

CONFLICT OF INTEREST POLICY

1. DEFINITIONS

- 1.1. **“Company”** means Wealth Refinery (Pty) Ltd with registration number 2024/328969/07 and FSP Number 54386;
- 1.2. **“Conflict of Interest”** means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client:
 - 1.2.1. Influence the objective performance of the provider or representative or its obligations to that client; or
 - 1.2.2. Prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client, including, but not limited to:
 - 1.2.2.1. a financial interest;
 - 1.2.2.2. an ownership interest; and
 - 1.2.2.3. any relationship with a third party.
- 1.3. **“FAIS GCOC”** means the General Code of Conduct issued in accordance with the Financial Advisory and Intermediary Services Act, 37 of 2002;
- 1.4. **“FAIS”** means the Financial Advisory and Intermediary Services Act, 37 of 2002;
- 1.5. **“Fair Value”** has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 71 of 2008;
- 1.6. **“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, other than:
 - 1.6.1. an ownership interest;
 - 1.6.2. training, that is not exclusively available to a selected group of providers or representatives, on:
 - 1.6.2.1. products and legal matters relating to those products;
 - 1.6.2.2. general financial and industry information;
 - 1.6.2.3. specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training;

- 1.7. **“Immaterial financial interest”** means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 in any calendar year from the same third party;
- 1.8. **“Third party”** means a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel and any other person who in terms of an agreement provides a financial interest to a provider or its representative; and
- 1.9. **“Policy”** means this Conflict of Interest Policy.

2. INTRODUCTION

- 2.1. The Company is committed to:
 - 2.1.1. recognise and effectively manage both real and perceived conflicts of interest that may arise;
 - 2.1.2. complying with the regulatory requirements governing conflicts of interest as described in FAIS and the FAIS GCOC;
 - 2.1.3. appropriately managing conflicts of interest in the vest interest of the Company, its customers, policyholders and any other stakeholders associated with the Company.

3. SCOPE

- 3.1. This Policy applies to all employees and/or contractors and all FAIS Representatives, including those under supervision, and the Key Individual(s) of the Company.

4. MANAGEMENT OF CONFLICT OF INEREST

- 4.1. **Mechanisms for the identification of Conflicts of Interest**
 - 4.1.1. Prior to concluding new business arrangements, the Company shall consider whether the proposed arrangement will present any potential conflict of interest.
 - 4.1.2. It will be the responsibility of each representative entering into the relationship on behalf of the Company to ensure that this identification process is carried out and appropriately documented before the relationship is progressed.

- 4.1.3. All Representatives will be accountable to ensure that the necessary reviews of all existing business arrangements are conducted at least annually to assess the ongoing conflict of interest in the light of changing circumstances, operational processes and procedures that may have been implemented since the commencement of the business.

4.2. **Measures for the avoidance and mitigation of identified Conflicts of Interest**

- 4.2.1. Whenever any potential conflict of interest is identified, the Representative responsible for the relationship will notify the Key Individual and consider whether any practical means exist for avoiding such conflict of interest. Where this is not practical, the Representative will consult with the Company's Legal Counsel to devise appropriate and adequate measures to mitigate and manage the identified conflict of interest.
- 4.2.2. The resulting mitigating and managing measures will be documented and communicated to all staff involved in managing the relationship to ensure that the risk of the identified conflict of interest is appropriately managed by the affected business unit.

4.3. **Measures for the disclosure of Conflicts of Interest**

- 4.3.1. Wherever potential conflict of interest is identified, the Company or Representative concerned will ensure that appropriate communication regarding the following aspects is included in the disclosure information and documentation provided to potential customers purchasing products:
 - 4.3.1.1. The existence of the conflict of interest;
 - 4.3.1.2. A description of what the conflict is:
 - 4.3.1.2.1. its impact;
 - 4.3.1.2.2. the measures taken to mitigate and manage it; and
 - 4.3.1.2.3. the customer's free choice whether he wishes to continue with purchasing the product.

4.4. **Processes, procedures and internal controls to facilitate compliance**

- 4.4.1. Representatives will be required to ensure that the policy is implemented with their clients and the Company's Legal Counsel and will on an annual basis warrant to their Legal Counsel in writing that they have met their obligations under this policy and describe the steps taken to do so.
- 4.4.2. Training for all affected staff will be provided by the Company to ensure that they understand their responsibilities under this policy.
- 4.4.3. The Key Individual will monitor compliance with this Conflict of Interest Management policy and will perform the necessary reviews in consultation with the Legal Counsel to ensure that appropriate procedures and processes are in place and effective to comply with the policy.

