



CONFLICT OF INTEREST MANAGEMENT POLICY

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1. APPLICATION OF THE POLICY

- 1.1 This policy is applicable to the legal entities within the Prime Financial Services Group (hereinafter referred to as “the Group”), as shown on the Group’s corporate organogram and amended from time to time.
- 1.2 This policy is also applicable to associate companies (hereinafter referred to as “Associates”).

2. PURPOSE OF THE POLICY

- 2.1 The purpose of this document is to document the Group and its Associates’ commitment to establishing and maintaining a Conflict of Interest Management Policy.
- 2.2 The Group and its Associates will maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage Conflicts of Interest.
- 2.3 The Group and its Associates have put this policy in place to safeguard its clients’ interests and ensure fair treatment of clients.
- 2.4 The key information is summarised below. Detailed information can be obtained on request from the Group and/or its Associates, the compliance officer or the Key Individual who is responsible to monitor and manage Conflict of Interest on behalf of the Group and its Associates.

3. DEFINITIONS

- 3.1 **CIS Manager:** A manager registered with the Financial Sector Conduct Authority in terms of the Collective Investment Schemes Control Act (45 of 2002).
- 3.2 **Conflicts of Interest:** Conflicts of Interest are defined as, *inter alia*:
 - 3.2.1 Conflicts between the Group (including its Associates) and the client;
 - 3.2.2 Conflicts between Group and Associate clients; and
 - 3.2.3 Conflicts arising from product suppliers, distribution channels and third parties who render financial services to Group clients;
- 3.3 **Financial Services Provider:** Any person (including both natural and juristic persons) other than a Representative who furnishes advice or who furnishes advice and renders intermediary services. For the purposes of abbreviation, it can also be referred to as a “FSP”.
- 3.4 **General Code of Conduct:** The General Code of Conduct for Authorised Financial Services Providers and Representatives as published in Board Notice 80 of 2003.
- 3.5 **Key Individual:** A person responsible for overseeing and managing the activities related to the rendering of any financial services on the part of appointed representatives.
- 3.6 **Prime CIS:** Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd.

- 3.7 **Representative:** Any person, as defined by the Financial Advisory and Intermediary Services Act, who renders a financial service to a client on behalf of a licenced Financial Services Provider by means of an employment contract or mandate.

4. GROUP OBJECTIVES

- 4.1 The FSPs within the Group are authorised category I, II and III Financial Services Providers and Prime CIS is a duly registered and appointed as a Manager of Collective Investment schemes in Securities in terms of the Collective Investments Schemes Control Act.
- 4.2 Like any FSP or CIS Manager, the Group companies (including any Associates acting as a duly authorised FSP) are potentially exposed to Conflicts of Interest in relation to various activities.
- 4.3 However, the protection of clients' interests is the primary concern of both the Group and its Associates, and as such, the policy sets out how:
- 4.3.1 The Group and its Associates will identify circumstances which may give rise to actual or potential Conflicts of Interest, entailing a material risk of damage to clients' interests;
- 4.3.2 The Group and its Associates have established appropriate structures and systems to manage those conflicts; and
- 4.3.3 The Group and its Associates will maintain systems in an effort to prevent damage to clients' interests through identified Conflicts of Interest.

5. CONFLICT OF INTEREST

- 5.1 The Group and its Associates strive towards ensuring they are able to appropriately and effectively identify and manage potential conflicts.
- 5.2 The Group and its Associates may manage potential conflicts through avoidance, establishing confidentiality barriers and by providing appropriate disclosure of the conflict to affected clients.
- 5.3 In determining whether there is or may be a Conflict of Interest to which the policy applies, the Group and its Associates will consider whether there is a material risk of damage to the client, taking into account whether the Group, its Associates or an authorised Representative or employee: -
- 5.3.1 Is likely to make financial gain, or avoid a financial loss, at the expense of the client;
- 5.3.2 Has an interest in the outcome of a service provided to the client, which is distinct from the client's interest in that outcome;
- 5.3.3 Has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client; and
- 5.3.4 Receives, or will receive, from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or service, other than the legislated commission or reasonable fee for that service.

6. COMPLIANCE

- 6.1 The Group's Compliance function is established as part of its risk management framework.
- 6.2 It is the responsibility of all employees and Representatives of the Group and its Associates to maintain the good name and standing of the Group and its Associates by conducting themselves professionally and in accordance with all rules, regulations and legislation which govern the Group and its Associates as a whole.
- 6.3 Compliance with all rules, regulations and legislation is the individual responsibility of each employee. Each employee and or Representative must accept personal responsibility for behaving correctly and in accordance with this policy. Likewise, each employee and Representative is obliged to stop or prevent any actions that are contrary to the content of this policy and which could damage or harm either the Group and/or its Associates.
- 6.4 Non-compliance with this policy will be subject to disciplinary procedures and necessary action will be taken against the offending employees and Representatives. This may result in the debarment and/or dismissal of the employees and Representatives.
- 6.5 Avoidance, limitation or circumvention of this policy through whatever means will also be seen as non-compliance.

