

# Conflict of Interest Management Policy Group

Registered Financial Advice Proprietary Limited ("RFAdvice")  
RFAdvice Protection & Purgo Capital (collectively referred to as the "Group")

## I. Purpose and GROUP Policy

The following Financial Services Provider ("GROUP") has adopted this combined and overarching, Conflict of interest management plan, pursuant to the Financial Advisory & Intermediary Services Act, 2002 (with amendments) and the General Code of Conduct for Financial Services Providers & Representatives, 2008 (with amendments).

Name of GROUP & GROUP No:	Registration No:	Physical Address:	Contact No:	Contact Person
Registered Financial Advice t/a RFAdvice (GROUP) 47692,	2016/333846/07	SureStore Business Park, 70 Carmine Drive, Burgundy Estate, Cape Town, 7441	021 558 6850	Johann Strauss or Marthinus Strauss
Purgo Capital 55460,	2025/529969/07			
RFAdvice Protection 7108	2022/549981/07			

Sign off Signature of Key Individuals:

Mr. JF Strauss

Mr. MD Strauss

## Definitions

### "Associate"

In relation to a natural person, an associate is:

- Someone who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that natural person
- A child of that natural person, including a stepchild, adopted child and a child born out of wedlock
- A parent or stepparent of that natural person
- Someone who is recognised in law or appointed by a court as the individual legally responsible for managing the affairs of that natural person or meeting the daily care needs of that natural person
- The spouse, life partner or civil union partner of a person referred to in above, and
- Someone who is in a commercial partnership with that natural person
- In relation to a juristic person, an associate is:
  - In the case of a company – any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary
  - In the case of a close corporation registered under the Close Corporations Act (No 69 of 1984) – any member of the close corporation as defined in section 1 of that Act
  - In the case of an entity that is not a company or a close corporation, as described above – another juristic person that would have been a subsidiary or holding company of the first-mentioned

**"Director"** means a member of the Board of a company within the RFAdvice Group or an alternate director. This includes any person occupying the position of a director or alternate director, even if such a position is called something else

### "Distribution channel" refers to:

- Any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in which the providers receive support or services when they render financial services to a client
- Any arrangement between two or more providers or any of their associates in which the arrangement facilitates, supports or enhances a relationship between the providers and a product supplier
- Any arrangement between two or more product suppliers or any of their associates in which the arrangement facilitates, supports or enhances a relationship between the product suppliers

**"Employees"** include any full-time, temporary, contract, outsourced, suspended or absent employees, partners or agents, as well as any representatives on any of The Group's licenses

**"Financial interest"** means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration. A qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity

This excludes:

- An ownership interest
- Training that is not exclusively available to a select group of providers or representatives, if the training is on:
  - Products and legal matters relating to those products
  - General financial and industry information
  - Specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training
  - A qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity

**"Holding Company"** has the meaning assigned to it in the companies Act, 2008

**"Immaterial financial interest"** means any financial interest with a determinable monetary value. The total value received from the same third party should not exceed R1 000 in any calendar year and includes loyalty benefit (cash or premium back bonus) that is directly or indirectly provided or made available to a client by a provider or a product supplier or an associate of the provider or product supplier, which benefit is wholly or partially contingent on:

- I. The financial product with that provider of product supplier remaining in place
- II. The client continuing to utilise a financial service of that provider or product supplier
- III. The client increasing any benefit to be provided under financial product; or
- IV. The client entering into any other financial product or benefit or utilising any related services offered by that provider, product supplier or their associates

**"Key individual"** means a person registered as such in terms of the FAIS Act to oversee and manage the business or representatives of The Group

**"Ownership interest"** means:

- Any equity or proprietary interest for which the owner paid fair value at the time of acquisition. It excludes equity or a proprietary interest the owner holds as an approved nominee on behalf of another person
- Any dividend, profit share or similar benefit derived from that equity or ownership interest

**"Representative"** means any person who renders a financial service to a client, for or on behalf of The Group, in line with the FAIS Act. This applies to services in terms of a client's conditions of employment or any other mandate

**"Third party"** means:

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

**"Trading partners"** are any third parties:

- With whom FSP has a business relationship
- With whom a business relationship is being considered
- With whom a business relationship is in the process of being finalised.

This includes service providers, suppliers, contractors, providers and partners. It also includes any party to a business relationship with The Group

**"Significant Owner"** means a person is a significant owner of a financial institution if the person directly or indirectly alone or together with a related or inter-related person has the ability to control or influence materially the business or strategy of the financial institution, as per section 157(1)(2) of the Financial Sector Regulation Act, 2017

**"White Labelling"** refers to the marketing of or offering a specific financial product of a product supplier wholly or partially under the brand of another person who is not the product supplier, in terms of the arrangement between product supplier and that other person

## Introduction

The management of the RFAAdvice Group is committed to doing business in an honest and ethical manner. Management also recognises the need to make sure that all business relationships within RFAAdvice Group are founded on professional principles and that the relationships are kept at arm's length.

