



# CONFLICT OF INTEREST MANAGEMENT POLICY

VERSION 1.16

THE PRIME FINANCIAL SERVICES GROUP  
28 PETER PLACE  
LYME PARK  
SANDTON  
2060



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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.

## 2. PURPOSE OF THE POLICY

- 2.1 The purpose of this document is to document the Group’s commitment to establishing and maintaining a Conflict of Interest Management Policy.
- 2.2 The Group 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 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, the compliance officer or the Key Individual who is responsible to monitor and manage Conflict of Interest on behalf of the Group.

## 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 and the client; and
- 3.2.2 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 the Group, and as such, the policy sets out how:
  - 4.3.1 The Group 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 has established appropriate structures and systems to manage those conflicts; and
  - 4.3.3 The Group 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 strives towards ensuring they are able to appropriately and effectively identify and manage potential conflicts.
- 5.2 The Group 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 will consider whether there is a material risk of damage to the client, taking into account whether the Group, 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. GIFTS

- 6.1 In dealing with customers, suppliers and intermediaries, the Group, does not encourage the excessive giving or receiving of gifts (i.e. gifts exceeding R1 000 in value), be they cash or other items.
- 6.2 In cases where gifts are received by the Group, such gifts are entered into a Gift Register as per the Group's Conflict of Interest policy. A template of the Gift Register can be found in [Annexure 1](#).
- 6.3 Appointed Group Representatives and Key Individuals are required to sign an annual declaration confirming that they have not received excessive gifts during the course of the year. Signed declarations will be kept by the compliance department.
- 6.4 A template of the Declaration of Immaterial Financial Interest can be found in [Annexure 2](#).

## 7. COMPLIANCE

- 7.1 The Group's Compliance function is established as part of its risk management framework.

- 7.2 It is the responsibility of all employees and Representatives of the Group to maintain the good name and standing of the Group by conducting themselves professionally and in accordance with all rules, regulations and legislation which govern the Group as a whole.
- 7.3 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 the Group.
- 7.4 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.
- 7.5 Avoidance, limitation or circumvention of this policy through whatever means will also be seen as non-compliance.

## **8. MEASURES AIMED AT AVOIDING OR MITIGATING CONFLICT OF INTEREST**

- 8.1 The Group employees and Representatives should avoid engaging in activities which will result in a Conflict of Interest.
- 8.2 If a Group 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 by making a report to their immediate superior.
- 8.3 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 to decide whether or not to engage with the employee/transgressor in question.
- 8.4 The Group 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.
- 8.5 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.
- 8.6 Specific monetary measures should be focused on the following:
  - 8.6.1 Commissions authorised in terms of applicable legislation;
  - 8.6.2 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);
  - 8.6.3 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;
  - 8.6.4 A limited immaterial financial interest as defined; and
  - 8.6.5 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.
- 8.7 The Group will not offer any financial interest to any Representative for:
  - 8.7.1 Giving preference to the quantity of business secured for the provider to the exclusion of quality service;

- 8.7.2 Giving preference to a specific product supplier where more than one supplier can be recommended to a client;
- 8.7.3 Giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.
- 8.8 The measures the Group have adopted to manage identified conflicts are considered to be appropriate, given the current efforts of the Group 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:
  - 8.8.1. **Procedures:**

The Group 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.
  - 8.8.2. **Confidentiality:**

The Group's 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.
  - 8.8.3. **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.
  - 8.8.4. **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, 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.
  - 8.8.5. **Publication:**

The Group 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.
  - 8.8.6. **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.

## 9. MANAGEMENT MEASURES

- 9.1 The Group 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.
- 9.2 The Group will ensure that this policy is understood and that all Conflict of Interest management measures will be adopted by all Group directors, Representatives and employees.
- 9.3 The Group will conduct regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance.

**10. GROUP ENTITY RELATIONSHIPS**

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

**11. GROUP OWNERSHIP INTERESTS IN THIRD PARTIES**

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

**12. THIRD PARTIES WITH OWNERSHIP INTEREST IN THE GROUP**

12.1 Please refer to the latest version of the Group’s organogram, available on request from the Corporate Governance department.

**ANNEXURE 1 – GIFT REGISTER TEMPLATE**

<b>GIFT REGISTER – Gifts, Benefits &amp; Hospitality Received</b>			
<b>Date of Receipt</b>	<b>Description of Gift</b>	<b>Person/Organization Offering Gift</b>	<b>Value of Gift</b>
			R -



## ANNEXURE 2 – DECLARATION OF IMMATERIAL FINANCIAL INTEREST

### Staff Declaration:

#### Immaterial Financial Interests (R1 000 Rule)

I, **(full name and surname of Employee)**, hereby confirm that I have not accepted any financial interest exceeding a monetary value of R1,000 in the last calendar year from any one product supplier or from any other third party, as defined in the General Code of Conduct.

#### I hereby confirm the following:

1. I understand that the receipt of any financial interest can give rise to a conflict of interest that may be prejudicial to the Group.
2. I fully understand that I must disclose the receipt of any financial interests to the management of the Group who will evaluate the nature of the financial interest and decide on a course of action which may include the return of the Reward to the sender.
3. I understand that the failure to follow the above conflicts procedures could compromise the integrity and reputation of the Group.

I acknowledge that I understand the above declaration and realise that failure to comply with the relevant internal procedures could after due process, lead to disciplinary steps and possibly, the termination of my employment and or debarment.

Signed at..... on .....20....

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**[Employee Signature]**

## ANNEXURE 3: 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 reviewed and approved by the Group’s Risk and Audit Committee on the 26th of May 2023 and formally ratified by management at the next board meeting of the holding company, Prime Financial Services (Pty) Ltd.

