


Dooya (Pty) Ltd
Company registration number 2018/026543/07
(“the Company”)

Conflicts of interest management policy (“the Policy”)

1. Policy approval and information

Policy owner	Board of directors			
Policy type	Governance			
Approver's signature				
Approved by (this version)	Kyle Dowie			
Adopted by (this version)	Board of directors			
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Table of contents				
1.	Policy approval and information			
2.	Purpose and scope			
3.	Definitions			
4.	Roles and responsibilities			
5.	Duties of FSPs and representatives			
6.	Examples of conflicts of interest			
7.	Identifying and avoiding conflicts of interest			
8.	Reasons for not avoiding conflicts of interest			
9.	Measures for mitigating & disclosing conflicts of interest			
10.	Processes, procedures & internal controls to facilitate compliance with this Policy			
11.	Consequences of non-compliance with this Policy			
12.	Policy review			
APPENDIX A	OWNERSHIP INTERESTS			
APPENDIX B	ASSOCIATES			

2. Purpose and scope

The Conflicts of interest management policy is prescribed in terms of the General Code of Conduct for Authorised Financial Services Providers and Representatives, as amended, or substituted, from time to time ("the Code"), published under the Financial Advisory and Intermediary Services Act 37 of 2002 ("the FAIS Act"), through the Financial Sector Regulation Act 9 of 2017 ("the FSRA"). A Financial Services Provider ("FSP") and its

representatives must avoid conflicts of interests with their clients, or prospective clients. If any conflicts of interest cannot be avoided, the conflict of interest must be mitigated. Therefore, every FSP must adopt, maintain, and implement a Conflicts of interest management policy. The Company strives to apply the highest standards of ethical behaviour during the conduct of its business activities, and this behaviour is expected of all its employees and associates.

In addition to the FAIS Act requirements, Directive PF No. 8: Prohibition on the acceptance of gratification, published under the Pension Funds Act 24 of 1956 (“the PFA”), through the FSRA, **imposes more stringent requirements on Board members, principal officers, deputy principal officers, employees, auditors, valuers, administrators, employees of administrators, other officers, or other service providers (including financial advisers and investment managers), of retirement funds.**

These more stringent requirements ARE NOT APPLICABLE to the Company, and its employees.

The Company always aims to act in the best interest of clients and potential clients, and in this regard, the Policy is intended to provide for the management of conflicts of interest, by providing:

- 2.1. a mechanism for identifying conflicts of interest
- 2.2. measures to avoid conflicts of interest
- 2.3. reasons for not being able to avoid conflicts of interest
- 2.4. measures to mitigate conflicts of interest
- 2.5. measures for disclosing conflicts of interest
- 2.6. processes, procedures and internal controls to facilitate compliance with the policy
- 2.7. consequences of non-compliance with the policy

The Company is committed to Treating Customers Fairly (“TCF”), and is embedding this culture into the business, by ensuring that:

- 2.8. Clients can be confident they are dealing with a company where TCF is central to the corporate culture.
- 2.9. Products and services marketed and sold are designed to meet the needs of identified client groups and are targeted accordingly.
- 2.10. Clients are provided with clear information and are kept appropriately informed before, during and after the point of sale.
- 2.11. Where advice is given, it is suitable and takes account of client circumstances.
- 2.12. Products perform as the Company has led clients to expect, and service is of an acceptable standard, and as they have been led to expect.
- 2.13. Clients do not face unreasonable post-sale barriers imposed by the Company, to change product, switch providers, submit a claim or make a complaint.

This Policy also considers the principles embodied by the Companies Act 71 of 2008, and the King Code of Governance for South Africa 2009 (“King IV”).

This policy is applicable to all employees of the Company, and its subsidiaries, including, but not limited to Key Individuals and Representatives, and all relationships with third parties.

This policy must be read together with all other policies comprising the governance framework.

The Board recognises that corporate governance practices must be appropriate, and relevant, to the nature, scale, risks, and complexity, of the business. It will establish control functions, when they become appropriate for the nature, scale, risks, and complexity, of the business. The Company is currently small, so it has not established some control functions, such as the internal audit function. However, the governance structure will be re-assessed periodically, by the Board, if the nature, scale, risks and/or complexity, of the Company changes. The Board is satisfied that the governance structure is suitable for the Company, based on the nature, scale, risks, complexity, and small size of the Company.