As a general rule, conflicts of interest must be avoided at all times. Where it is impossible to avoid a conflict of interest, the conflict must be disclosed to the appropriate persons and managed in accordance with this policy.

Management further recognises its obligation to see to it that appropriate controls and procedures are implemented within The Group. These controls and procedures will help The Group meet the regulatory requirements both in South Africa and internationally.

## Purpose

The purpose of this policy is to provide a framework that sets out the mechanisms used to prevent conflict of interest as far as reasonably possible. Where conflicts are unavoidable, the policy also provides guidelines on how to deal with the conflicts in an ethical and responsible manner.

## Scope

Our Conflict of Management Policy applies to the following FSP's, and their representatives within the group and where management has control and includes all executive and non-executive directors, if applicable.

REGISTERED FINANCIAL ADVICE PROPRIETARY  
LIMITED trading as RFAADVICE

PURGO CAPITAL

RFAADVICE PROTECTION

If applicable, an entity within the RFAAdvice Group may elect to have its own policy in respect of conflicts of interest, provided that that policy is consistent with this policy and that the required procedures are in place. Management of the Group must approve any deviation from this policy.

## What is a Conflict?

A conflict of interest occurs when there is a direct or indirect conflict, in fact or in appearance, between the interests of a person and the interests of the RFAAdvice Group. It applies to financial, economic and other interests in any opportunity from which the RFAAdvice Group may benefit, or which may be to the detriment of the RFAAdvice Group, including the use of The Group's confidential information.

In relation to the rendering of a financial services to a client, conflict of interest is any situation in which a provider or a representative has an actual or potential interest that may:

- Influence the objective performance of the provider or representative's obligations to that client
- Prevent a provider or representative from rendering an unbiased and fair financial service to that client
- Prevent a provider or representative from acting in the interests of that client. Such interests include, but are not limited to:
  - I. A financial interest
  - II. An ownership interest
  - III. Any relationship with a third party.

Actual conflict arises in situations where financial considerations or other personal or professional considerations compromise an individual's objectivity, judgment, integrity, and/or ability to fulfil his or her responsibilities to the RFAAdvice Group and his or her actions could lead to compromising the RFAAdvice Group in any way.

Apparent (or perceived) conflicts are situations or relationships that could reasonably appear to other parties to involve a conflict of interest. Apparent conflicts exist in situations where a person has financial interests, personal relationships or associations with an external entity, individual or organisation, such that the person's activities within the RFAAdvice Group could appear to be biased.

This applies to the following people:

- Executive / Non-Executive Management
- Representatives

Potential conflicts refer to situations that do not necessarily constitute or appear to constitute a conflict of interest, but where there is a reasonable possibility of an actual or apparent conflict of interest arising in the near future. Any reference to a conflict of interest in this policy includes an apparent or potential conflict of interest.

## Permitted Financial Interest

RFAAdvice may only receive the following financial interests:

- Commission authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998)
- Fees authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998), if those fees are commensurate to a service being rendered
- Fees charged for a financial service and for which the commission referred to above is not paid, if those fees:
  - i The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representatives in exchange for the fees are specifically agreed to by the client in writing
  - ii Those fees may be stopped at the discretion of the client
  - iii Fees or remuneration for a service to a third party is reasonable compensation for that service
  - iv Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are commensurate to the service being rendered.

Any other financial interest in cash or cash equivalent is not permitted. Details of all immaterial financial interests (gifts) received must be declared to the Management.

## Non-permitted Financial Interest

A provider may not offer any financial interest to a representative of that provider for:

- That is determined with reference, giving preference to the quantity of business secured for the provider without giving due regard to the exclusion of the quality of the service rendered to delivery of firm outcomes for clients
- For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client, or
- For giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.

It is specifically recorded that the only financial interests that any representative or key individual of the RFAAdvice Group will be entitled to is the remuneration disclosed in each employee's service contract. The RFAAdvice Group must ensure that it will only recommend the in-house solutions where this is in the interests of the client.

### GIFTS RECEIVED AND OR PROVIDED

All FSP employees are prohibited from soliciting, accepting or receiving any gifts, directly or indirectly other than in terms of the procedures prescribed in this policy.

#### Specifically prohibited gifts

1. All travel at the expense of anyone other than FSP,
2. The acceptance or receipt of cash, or equivalent procedure for the acceptance and receipt of gifts:

Only gifts with a value of less than R1000 may be received or accepted by an employee whilst acting in his or her capacity as an employee of FSP.