7. MEASURES AIMED AT AVOIDING OR MITIGATING CONFLICT OF INTEREST

- 7.1 The Group and Associate employees and Representatives should avoid engaging in activities which will result in a Conflict of Interest.
- 7.2 If a Group or an Associate employee and/or Representative realise that there is a potential or actual Conflict of Interest, the employee and/or Representative must, timeously and fully disclose any such potential or actual existence of a conflict to the Group and its Associates by making a report to their immediate superior.
- 7.3 Should the immediate superior be related in any way to the suspected Conflict of Interest, the employee is to make the report directly to management. This will enable the Group and its Associates to decide whether or not to engage with the employee/transgressor in question.
- 7.4 The Group or Associate employees and Representatives who are faced by what is clearly a Conflict of Interest situation, must desist from continuing with any participation in such a situation or activity.
- 7.5 Should any employee and or Representative not be certain about an intended transaction of theirs being a possible transgression of this policy, the employee must approach the Group's Compliance Department, who will evaluate the intended transaction and give guidance.
- 7.6 Specific monetary measures should be focused on the following:
 - 7.6.1 Commissions authorised in terms of applicable legislation;
 - 7.6.2 Fees authorised in terms of applicable legislation, or fees or remuneration for services rendered to a third party (if those fees are reasonably commensurate to the service being rendered);

- 7.6.3 Fees for the rendering of a service in respect of which commission or fees above is not paid, if those fees are specifically agreed to by a client in writing and may be stopped at discretion of the client;
 - 7.6.4 A limited immaterial financial interest as defined; and
 - 7.6.5 A financial interest for a consideration or fair value that is reasonably commensurate to the value of the financial interest that is paid by the provider or Representative at time of receipt thereof.
- 7.7 The Group and its Associates will not offer any financial interest to any Representative for:
- 7.7.1 Giving preference to the quantity of business secured for the provider to the exclusion of quality service;
 - 7.7.2 Giving preference to a specific product supplier where more than one supplier can be recommended to a client;
 - 7.7.3 Giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.
- 7.8 The measures the Group and its Associates have adopted to manage identified conflicts are considered to be appropriate, given the current efforts of both the Group and its Associates to act impartially and avoid materially harming a client's interest when managing Conflicts of Interest. Further information on the measures in question is detailed below:
- 7.8.1. **Procedures:**

The Group and its Associates have adopted appropriate procedures throughout the business structure to manage potential Conflicts of Interest. Representatives, and employees receive guidance and training in these procedures and they are subject to monitoring and review processes. There are specific measures and consequences in place for non-compliance with the Conflict of Interest policy.
 - 7.8.2. **Confidentiality:**

The Group and Associates' Representatives and employees respect the confidentiality of client information and as such, no such information may be disclosed to a third party without the written consent of a client.
 - 7.8.3. **Monitoring:**

The Key Individual or compliance officer in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters. The policy shall be reviewed on an annual basis.
 - 7.8.4. **Disclosure:**

Where there is no other way of managing a conflict, or where the current measures do not sufficiently protect clients' interests, the conflict must be disclosed to the affected client(s). This will allow affected clients to make an informed decision on whether to continue using the services of the Group and its Associates, given the current situation. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will also be disclosed to affected clients.
 - 7.8.5. **Publication:**

The Group and its Associates will publish the Conflict of Interest management policy in

appropriate media and ensure that it is easily accessible for public inspection at all reasonable times.

7.8.6. Report:

The FSP, compliance officer or Key Individual will include a report on the Conflict of Interest management policy in the annual and bi-annual FAIS compliance reports submitted to the Registrar.

8. MANAGEMENT MEASURES

- 8.1 The Group and its Associates will create awareness and knowledge of applicable stipulations as contained in the General Code of Conduct and other relevant legislation relating to Conflicts of Interest. Such awareness and knowledge shall be made available through training and educational material.
- 8.2 The Group and its Associates will ensure that this policy is understood and that all Conflict of Interest management measures will be adopted by all Group and Associate directors, Representatives and employees.
- 8.3 The Group and its Associates will conduct regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance.

9. GROUP ENTITY RELATIONSHIPS

- 9.1 Please refer to the latest version of the Group's organogram, available on request from the Corporate Governance department.

10. GROUP OWNERSHIP INTERESTS IN THIRD PARTIES

- 10.1 Please refer to the latest version of the Group's organogram, available on request from the Corporate Governance department.

11. THIRD PARTIES WITH OWNERSHIP INTEREST IN THE GROUP

- 11.1 Please refer to the latest version of the Group's organogram, available on request from the Corporate Governance department.

ANNEXURE 1: OWNERSHIP, APPROVAL & REVISION HISTORY

POLICY OWNER

The Conflict of Interest Management Policy is owned by the Corporate Governance Department who maintains the document through consultation with and the assistance of the Compliance Department.