3. Definitions

3.1. Associate, in relation to a natural person, means:

- A spouse, life partner, or civil union partner
- A child, including a stepchild, adopted child, and a child born out of wedlock
- A parent, or stepparent
- A person legally responsible for managing the affairs of, or meeting, the daily care needs
- A spouse, life partner, or civil union partner of the persons specified above
- A person who is in a commercial partnership

Associate, in relation to a juristic person,

- which is a company, means any subsidiary, or holding company, of that company, any other subsidiary of the holding company, and any other company of which the holding company is a subsidiary
- which is a close corporation, means any member of the close corporation
- which is not a company, or close corporation, means another juristic person, which would have been a subsidiary, or holding company, of the first-mentioned juristic person, if the first mentioned juristic person had been a company, and where the other juristic person is also not a company, where both the juristic persons had been companies

means any person whose directions, or instructions, are followed by the Board of directors (companies), or the governing body (non-companies)

Associate, in relation to any person, means the Board of directors (companies), or the governing body (non-companies), who follow the directions, or instructions, of the aforementioned person, and includes any trust controlled, or administered, by that person.

3.2. Company means a company under the Companies Act 71 of 2008.

3.3. Conflict of interest means any situation in which an FSP, or representative, has an actual, or potential, interest that may, in providing a 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 providing an unbiased and fair financial service to that client, or from acting in the interests of that client,

Including, but not limited to, a financial interest, an ownership interest, any relationship with a third party.

3.4. Directive PF No. 8 is applicable to Board members, principal officers, deputy principal officers, employees, auditors, valuers, administrators, employees of administrators, other officers, or other service providers (including financial advisers and investment managers), of retirement funds.

These more stringent requirements ARE NOT APPLICABLE to the Company, and its employees.

3.5. Distribution channel means:

- Arrangement between a product supplier, or any of its associates, and one, or more, FSP, or any of its associates, in terms of which any support, or service, is provided to the FSP, or FSPs, in providing a financial service to a client
- Arrangement between two, or more, FSPs, or any of their associates, which arrangement facilitates, supports, or enhances, a relationship between the FSP, or FSPs, and a product supplier
- Arrangement between two, or more, product suppliers, or any of their associates, which arrangement facilitates, supports, or enhances, a relationship between an FSP, or FSPs, and a product supplier.

3.6. Fair value has the meaning assigned to it in the financial reporting standards adopted, or issued, under the Companies Act 71 of 2008.

3.7. Financial interest for persons falling outside the scope of Directive PF No. 8 means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic, or foreign, travel, hospitality, accommodation, sponsorship, other incentive, or valuable consideration, **OTHER THAN:**

- An ownership interest
- Training, which is not exclusively available to a selected group of FSPs, or representatives, on:
 - Financial products and legal matters relating to those financial products
 - General financial and industry information
 - Specialised technology systems of a third party, necessary for providing a financial service, but excluding travel and accommodation associated with that training.

3.8. Financial interest for persons falling inside the scope of Directive PF No. 8 means:

- **Gratification** (viewed objectively) that creates a conflict of interest with their fiduciary duty towards the retirement fund
 - For training to be permitted, all costs for the training, travel and accommodation should be paid for by the retirement fund. If a service provider provides free training to a retirement fund, the retirement fund should pay for the travel and accommodation. The training costs must be reasonably justified.
 - For training to be permitted, the training provided by service providers to the retirement fund industry, should be open to the general public, or to a general category of persons.
 - For business related meals to be permitted, the meals must be legitimately for the purpose of conducting business with the retirement fund, and the costs must be reasonably justified. The affected persons are required to declare all business meals paid for by service providers in the gifts register (Conflicts of interest register).
 - Token gifts, in the aggregate, **exceeding R500 in any calendar year**, from any one service provider
 - **Gratification** relating to local, or international, due diligences, including, but not limited to, subsistence, travel, or accommodation
 - If a due diligence, or other retirement fund related activity, is necessary, all costs, including travel and accommodation, must be paid by the retirement fund. A service provider is not permitted to pay for costs. After a due diligence, or other retirement fund related activity, the officer concerned, should produce a written report to the Board.
 - **Gratification** relating to local, or international, entertainment, or sporting events, including, but not limited to, subsistence, travel, or accommodation
 - Affected persons are **NOT PERMITTED** to accept invitations to entertainment events paid for by service providers. This includes, but is not limited to, breakfasts, lunches, dinners, coffee, drinks, sporting events, hunting, jazz festivals, concerts, etc.
 - Conferencing costs, or Board of fund expenses.
- These more stringent requirements ARE NOT APPLICABLE to the Company, and its employees.**