### When accepting or receiving such gifts the following conditions apply:

1. The employee must disclose the acceptance or receipt of any gift, within 30 days, in the gift register, attached hereto.
2. An employee may not accept or receive more than one gift in any given three-month period.
3. A gift of less than R150 in value need not be declared provided acceptance of such gift does not impair the independence or objectivity of the employee acting in his capacity as an employee of FSP.
4. The acceptance or receipt of a gift may not take place in circumstances that amount to corruption.

### Special Considerations:

Should it be deemed impractical, inappropriate or insulting to refuse to accept or receive a gift that has been offered, an employee may accept the gift, with the proviso that the employee disclose the acceptance or receipt of any gift within 30 days.

### Conditions for giving of gifts

Gifts may only be given by an employee, whilst acting in his or her capacity as an employee of FSP, to suppliers, clients or third parties under the following conditions;

- The employee must disclose the giving of any gift involving a monetary value of R2500.00 or more, within 30 days
- An employee may not give more than one gift to the same recipient within any three-month period.
- The giving of a gift may not take place in circumstances which amount to a conflict of interest on the part of any employee (refer to the FSP Conflict of Interest Policy)
- The giving of the gift may not take place in circumstances that amount to corruption, nor may an employee give a gift where it may amount to the exertion of undue influence in order to obtain business on behalf of FSP .

### PERSONAL ACCOUNT TRADING

Partners, Directors and Employees of the Group will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to ensure that such information is strictly safeguarded.

This information - whether it is on behalf of the Group, its Subsidiaries, any of its Clients or Product Suppliers - could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods.

Proprietary, confidential and sensitive business information about this Group, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

Misuse of material, inside information in connection with trading in the Holding Company's securities can expose an individual to civil liability and penalties. Under current legislation, Directors, Partners, and Employees in possession of material information not available to the public are "insiders." Spouses, friends, suppliers, brokers, and others outside the Group who may have acquired the information directly or indirectly from a Partner, Director, or Employee are also "insiders." The Act prohibits insiders from trading in, or recommending the sale or purchase of, the Holding Company's securities, while such inside information is regarded as "material", or if it is important enough to influence you or any other person in the purchase or sale of securities of any company with which we do business, which could be affected by the inside information.

#### 1 Personal Account Trading Rules for Employees of Participants in the Financial Markets

- Until the material information has been publicly released by the Group, a Partner, Director and an employee must not disclose it to anyone except those within the Group whose positions require use of the information.
- Partners, Directors and Employees must not buy or sell the Holding Company's securities when they have knowledge of material

information concerning the Group until it has been disclosed to the public and the public has had sufficient time to absorb the information.

- Partners, Directors and Employees shall not buy or sell shares of another corporation, the value of which is likely to be affected by an action by the Company of which the Partner, Director and employee is aware and which has not been publicly disclosed.
- Partners, Directors and Employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.
- Partners, Directors and Employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner.
- The Partners, Directors and Employees of the Group will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

Application and sanction; these rules should be applied to all employees, including senior management and appropriate sanctions should be applied to any employee who transgresses these rules

- 2** Violation of this code can result in disciplinary action being taken against the person, including possible termination of services. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any such behaviour. The FSP has implemented the following resources and empowered senior staff who will be responsible for:
- a)** approval of all PA trades in financial instruments.
  - b)** Keeping of proper records of all such transactions.
  - c)** reporting to the compliance officer, audit committee, and the board of directors.
  - d)** reporting any material transgressions to the appropriate regulator.
  - e)** closing positions entered into in contravention of the rules.

All employees must obtain prior written approval prior to conducting personal account trades for themselves or connected persons. Such written approval must have an expiry and review date attached to it. In the application for prior written approval the employee must declare:

- a)** the intent of the transaction, stating whether the transaction is for speculative or for investment purposes.
- b)** the type of security.
- c)** the nature of the transaction, i.e. purchase or sale, quantity and proposed date and time, etc.
- d)** the broking firm through which the transaction will be executed (off-market trades in listed securities should be prohibited); and
- e)** the identity of the counterparty for unlisted securities.