### 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"> <li>- Inclusion of Global Nominees in Group structure</li> <li>- Inclusion of Prime CIS in Group structure</li> <li>- “Introduction” has been amended</li> <li>- Point 2.1 amended to include reference to FSP categories</li> <li>- “List of Associates” compiled</li> <li>- “3<sup>rd</sup> Parties with Ownership Interest in Provider” compiled</li> </ul>
Aug 2015	1.2	<ul style="list-style-type: none"> <li>- Inclusion of Prime Alternative Investments (Pty) Ltd in Group structure</li> <li>- Inclusion of Retirement Funds in Group structure</li> </ul>
Aug 2015	1.3	<ul style="list-style-type: none"> <li>- Inclusion of PAI Holdings and Prime Asset Management (Pty) Ltd in Group structure.</li> <li>- GAA’s name is changed to Ascent Capital (Pty) Ltd.</li> </ul>
Nov 2015	1.4	<ul style="list-style-type: none"> <li>- Removal of the Unclaimed Retirement Funds from the Group structure.</li> <li>- “List of Associates” updated to reflect new Group structure</li> <li>- Inclusion of Annexure A: Revision History</li> </ul>
Jan 2016	1.5	<ul style="list-style-type: none"> <li>- Third Parties with Ownership Interest in Provider table updated to include SE Peters Family Trust, Prime Financial Services and C.V Sampson.</li> </ul>
Feb 2016	1.6	<ul style="list-style-type: none"> <li>- “List of Associates” updated.</li> <li>- “Third Parties with Ownership Interest in Provider” updated.</li> </ul>
Aug 2016	1.7	<ul style="list-style-type: none"> <li>- Global Employee Benefits (Pty) Ltd included in Group structure.</li> <li>- Inclusion of “Associates” in Group Structure. Policy reworded to make reference to both the Group and Associates where applicable.</li> <li>- Group structure amended to refer to “Prime Collective Investment Schemes Management Company (RF) (Pty) Ltd” and “Prime Alternative Investments (RF) (Pty) Ltd”.</li> <li>- Header formatting.</li> <li>- 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”</li> <li>- Point 5.7 “Monitoring” amended – typo removed.</li> <li>- Point 5.7 “Declining to Act” removed.</li> <li>- “List of Associates” amended to “Group Entity Relationships” and updated.</li> <li>- “Third Parties with Ownership Interest in Provider” updated.</li> </ul>
Feb 2017	1.8	<ul style="list-style-type: none"> <li>- Due to shareholding changes, Ascent Capital (Pty) Ltd. is now categorised as an Associate Company.</li> <li>- “Group Entity Relationships” amended to refer to Ascent Capital (Pty) Ltd. as an Associate Company.</li> </ul>
Aug 2017	1.9	<ul style="list-style-type: none"> <li>- Global Financial Administrators (Pty) Ltd included in Group structure.</li> </ul>

		<ul style="list-style-type: none"> <li>- Global Investment Administrators (Pty) Ltd. included in Group structure.</li> <li>- Global Payroll Services (Pty) Ltd included in Group structure.</li> <li>- Numbering &amp; format changes throughout document.</li> <li>- Section 7 updated in line with revised Group Structure.</li> <li>- Section 9 updated in line with revised Group Structure.</li> </ul>
Nov 2017	1.10	<ul style="list-style-type: none"> <li>- Format changes</li> <li>- Prime Real Estate (Pty) Ltd. included in Group structure.</li> <li>- Prime Trade Finance (RF) (Pty) Ltd included in Group structure.</li> <li>- Unclaimed Funds included in Group structure.</li> <li>- Orca Global Advisory (Pty) Ltd. included as an Associate.</li> <li>- Section 2: Definitions included</li> <li>- Section 8: Group Entity Relationships amended.</li> <li>- Section 10: Third Parties with Ownership in the Group amended.</li> <li>- Annexure A amended to Annexure 1.</li> </ul>
Jan 2018	1.11	<ul style="list-style-type: none"> <li>- Ascent Capital (Pty) Ltd reclassified as a Group company.</li> </ul>
Apr 2018	1.12	<ul style="list-style-type: none"> <li>- Group name amended to “Prime Financial Services Group”</li> <li>- Prime Trade Finance (RF) (Pty) Ltd removed from Group structure.</li> <li>- Mashamba Asset Managers (Pty) Ltd removed as an Associate company.</li> <li>- Orca Global Advisory (Pty) Ltd removed as an Associate company.</li> <li>- Section 2: Definitions updated</li> <li>- Section 8: Group Entity Relationships amended.</li> <li>- Section 10: Third Parties with Ownership in the Group amended.</li> <li>- Dormant companies removed from Group structure.</li> </ul>
May 2019	1.13	<ul style="list-style-type: none"> <li>- Group Entity Relationships updated.</li> <li>- Third Parties with Ownership Interest in the Group updated.</li> </ul>
Jun 2019	1.14	<ul style="list-style-type: none"> <li>- Address updated.</li> <li>- Format changes.</li> <li>- Global Financial Administrators (Pty) Ltd. Removed from Group structure.</li> <li>- Umbrella Funds removed from Group structure.</li> </ul>
Dec 2019	1.15	<ul style="list-style-type: none"> <li>- New heading “Application of the Policy” updated.</li> <li>- List of applicable companies updated.</li> <li>- Section 9: Group Entity Relationships updated.</li> <li>- Section 10: Group Ownership Interests in Third Parties updated.</li> <li>- Section 11: Third Party Ownerships with Interests in the Group updated.</li> </ul>
Mar 2023	1.16	<ul style="list-style-type: none"> <li>- Formatting amendments.</li> <li>- Section 6: Gifts included from the Code of Ethics policy alongside Annexures 1 &amp; 2.</li> </ul>