POLICY APPROVAL

The policy document was approved by the Board of Directors on the 16th of March 2020 during Board meeting proceedings.

POLICY REVISION

Detailed below is a list of policy versions and the changes/amendments/additions made to the policy with each new version:

DATE	VERSION	CHANGES
Aug 2014	1.0	"Internal Complaints Resolution" policy established.
Aug 2014	1.1	<ul style="list-style-type: none"> - Inclusion of Global Nominees in Group structure - Inclusion of Prime CIS in Group structure - "Introduction" has been amended - Point 2.1 amended to include reference to FSP categories - "List of Associates" compiled - "3rd Parties with Ownership Interest in Provider" compiled
Aug 2015	1.2	<ul style="list-style-type: none"> - Inclusion of Prime Alternative Investments (Pty) Ltd in Group structure - Inclusion of Retirement Funds in Group structure
Aug 2015	1.3	<ul style="list-style-type: none"> - Inclusion of PAI Holdings and Prime Asset Management (Pty) Ltd in Group structure. - GAA's name is changed to Ascent Capital (Pty) Ltd.
Nov 2015	1.4	<ul style="list-style-type: none"> - Removal of the Unclaimed Retirement Funds from the Group structure. - "List of Associates" updated to reflect new Group structure - Inclusion of Annexure A: Revision History
Jan 2016	1.5	- Third Parties with Ownership Interest in Provider table updated to include SE Peters Family Trust, Prime Financial Services and C.V Sampson.
Feb 2016	1.6	<ul style="list-style-type: none"> - "List of Associates" updated. - "Third Parties with Ownership Interest in Provider" updated.
Aug 2016	1.7	<ul style="list-style-type: none"> - Global Employee Benefits (Pty) Ltd included in Group structure. - Inclusion of "Associates" in Group Structure. Policy reworded to make reference to both the Group and Associates where applicable. - Group structure amended to refer to "Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd" and "Prime Alternative Investments (RF) (Pty) Ltd". - Header formatting. - Point 5.2 amended to include the following: ". Should the direct superior be related in any way to the suspected Conflict of Interest, the employee is to make the report to management instead" - Point 5.7 "Monitoring" amended – typo removed. - Point 5.7 "Declining to Act" removed. - "List of Associates" amended to "Group Entity Relationships" and updated. - "Third Parties with Ownership Interest in Provider" updated.
Feb 2017	1.8	<ul style="list-style-type: none"> - Due to shareholding changes, Ascent Capital (Pty) Ltd. is now categorised as an Associate Company. - "Group Entity Relationships" amended to refer to Ascent Capital (Pty) Ltd. as an Associate Company.

Aug 2017	1.9	<ul style="list-style-type: none"> - Global Financial Administrators (Pty) Ltd included in Group structure. - Global Investment Administrators (Pty) Ltd. included in Group structure. - Global Payroll Services (Pty) Ltd included in Group structure. - Numbering & format changes throughout document. - Section 7 updated in line with revised Group Structure. - Section 9 updated in line with revised Group Structure.
Nov 2017	1.10	<ul style="list-style-type: none"> - Format changes - Prime Real Estate (Pty) Ltd. included in Group structure. - Prime Trade Finance (RF) (Pty) Ltd included in Group structure. - Unclaimed Funds included in Group structure. - Orca Global Advisory (Pty) Ltd. included as an Associate. - Section 2: Definitions included - Section 8: Group Entity Relationships amended. - Section 10: Third Parties with Ownership in the Group amended. - Annexure A amended to Annexure 1.
Jan 2018	1.11	<ul style="list-style-type: none"> - Ascent Capital (Pty) Ltd reclassified as a Group company.
Apr 2018	1.12	<ul style="list-style-type: none"> - Group name amended to “Prime Financial Services Group” - Prime Trade Finance (RF) (Pty) Ltd removed from Group structure. - Mashamba Asset Managers (Pty) Ltd removed as an Associate company. - Orca Global Advisory (Pty) Ltd removed as an Associate company. - Section 2: Definitions updated - Section 8: Group Entity Relationships amended. - Section 10: Third Parties with Ownership in the Group amended. - Dormant companies removed from Group structure.
May 2019	1.13	<ul style="list-style-type: none"> - Group Entity Relationships updated. - Third Parties with Ownership Interest in the Group updated.
Jun 2019	1.14	<ul style="list-style-type: none"> - Address updated. - Format changes. - Global Financial Administrators (Pty) Ltd. Removed from Group structure. - Umbrella Funds removed from Group structure.
Dec 2019	1.15	<ul style="list-style-type: none"> - New heading “Application of the Policy” updated. - List of applicable companies updated. - Section 9: Group Entity Relationships updated. - Section 10: Group Ownership Interests in Third Parties updated. - Section 11: Third Party Ownerships with Interests in the Group updated.