### 3 Procedure

- a)** employees trading in personal account securities should do so through an appropriate and approved trading desk of the FSP or through an appointed, recognised and approved third party.
- b)** employees should not be allowed to conduct personal account trading through the same counter s/he is trading for client" or his/her employer within a specific period of time without the employer's express written consent. Such consent must be provided by the key individual who in conjunction with the compliance officer "reviews" the request.
- c)** employees may not request or accept any credit or special dealing facilities with external parties. It is further required that employees be compelled to hold their positions for at least thirty days Conditions of Employment; the rules and principles pertaining to personal account trading forms part of the Conditions of Employment of affected staff

## Approach to the Management of Conflict of Interest

- a.** A conflict of interest in respect of a client must be disclosed to that client in writing. This disclosure must include the following:
- What has been done to avoid or mitigate the conflict
  - Any ownership or financial interest that RFAAdvice or a representative may be eligible for or become eligible for
  - Details about any relationship with a third party that gives rise to conflict of interest. The details must be sufficient to enable the client to understand the exact nature of the relationship or arrangement and the extent of the conflict of interest.
- The representative shall disclose to the client the existence of any personal interest in the relevant service, or of any circumstance which gives rise to an actual or potential conflict of interest in relation to such service, and shall take all reasonable steps to ensure fair treatment of the client.
- b.** The representative undertakes to avoid and where this is not possible, mitigate any conflict of interest between the representative and the client.
- c.** The representative undertakes to disclose to the client in writing at the earliest reasonable opportunity:
- any conflict of interest in respect of that client, including the measures taken in accordance with the conflict management policy of the provider to avoid or mitigate the conflict;
  - any ownership or financial interest, other than an immaterial financial interest, that the employer 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 so as to enable the client to understand the exact nature of the relationship or arrangement and conflict of interest; and
- d.** The representative undertakes to inform the client of the employer's conflict of interest management policy and how it may be accessed.
- e.** The employee undertakes to adopt, maintain and implement a conflict of interest management policy and to provide the representative with appropriate training and educational material in this regard.
- f.** All key individuals and business executives within RFAAdvice are required to complete:
- A notification detailing any actual or perceived conflict situation that may arise from day-to-day operations. These notifications will be recorded on the relevant registers, together with an analysis of the implications of the situation to determine the most appropriate actions required to effectively manage the conflict
  - A notification detailing any immaterial financial interest received by a representative or a key individual. These notifications will be recorded and stored on the Gifts Register, and the implications of the situation will be analysed to determine the most appropriate actions required to effectively manage the conflict
  - A notification (with attendance registers) detailing any training that will be provided to representatives. These notifications will be recorded and the validity of the programme will be assessed
  - An annual Declaration of Interest Form, disclosing any association or relationship they may have with a third party and that may result in an actual or perceived conflict.
- g.** Awareness training provides management and staff with a greater understanding of the training requirements within the RFAAdvice Group.

## Compliance

Compliance will define procedures and controls to properly identify and manage potential conflicts of interest, as far as it relates to a conflict as defined by the FAIS Act.

## Financial Services Providers

The entities listed as The Group are responsible for maintaining the FAIS Conflict of Interest Register and the process of disclosure of interests. These entities must review the content of these registers every year.

## Employees

Employees must avoid conflicts of interest where they have an interest in or stand to benefit from any transaction to which The Group is also a party. This applies whether the employee has an interest or stands to benefit:

- Individually
- In association with their family members
- In association with business partners
- In relation to external or internal business interests.

Employees must disclose business interests that may be in conflict with the business of The Group. Non-disclosure of a conflict of interest will result in disciplinary action against the employee who failed to make the disclosure.

All employees must report a perceived or actual conflict of interest to their direct line manager or any senior manager in their business unit. If an employee cannot report the conflict to his or her line manager or a senior manager in their business unit, the employee may report the conflict to the Ethics Office.

All instances of non-compliance must be reported in line with the applicable whistleblowing policy and process.

## Compliance with this Policy

The Group views any non-compliance with this policy and any non-compliance with The Group's legal obligations in a serious light. If an employee or a representative takes any deliberate action to contravene this policy or to breach The Group's legal obligations, the employee or representative will be subject to disciplinary action.

All instances of non-compliance with this framework will be included in the regular compliance reporting processes.

## Key Individuals

Key individuals and line managers must do the following:

- Read and understand this policy, the processes and procedures outlined in this policy, and any other documents the policy refers to
- Report perceived or actual conflicts of interest to Group Compliance in accordance with the procedures defined by Group Compliance
- Report any instance of non-compliance with this policy to Group Compliance.

## List of Associates

Name	Nature of Conflict	Relationship
FSP RFAdvice	Associate: Arrangement between RFA in which the arrangement facilitates, supports or enhances a relationship between the providers and a product supplier.	Group Business
FSP RFAdvice Protection	Associate: Arrangement between associates in which the arrangement facilitates, supports or enhances a relationship between the providers and a product supplier	Group Business
FSP Purgo Capital	Associate: Arrangement between providers which the arrangement facilitates, supports or enhances a relationship between the providers and a product supplier	Group Business

## Third Party Ownership

Name	Nature of Interest	Relationship
None	None	RFAdvice, RFAdvice Protection and Purgo Capital are independently owned. With common shareholders and directors