3.9. Gratification means:

- Money, whether in cash, or otherwise
- Donation, gift, loan, fee, reward, valuable security, property, or interest in property of any description, whether movable, or immovable, or any similar advantage
- Avoidance of a loss, liability, penalty, forfeiture, punishment, or other disadvantage
- Office, status, honour, employment, contract of employment, or services, any agreement to give employment, or provide services, in any capacity, and residential, or holiday, accommodation
- Payment, release, discharge, or liquidation, of any loan, obligation, or other liability, whether in whole, or in part
- Forbearance to demand any money, or money's worth, or valuable thing
- Other service, or favour, or advantage, of any description, including protection from any penalty, or disability, incurred, or apprehended, or from any action, or proceedings of a disciplinary, civil, or criminal, nature, whether, or not, already instituted, and includes the exercise, or the forbearance from the exercise, of any right, or any official power, or duty

- Right, or privilege
- Real, or pretended, aid, vote, consent, influence, or abstention from voting
- Valuable consideration, or benefit, of any kind, including any discount, commission, rebate, bonus, deduction, or percentage,

but excludes remuneration paid by a sponsor of a retirement fund, to a Board member appointed by the sponsor of a retirement fund.

3.10. Holding company means a holding company, as defined in the Companies Act 71 of 2008.

3.11. Immaterial financial interest for persons falling outside the scope of Directive PF No. 8 means any financial interest with a determinable monetary value, the aggregate of which **does not exceed R1 000 in any calendar year, from the same third party, in that calendar year**, received by, or offered to:

- An FSP, who is a sole proprietor
- A representative, for that representative's direct benefit
- An FSP, who, for its benefit or for that of some, or all, of its representatives, aggregates the immaterial financial interest paid to its representatives.

3.12. Immaterial financial interest for persons falling inside the scope of Directive PF No. 8 means **token gifts, the aggregate of which does not exceed R500 in any calendar year, from any one service provider**. Token gifts are gifts usually given at year end, which may include pens, diaries, desk calendars, calendars, mugs, and other indulgences, such as chocolates, biscuits, or beverages, which is a token of goodwill.

These more stringent requirements ARE NOT APPLICABLE to the Company, and its employees.

3.13. New entrant means a person who has never been authorised as an FSP, or appointed as a representative by any FSP.

3.14. Ownership interest means:

- Equity, or proprietary interest, for which fair value was paid by the owner, at the time of acquisition, other than equity, or a proprietary interest, held as an approved nominee, on behalf of another person
- Includes any dividend, profit share, or similar benefit, derived from that equity, or ownership interest.

3.15. Sign-on bonus means:

- any financial interest offered, or received (directly, or indirectly), upfront, or deferred, and with, or without, conditions, as an incentive to become an FSP, or representative.
- a financial interest, referred to above, includes, but is not limited to:
 - compensation for:
 - potential, or actual, loss of any benefit, including any form of income, or part thereof
 - cost associated with the establishment of an FSP's, or representative's, business, or operations, including the sourcing of business, relating to providing financial services
 - a loan, advance, credit facility, or any other similar arrangement.

3.16. Subsidiary means a subsidiary, as defined in the Companies Act 71 of 2008.

3.17. Third party means:

- A product supplier
- Another FSP, or its representatives
- An associate of a product supplier, or an FSP
- A distribution channel
- Any person, who in terms of an agreement, or arrangement, with a person stipulated above, provides a financial interest to an FSP, or its representatives.

