appropriate steps to mitigate the exposure.

10) Mission Critical Systems

These systems are all documented in the disaster recovery plan (DRP).

11) Alternate Communications between the Company and Clients, Employees and Regulators

a) Clients

VFM communicates with its clients using the telephone, cellphone, fax, e-mail, our website, by couriered post and in person visits. In the event of an SBD, VFM will assess which means of communication are still available to it and use the means closest in speed and form (written or oral) to the means that VFM has used in the past to communicate with the other party. For example, if VFM have communicated with a party by e-mail but the Internet is unavailable, VFM will call them on the telephone and follow up where a record is needed with a paper copy in the mail.

b) Employees

VFM communicates with its employees using the telephone, cellphone, e-mail, and in person. In the event of an SBD, VFM will assess which means of communication are still available to it and use the means closest in speed and form (written or oral) to the means that VFM has used in the past to communicate with the other party.

In addition, VFM will employ a Whatsapp group so that senior management can reach all employees quickly during an SBD. VFM have identified individuals to make decisions about the firm's status and operation during any internal or external SBD. This group is called the Crisis Management Team is represented by the CEO, COO, CIO and IT Manager.

c) Regulators

VFM communicates with the regulators using the telephone, cellphone, e-mail, fax and mail. In the event of an SBD, VFM will assess which means of communication are still available to it, and

use the means closest in speed and form (written or oral) to the means that VFM has used in the past to communicate with the other party.

12) Critical Business Constituents, Banks and Counter-Parties

a) Business constituents

VFM have contacted its critical business constituents (businesses with which VFM has an ongoing commercial relationship in support of our operating activities, such as vendors providing VFM with critical services), and determined the extent to which it can continue a business relationship with them considering the internal or external SBD. VFM will quickly establish alternative arrangements if a business constituent can no longer provide the needed goods or services when VFM needs them because of an SBD to them or the firm.

b) Banks

VFM have contacted our banks and lenders to determine if they can continue to provide the financing that we will need in light of the internal or external SBD. The bank maintaining all the company's operating accounts is Standard Bank.

c) Counter-parties

VFM will contact our critical counter-parties, such as brokers and institutional clients, to determine if it will be able to continue to carry out required transactions with and for them in light of the internal or external SBD. Where the transactions cannot be completed or undertaken, VFM will contact those counter-parties directly to make alternative arrangements to complete those transactions as soon as possible.

13) Regulatory Reporting

VFM is subject to regulation by:

- the Financial Sector Conduct Authority (FSCA). VFM files reports with the FSCA via e-mail, and the FSCA website using their online submissions E-Services.
- the Financial Intelligence Centre (FIC). VFM files reports if required via the internet using the GoAML system.
- South African Reserve Bank (SARB). VFM files reports via the Reserve Bank website.

VFM will continue to file required reports using the communication means available to it.

14) Disclosure of Business Continuity Plan

VFM provides a copy of the BCP to its clients in writing on request.

In the event of a disaster, the focus of the company will shift from the current structure and function of "business as usual" to the structure and function of an organization working towards survival and the resumption of business operations. In the Plan, VFM's Crisis Management actions are structured into time-phases. Each phase includes specific actions and roles and responsibilities for teams and/or individuals.

Each functional business unit has a Business Recovery Plan. These Plans have recovery actions for the immediacy of an incident to restore critical operations or facilities of VFM. A high degree of interaction among all teams is required to execute the Business Continuity Plan. VFM's goal in a disaster is the resumption/recovery and the return to normal business operations and technology environments within recovery time objectives. Close coordination will be maintained with the Crisis Management Team and Executive Management and any other recovery team on which they depend throughout the resumption and recovery operations.

Technology driven operations can continue to run indefinitely provided that staff can access the data centers for general operational maintenance. Business Development, Portfolio Management, Client Liaison and Dealing Operations can operate for at least three months from Location X and/or Location Y at which point in time alternate dedicated offices will be required for VFM's own operational efficiency.

To mitigate the risk of operational outages, VFM has taken all reasonable precautions at its offices through UPS systems and offsite replication. To ensure resilience and protection of its sensitive data VFM has archived backups managed by a third-party vendor, Mimecast.

15) Updates and Annual Review

Telephone list to be used can be found here:

Q:\Admin\Staff Lists\Vunani telephone list Latest.xlsx

VFM will update this plan whenever there is a material change to our operations, structure, business or location or to that of our significant service providers Maitland or iSquared. In addition, VFM EXCO will review this BCP annually, to modify it for any changes in our operations, structure and /or business. Any such changes or modifications will be approved in writing by the CEO, Butana Khoza, Chief Operating Officer, Kirsten Elvin-Jensen, and the IT Manager, Leon Starker.

Approved by



Butana Khoza
CEO



Kirsten Elvin-Jensen
COO



Leon Starker
IT Manager