5. FINANCIAL INTERESTS OFFERED TO REPRESENTATIVES

- 5.1. The Company or its representatives may only receive and offer the following financial interests:
 - 5.1.1. Commissions and fees for providing financial services authorised under the Long-Term Insurance Act, Short-Term Insurance Act, Medical Schemes Act, Insurance Act and its subordinate legislation;
 - 5.1.2. Broker fees agreed upon in writing by the client and for the provision of financial services. The Client has the right to terminate these fees at any time;
 - 5.1.3. Fees or remuneration for providing services to a product supplier, which must be reasonable and commensurate with the services rendered;
 - 5.1.4. Insignificant financial interest (not exceeding R1,000.00 per annum, per vendor) and limited to two gifts every six months from the same vendor;
- 5.2. All fees, commissions, and remuneration received or paid by Wealth Refinery, or its representatives must be documented and audited in accordance with the prescribed Company procedure.
- 5.3. Any insignificant financial interest received, such as gifts, must be disclosed and will be recorded in the Company's Gift Register.
- 5.4. The Company is prohibited from offering financial interest to its representatives or associates for and in respect of the following:

- 5.4.1. Prioritising the quantity of business obtained over the quality of service provided to a client;
- 5.4.2. Prioritising a product supplier when a representative may recommend multiple suppliers to a client; and
- 5.4.3. Prioritising a specific product from a supplier when a representative may recommend more than one product from that supplier.

6. MANAGEMENT ACTIONS

- 6.1. Upon receiving a disclosure of a conflict of interest, the Key Individual should assess the seriousness of the potential impact of the conflict and determine appropriate actions. The significance of the risk should be assessed based on the responsibilities of the disclosing party, as well as the nature and type of the declared direct or indirect interests. All conflicts of interest will be recorded and reported on, by the Key Individual on at least a quarterly basis.
- 6.2. The Executive Committee is responsible for reviewing and approving disclosures made by directors of the Company.
- 6.3. When addressing a disclosure of an actual, potential, or perceived conflict of interest, decision makers have three available options:
 - 6.3.1. Approve and permit the disclosed interest;
 - 6.3.2. Conditionally approve the disclosed interest; and
 - 6.3.3. Disallow the disclosed interest.
- 6.4. If the disclosed interest is determined not to constitute a conflict and does not pose any reputational, financial, regulatory, or conduct-related risks to the Company, the interest may be approved and allowed. Any decision made in respect of a conflict must be documented. In the case of an employee, the decision should also be recorded and reported on. The employee is responsible for promptly disclosing any changes in the nature of the interest, and the Key Individual should monitor the potential conflict risk.
- 6.5. There may be situations where conditional approval of a disclosed interest is justified. Conditional approval may be granted when the daily activities of the disclosing party present minimal conflict of interest risk and/or appropriate management measures have been put in place to mitigate the risk.
- 6.6. The conditions of the approval must be clearly documented and communicated. Individuals making the disclosure should not participate in any subsequent discussions or decisions regarding matters related to the disclosed interest.

- 6.7. Decisions related to disclosures should be documented and stored. For all other disclosures, the Key Individual is responsible for reviewing and approving, or not approving. Decisions made by the Key Individual regarding employee disclosures should be recorded.
- 6.8. Certain activities or private or personal interests may give rise to a conflict that poses an intolerable level of risk to the Company and must not be permitted. The decision and the rationale for prohibiting the continuation of the conflict must be clearly documented and conveyed to the individual who made the disclosure.
- 6.9. When a decision is made not to approve a disclosed conflict of interest, the individual should be granted a reasonable period to disengage from the conflict situation.
- 6.10. Annexure A provides examples of situations where conflicts of interest may present an intolerable risk, but this is not an exhaustive list. The Company may, from time to time, release guidance with additional scenarios. Such guidance should be read in conjunction with this policy and serve as supplemental information under this Policy.

7. REPORTING REQUIREMENTS

- 7.1. On a quarterly basis, the Key individual will present and report on the current state of conflict of interest management within the Company. This report will be submitted by the Key individual. It should cover various conflict categories (such as directorships, private ventures, family affiliations, and close friendships) and include the following details:
 - 7.1.1. A summary of the number of employees who have disclosed their interests;
 - 7.1.2. A summary of the number of conditional approvals granted and conflicts disallowed; and
 - 7.1.3. Identification of high-risk areas related to conflicts of interest.
- 7.2. The Key Individual bear the responsibility of ensuring that the disclosure and approval processes are applied consistently throughout the company.

8. NON-COMPLIANCE

- 8.1. Any non-compliance with this policy will be regarded as a serious transgression and may result in disciplinary action, including dismissal.

ANNEXURE A: PROHIBITED ACTIVITIES AND PRIVATE INTERESTS

Activities or private interests that are prohibited include, but are not limited to:

1. Discussing the performance or decisions that might influence the contracting of any third party (including suppliers, clients, or business partners) in which the employee or a family member holds a significant investment or from which they expect to gain financial benefits.
2. Utilising confidential information for personal gain or disclosing confidential information to third parties, whether for a fee or not, to assist them in entering into agreements with the Company
3. Exploiting non-public knowledge obtained during one's affiliation with the Company for personal advantage.
4. Using the Company's property for personal interests. This encompasses the use of software licensed to the Company for personal consulting work or use of communication networks in a manner that violates any policies or procedures of the Company.
5. Involvement in any external activities that compete with the business of the Company.
6. Approaching clients, suppliers, and/or business partners of the Company for personal purposes or establishing a personal business.

Document Control

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Review

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