4. Roles and responsibilities

- 4.1. **Board of directors (“the Board”)** maintains overall responsibility for the Policy, which may be delegated to the relevant stakeholders for implementation. The Board is appointed by, and is accountable to, its shareholders, to lead, control, and monitor, the business activities of the Company, and to provide effective corporate governance, with the specific responsibility to oversee governance, risk management, control processes, compliance with legislation, regulations, industry standards, international best practice, and internal policies and procedures. The Board delegates the authority for overseeing compliance to the compliance function, to ensure that the compliance process is running effectively, and to ensure that there is adherence to legislation, regulations, industry standards, international best practice, and internal policies and procedures. The Board is ultimately responsible for compliance. **When appropriate to the size, nature, scale, risks and/or complexity, of the Company**, the Board will delegate the appropriate responsibility to the relevant control functions. The Board is ultimately responsible for governance.
- 4.2. **Key individuals**, in terms of the FAIS Act, are responsible for the oversight and management of the business activities within the FSPs for which they are appointed as Key Individuals, or certain aspects of thereof. Within the Company, the Key Individuals of the relevant FSPs are also executive management.
- 4.3. **Governance structures** that are **appropriate to the small size of the Company**, must be in place, to ensure compliance with this Policy. **When appropriate to the size, nature, scale, risks and/or complexity, of the Company, the Company will adopt** a combined assurance governance model (“three lines of defence model”). The Board, or Board committees, must assess the effectiveness of the relevant control functions, and assess whether the resources are adequate. The Board may establish an audit and risk committee, which is a Board committee, and is established to oversee governance matters. The committee plays an important role in the overall governance framework, because it monitors governance at the highest level. The head of the control functions typically have a reporting line to the committee. The audit and risk committee performs a key role to ensure the accountability, and transparency, of the Company. As an independent body, its function is to ensure the integrity of financial controls, and financial risk management, and reporting to shareholders, and other stakeholders. The audit and risk committee must have an overview of the general, and specific, compliance requirements, as well as identify other potential, or actual, conflicts of interest, which have not previously been identified.
- 4.4. **Risk management function, when appropriate to the size, nature, scale, risks and/or complexity, of the Company**, in its capacity as the 2nd line of defence, is an independent, and objective, function that assists the Board to develop, and maintain, a risk management system, to identify, assess, monitor, and mitigate, the Company’s material risks, and promote a sound risk culture. The risk management function provides reasonable assurance that adequate mechanisms, and procedures, are established, implemented, and maintained. **Due to the small size of the Company, it has not established an independent risk management function. However, the governance structure will be re-assessed periodically, by the Board, if the size, nature, and/or complexity, of the Company changes. The Board is satisfied that the governance structure is suitable for the Company, based on the nature, and small size of the Company.**
- 4.5. **Internal audit, when appropriate to the size, nature, scale, risks and/or complexity, of the Company**, in its capacity as the 3rd line of defence, provide assurance over this Policy, by providing an independent assessment of the adequacy and effectiveness of the overall risk management framework and risk governance structures, through the annual risk-based audit plan. Internal audit has the authority to independently determine the scope and extent of work to be performed, as mandated by the audit and risk committee. **Due to the small size of the Company, it has not established an internal audit function. However, the governance structure will be re-assessed periodically, by the Board, if the size, nature,**

scale, risks and/or complexity, of the Company changes. The Board is satisfied that the governance structure is suitable for the Company, based on the nature, and small size of the Company.

4.6. Representatives are authorised to provide intermediary services and/or advice to existing and potential clients, in terms of the FAIS Act, within the FSPs for which they are appointed as representatives. They have a specific regulatory obligation to comply with this Policy. **Representatives must ensure that they DO NOT receive financial interests from the FSPs, including remuneration, or have a component of their remuneration:**

- where the financial interest is determined with reference to the quantity of business secured for the FSP, without giving due regard to the delivery of fair outcomes for clients
- for giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
- for giving preference to a specific financial product of a product supplier, where a representative may recommend more than one financial product of that product supplier to a client.

No person may offer, or provide, a sign-on bonus to any person, other than a new entrant, as incentive to become a Category I FSP, or representative, who is authorised, or appointed, to give financial advice.

4.7. Compliance function (and compliance officers), in its capacity as the 2nd line of defence, must monitor compliance with this Policy, and report non-compliance to the Board, and the governance structures. The compliance function is an independent function that advises on, and assists the Board to identify, assess, manage, monitor, report, and continuously improve, the compliance risk within the Company. The compliance function must provide guidance, and training, to employees, to assist them to understand the Policy, and their obligations thereto.

4.8. Employees must ensure that they understand this Policy, and always comply with it. Employees must be cognisant of the consequences of non-compliance with the Policy. **Employees** are responsible for complying with the governance, compliance, risk management, and control processes, **which are directly applicable to the activities, and transactions, which they perform.** Employees must be familiar with all the relevant legislation, compliance obligations, regulatory requirements, manuals, policies, and procedures. Employees are expected to comply with both the letter, and the spirit, of these requirements. Employees must ensure that they understand this Policy, and always comply with it. Employees must be cognisant of the consequences of non-compliance with the Policy. Each business area should regularly identify, and assess, its significant operational risks, and the controls that are in place, to manage those risks (risk and control self-assessments), which should be reported to the Board, the compliance function, or the risk management function, as may be applicable. Employees must continuously assess their own environment, to identify any actual, or potential, conflicts of interest, and take the appropriate course of action, in terms of this Policy.

5. Duties of FSPs and representatives

5.1. An FSP, or representative, must always provide financial services honestly, fairly, with due skill, care, and diligence, and in the interests of clients, and the integrity of the financial services industry.

5.2. When an FSP, or representative, provides a financial service:

- representations made, and information provided, to a client:
 - must be factually correct
 - must be provided in plain language, avoid uncertainty, or confusion, and not be misleading
 - must be adequate and appropriate, in the circumstances of the financial service, considering the factually established, or reasonably assumed, level of knowledge of the client
 - must be provided timeously, to afford the client reasonably sufficient time to make an informed decision about the proposed transaction

- may (unless otherwise specified) be provided orally, and, at the client's request, confirmed in writing, within a reasonable time after the request
 - must, where provided in writing, or by means of standard forms, or format, be in clear and readable print size, spacing and format
 - must, as regards all amounts, sums, values, charges, fees, remuneration, or monetary obligations, mentioned, or referred to therein, and payable to a product supplier, or FSP, or representative, be reflected in specific monetary terms
 - where any amount, sum, value, charge, fee, remuneration, or monetary obligation, is not reasonably pre-determinable, its basis of calculation must be adequately described
 - need not be duplicated, or repeated, to the same client, unless material, or significant, changes, affecting that client occur, or the relevant financial service renders it necessary, in which case, the disclosure of changes to the client must be made without delay
 - An FSP, or representative, must avoid, and where this is not possible, mitigate, any conflict of interest between the FSP, or representative, and the client.
 - The FSP, or representative, must, in writing, at the earliest reasonable opportunity:
 - disclose to the client, any conflict of interest in respect of that client, including:
 - measures taken to avoid, or mitigate, the conflict, according to the conflict of interest management policy of the FSP
 - any ownership interest, or financial interest, other than an immaterial financial interest, that the FSP, or representative, may be, or become, eligible for
 - the nature of any relationship, or arrangement, with a third party that gives rise to a conflict of interest, in sufficient detail to the client, to enable the client to understand the exact nature of the relationship, or arrangement, and the conflict of interest
 - inform a client about the conflict of interest management policy, and how it may be accessed
 - The service must be provided according to the contractual relationship, and the reasonable requests, or instructions, of the client, which must be executed as soon as reasonably possible, and with due regard to the interests of the client, which must be accorded appropriate priority over any interests of the FSP, or representative.
 - The transactions of the client must be accurately accounted for.
 - The FSP, or representative, involved must not deal in any financial product for own benefit, account, or interest, where dealing is based upon advance knowledge of pending transactions, for, or with, clients, or on any non-public information, disclosure of which would be expected to affect prices of the financial product (insider trading/market abuse).
- 5.3.** The FSP, or representative, must have appropriate procedures and systems in place to:
- record verbal and written communications, about the financial service provided to the client
 - store and retrieve records, and any other material documents relating to the client, or the financial service provided to the client
 - keep client records and documents safe from destruction
- 5.4.** All records must be kept for **5 years after termination**, to the knowledge of the FSP, or representative, of the financial product concerned or, in any other case, after providing the financial service concerned.
- 5.5.** FSPs and representatives are not required to keep records themselves, but must ensure that the records are available for inspection within 7 days of the Authority's request.
- 5.6.** Records may be kept in appropriate electronic, or recorded, format, which are accessible, and readily reducible to written, or printed, form.
- 5.7.** The FSP, or representative, may not disclose any confidential information acquired, or obtained, from a client, or product supplier, about the client, or product supplier, unless written consent of the client, or product

supplier (as the case may be), has been obtained beforehand, or the disclosure of the information is required in the public interest, or under any law.

5.8. The FSP, or representative, **MAY NOT**:

- indicate, or imply, that it is authorised, regulated, or supervised, by the Authority, for business that it is not authorised, regulated, or supervised, for
- refer to its authorisation, or name the Authority as its Regulator, in any advertisement about products, or services, which are not financial products, or financial services, for which it is authorised, in a way to create the impression that its authorisation extends to those products and/or services, or that the providing of those products and/or services is regulated by the Authority.

5.9. The FSP, or representative, **MAY NOT** describe itself, or the financial services it provides, as being “**independent**”, if:

- the FSP/representative, or its associate, is a significant owner of a product supplier, or its associate, for whose financial products the FSP/representative provides financial services
- a product supplier, for whose financial products the FSP/representative provides financial services, or an associate of the product supplier, is a significant owner of the FSP/representative, or its associate
- the FSP/representative directly, or indirectly, receives, or is eligible for, a financial interest from a product supplier, for whose financial products the FSP/representative provides financial services, other than a financial interest that is commission authorised under the Long-term Insurance Act, Short-term Insurance Act, or Medical Schemes Act, an immaterial financial interest, another financial interest, for which a consideration, fair value, or remuneration, which is reasonably commensurate to the value of the financial interest, is paid by that FSP/representative at the time of receipt thereof
- any other relationship exists between the FSP/representative, and a product supplier, for whose financial products the FSP/representative provides financial services, which gives rise to a material conflict of interest.

6. Examples of conflicts of interest

The definition of a conflict of interest is very broad, and can cover a variety of situations where an FSP, or representative, could have an actual, or potential, interest that may influence the objective performance of their obligations to that client, or prevent an FSP, or representative, from providing an unbiased and fair financial service to that client, or from acting in the interests of that client. Therefore, it is useful to provide examples of potential conflicts of interest that could occur within the Company:

6.1. Employees are remunerated, or have a component of their remuneration:

- where the financial interest is determined with reference to the quantity of business secured for the FSP, without giving due regard to the delivery of fair outcomes for clients
- which gives preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
- which gives preference to a specific financial product of a product supplier, where a representative may recommend more than one financial product of that product supplier to a client.

6.2. A financial, or other, incentive that favours the interests of one client over another.

6.3. Selling is incentive driven, rather than advice driven.

6.4. Market structures lead to conflicts of interest, especially around remuneration and outsourcing. Complicated relationships compromise accountability between product suppliers and intermediaries, often leaving the client unclear on the true cost of advice and on who the intermediary represents.

- 6.5. If a Board member, who is in a position of trust, has a competing professional, or personal, interest, may make it difficult to fulfil their duties impartially. A conflict of interest exists even if no unethical, or improper, act results. A conflict of interest may create an appearance of impropriety, which may undermine confidence in the person, the activity, and the Company. A conflict of interest may impair a person's ability to perform their duties and responsibilities objectively.
- 6.6. Employing relatives within the same entity, especially within a related department, may increase the potential for conflicts of interest (either actual, or potential). Potential conflicts may arise, due to nepotism, the carry-over of personal conflict into the workplace, favouritism, effects on employee morale. Therefore, this is discouraged within the Company.
- 6.7. Employees owning the shares of clients, or associates of clients, or employees owning shares that are also held within portfolios, where the Company has discretion over the securities that are included in the portfolios (also refer to the personal account trading policy).
- 6.8. Employees transacting in their business capacity, to the benefit of their personal share portfolio (also refer to the personal account trading policy).
- 6.9. Employees making business transaction decisions that are in contradiction to trading decisions that they are making on their personal share portfolios (also refer to the personal account trading policy).
- 6.10. Employees inadvertently becoming "insiders", by being privy to material non-public, or price sensitive, information, during their interaction with third parties (also refer to the personal account trading policy).
- 6.11. Employees have outside business interests that compete with, or provide similar services to, the Company.
- 6.12. The Company, an associate, department, or employee, realises a financial gain, at the expense of a client(s).
- 6.13. The interests of the Company, an associate, department, or employees, may be different to those of clients.
- 6.14. The Company, an associate, or employees, exercise the same professional activity as a client.
- 6.15. The Company, an associate, department, or employees, gain an advantage (whether financial, or not) from a third party, during the execution of the service conducted on behalf of a client.
- 6.16. The Company may cast proxy votes that are consistent with a specific client's investment strategies, which may conflict with the investment strategies of other clients, where the Company may cast proxy votes.
- 6.17. The Company, an associate, or its representatives, using discretion to provide financial services to clients, may invest into associates, its own financial products, or financial products of its associates.
- 6.18. Commission, or fee sharing, arrangements, and broker allocation.

7. Identifying and avoiding conflicts of interest

Actual, or potential, conflicts of interest are identified, and avoided, in various ways, as follows:

- 7.1. Employees are trained about understanding what conflicts of interest are, making them aware of their obligation to identify specific circumstances that may give rise to conflicts of interest, and they are trained about the contents of the Policy. As part of this training, employees are provided with examples of potential conflicts of interest, which are described elsewhere in this Policy.

- 7.2. The policy must be incorporated, by way of reference, in the employment contracts of each employee, and employees must sign that they have received, and understand, the contents of the policy.
- 7.3. The Board must assess the business activities and relationships affecting their business areas, to identify actual, or potential, conflicts of interests, which must be reported to the compliance officers.
- 7.4. The Board must assess the remuneration models of employees, and those within the distribution channel, to ensure that the remuneration models do not create actual, or potential, conflicts of interest. If a conflict is identified, steps must be taken to amend the affected remuneration model, and the conflict must be reported to the compliance officers.
- 7.5. Employees must continuously assess their own situations, and be vigilant in identifying actual, or potential, conflicts of interest, which must be reported to the compliance officers. If an employee is uncertain about whether, or not, a specific situation poses a conflict, they should discuss this with the Board, and obtain guidance from the compliance officers.
- 7.6. Employees should embrace the culture of compliance, and should aim to avoid conflicts, rather than mitigate them.
- 7.7. Training **MUST NOT** be exclusively available to a select group of clients, or third parties, or specific clients, or third parties. If training is only appropriate for a specific type of client, or third party, it must be made available to all the appropriate clients and/or third parties. If the training is general, it must be made publicly available.
- 7.8. The FSP, and its employees, are **NOT permitted to RECEIVE, or OFFER, financial interests FROM, OR TO, a THIRD PARTY, EXCEPT FOR:**
- commission (authorised by the Long-term Insurance Act, the Short-term Insurance Act, or the Medical Schemes Act)
 - fees (authorised by the Long-term Insurance Act, Short-term Insurance Act, or Medical Schemes Act)
 - fees for providing a financial service, where commission, or fees, referenced in the points above, are not paid, **AND ONLY IF:**
 - the amount, frequency, payment method, and recipient, of those fees, and details of the services that are to be provided by the representative, in exchange for the fees, those fees are specifically agreed to by a client, in writing, and
 - those fees may be stopped at the discretion of that client
 - fees, or remuneration, for providing a service to a third party
 - immaterial financial interests (subject to any other law)
 - financial interest, not referenced in the other points above, for which a consideration, fair value, or remuneration, which is reasonably commensurate to the value of the financial interest, is paid for the financial interest received, at the time of receipt thereof, by the FSP, or employee.
- 7.9. **Employees MAY NOT be remunerated, or have a component of their remuneration:**
- where the financial interest is determined with reference to the quantity of business secured for the FSP, without giving due regard to the delivery of fair outcomes for clients
 - which gives preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
 - which gives preference to a specific financial product of a product supplier, where a representative may recommend more than one financial product of that product supplier to a client.

- 7.10. Where an employee is a representative, who provides financial advice to clients, their remuneration may be predominantly variable, being a specified percentage of the financial advice fee received by the FSP from the client.**
- 7.11. As part of employment contracts, and the employee performance management process,** the FSP will demonstrate that financial interests, including remuneration, which are provided to employees, **ARE NOT determined with reference to the quantity of business secured for the FSP, without giving due regard to the delivery of fair outcomes for clients**, by demonstrating that the determination of, and the employee's entitlement to, the financial interests, including remuneration, considers measurable indicators relating to:
- achieving minimum service level standards for providing financial services to clients
 - delivering fair outcomes for clients
 - quality of the employee's compliance with the FAIS Act,
- which indicators have been agreed between the FSP, and the employee, and that appropriate weight has been attached to the indicators, to materially mitigate the risk of the employee giving preference to the quantity of business secured for the FSP, over the fair treatment of clients.
- 7.12. No person may offer, or provide, a sign-on bonus to any person, other than a new entrant, as incentive to become a Category I FSP, or representative, who is authorised, or appointed, to give advice.**
- 7.13.** The FSP remunerates employees according to the remuneration policy. Where an employee is a representative, who provides financial advice to clients, their remuneration may be predominantly variable, being a specified percentage of the financial advice fee received by the FSP from the client.
- 7.14.** Employees must disclose quarterly (or as otherwise agreed upon), the offering, and receiving, of financial interests, personal account trading (their own investing), outside business interests, and any other actual, or potential, conflict of interest. The disclosed financial interests are reviewed by the compliance officers, to ensure that they are all immaterial financial interests. Non-compliance is first reported to the Board, and only upon full investigation, to the Authority, if necessary.
- 7.15.** The compliance officers will record the details of the disclosed actual, or potential, conflicts of interest in the conflicts of interest register, and will discuss these with the Board, to establish whether an actual conflict exists. If a conflict exists, it must be determined whether the conflict can be avoided, and take the necessary action to do so. If the conflict cannot be avoided, action must be taken to mitigate the conflict of interest. The conflicts of interest register will be reviewed, and approved, annually, by the relevant Board committee, after which the approved version will be published on the internet and intranet sites, and conflicts with specific clients will be disclosed directly to those affected clients, by the relevant representatives.

8. Reasons for not avoiding conflicts of interest

- 8.1.** Conflicts of interest with associates and/or financial products of associates, often cannot be avoided, because investments may include financial products and/or securities of associates. The list of financial products and securities of associates are detailed in **APPENDIX A: OWNERSHIP INTERESTS**.

9. Measures for mitigating & disclosing conflicts of interest

- 9.1.** Conflicts of interest are mitigated in various ways, as follows:
- The conflicts of interests with associates and financial products are disclosed in presentations to clients and in relevant company marketing material.
 - The lists of associates and financial products are appended to this Policy, which is made publicly available.

- The ways to identify and avoid conflicts of interest are specified in this Policy, which is made publicly available.
- Employees are trained about conflicts of interest, in general, and about this Policy, specifically.
- Employees are provided with, and must understand, this Policy.
- Employees ensure that they only offer, or receive, permitted financial interests.
- Employees ensure that they are not remunerated in a prohibited way.
- Employees disclose actual, or potential, conflicts of interests, according to this Policy.

10. Processes, procedures & internal controls to facilitate compliance with this Policy

10.1. To facilitate compliance with this Policy, the following processes, procedures, and internal controls, must be adhered to by all employees, and their associates:

- This Policy must be available on all the Company websites and intranet sites, and must be easily accessible.
- Clients must be informed about this Policy, and must be advised about how to access the Policy. This information must be included on all relevant material sent to clients, and must be included on all presentations made to clients.
- If a conflict of interest arises with a specific client, the relevant representative must notify their line manager and the affected client, in writing, about the nature of the conflict of interest, and the measures that have been taken to avoid, or mitigate, the conflict of interest. This includes notifying the client about an ownership interest, or financial interest (excluding an immaterial financial interest), affecting that client, and providing the client with enough detail about the nature of business relationships with third parties, which give rise to conflicts of interest.
- The ways to identify and avoid conflicts of interest are specified in this Policy, which is made publicly available.
- Annually, the compliance officers will perform an extensive monitoring review of all disclosures made by employees, for the previous year, and report to the Board.
- Employees may never receive (except from the Company), or offer, any travel, or accommodation.
- The compliance officers will provide training and awareness to employees, as part of the monitoring programme, about this Policy, specifically, and about conflicts of interest, in general.

11. Consequences of non-compliance with this Policy

11.1. All employees are obliged to comply with this Policy, and it is a condition of employment. Non-compliance is a breach of their employment contract, and is an action of misconduct, so employees may be subject to disciplinary action, which may lead to dismissal. The human resources department will be approached about the disciplinary action process, to ensure that the process is followed in the prescribed way. For non-compliance with this Policy, reports made by the compliance officers, internal audit, external audit, and regulators, will be considered, for appropriate action to be taken.

11.2. Non-compliance by key individuals and representatives, for their obligations in terms of the FAIS Act, will be seen in a serious light, and will be addressed accordingly. Key individuals and representatives may also be subject to debarment, in terms of the FAIS Act, dependant on the seriousness of the offence and/or the continued repetition of offences. Avoidance, circumvention, or limitation, of this Policy, will be deemed to be non-compliance.

12. Policy review

12.1. This policy will be reviewed regularly, updated whenever necessary, and tested periodically. This Policy will be reviewed at least annually, updated, if necessary, and the latest version will be adopted, and approved by the Board.

APPENDIX A OWNERSHIP INTERESTS

Third parties that hold an ownership interest in the Company

- None

Third parties in which the Company hold ownership interests

- None

APPENDIX B ASSOCIATES

- Kyle Dowie is:
 - CEO
 - Key individual
 - Beneficial owner of a shareholder of the Company: Ghasa Holdings (Pty) Ltd, holding a 29.95% ownership interest in the Company
- David Roux is:
 - Director
 - Shareholder, holding a 26.57% ownership interest in the Company
- Jonathan Archer is:
 - Director
 - Shareholder, holding a 9.66% ownership interest in the Company
- Donovan Devine is:
 - Shareholder, holding a 14.25% ownership interest in the Company
- Adam Paardenkooper is:
 - Shareholder, holding a 14.49% ownership interest in the Company
- Jerry Naidoo is:
 - Shareholder, holding a 0.24% ownership interest in the Company
- Larry Stephen is:
 - Shareholder, holding a 4.83% ownership interest in the Company