

REGARDING CAPITAL MANAGEMENT (PTY) LTD CONFLICT OF INTEREST MANAGEMENT POLICY (PUBLIC)

Commencement date – April 2011

Revised - August 2014, December 2021

Regarding Capital Management Pty ('RCM')

RCM has been approved by the Financial Services Board as a financial services provider, License Number 18834, pursuant to the Financial Advisory and Intermediary Services Act 37,2002 commonly known as 'FAIS'

1 POLICY OVERVIEW

1.1 Policy Objective

The objective of this policy is to provide a framework with regards to the avoidance and management of conflicts of interest in RCM. This is primarily in order to:

- ensure that our clients are treated fairly and with due regard to their interests;
- ensure compliance with FAIS.

1.2 Scope and Application

This policy applies to RCM, as well as its representatives, applicable employees, contractors, temporary staff and executive directors (for purposes of this policy "RCM personnel").

1.3 Policy Statement

RCM places a high priority on its client's interests and recognises the importance of identifying, avoiding or managing any conflicts that may arise in the course of providing a financial service. RCM acknowledges that its client's interests take priority.

This policy highlights the following main principles.

Mechanisms for the identification of conflicts
Measures for avoidance or mitigation of conflicts
Measures for disclosure of conflicts
Processes, procedures and internal controls to facilitate compliance
Consequences of non-compliance
Basis on which Representatives qualify for a financial interest
List of Associates
Names of Third Parties in which RCM holds an Ownership Interest
Names of Third Parties that hold an Ownership Interest in RCM
Definitions

2 POLICY PRINCIPLES

2.1 Mechanisms for the Identification of Conflicts of Interest

RCM has identified potential areas of conflict and has established in-house policies and procedures to address the potential for an actual conflict of interest to arise.

2.2 Measures for Avoidance or Mitigation of Conflicts

As a fundamental principle, RCM and RCM personnel are required to avoid a conflict of interest in the first instance. Where this is not possible, the conflict must be mitigated.

In general terms, mitigation measures may include one or more of the following:

- a. the establishment of related policies, policy principles or procedures which would preclude RCM or RCM personnel from being able to receive or give a Financial Interest representing a conflict;
- b. segregation of duties;
- c. the establishment of information barriers such as Chinese walls;
- d. independent oversight / vetting;
- e. the need for RCM personnel to adhere to the related policies and procedures as part of the terms and conditions of employment, if applicable;
- f. confidentiality rules and undertakings;
- g. disclosure to the client;
- h. obtaining specific approval from the client;
- i. declining to provide the service.

2.3 Measures for Disclosure of Conflicts

In terms of FAIS, RCM and a representative must, in writing, at the earliest reasonable opportunity disclose to a client any conflict of interest in respect of that client, including –

- the measures taken in accordance with this policy to avoid or mitigate the conflict;
- any ownership interest or financial interest, other than an immaterial financial interest, that RCM 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 a client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest;
- the existence of this policy and how it may be accessed.

Where appropriate and / or possible, RCM will disclose conflicts and mitigation measures in the investment management agreements that it enters into with clients. In other instances, the conflict will be disclosed to the client in writing via a separate communication.

2.4 Processes, Procedures and Internal Controls to Facilitate Compliance

RCM personnel will be provided with annual in-house awareness training in respect of both the regulatory requirements and this policy. They are required to provide a declaration confirming that they have complied with the policy on an annual basis.

The compliance function will monitor compliance with this policy. Instances of non-compliance which are identified will be reported to management and directors

2.5 Consequences of Non-Compliance

Non-compliance with this policy and the procedures described in it may be considered to be misconduct and could potentially lead to disciplinary action .

Key individuals and representatives may be debarred if found guilty of misconduct. Non-compliance will be reported to the Registrar of Financial Services at the Financial Services Board.

2.6 Record Keeping

RCM will maintain a register of conflicts that are identified.

2.7 Basis on which Representatives Qualify for a Financial Interest

Employees of RCM receive remuneration in the form of a monthly salary and also participate in the RCM staff incentive scheme. None of them earn commission.

The Company does not incentivise employees based on quantity of business.

2.8 Policy Review

This policy will be reviewed as required. The legal and compliance function will be responsible for making and implementing any changes or updates to the policy.

2.9 List of Associates

Please see Annexure A for a list of associates as defined in Board Notice 58 of 2010 (see below).

2.10 Names of Third Parties in which RCM holds an Ownership Interest

Per Annexure B - Nil

2.11 Names of Third Parties that hold an Ownership Interest in RCM

Per Annexure C - Nil

3 REFERENCES

The following Board Notice issued by the Financial Services Board under FAIS is relevant to this policy.

Board Notice Number	Title
58 of 2010	Financial Advisory and Intermediary Services Act, 2002: Amendment of the General Code of Conduct for Authorised Financial Services Providers and Representatives



Annexure A: List of Associates

Name of Associate	Business Activity / Nature of Association
1) RECM Global Ltd	Holding company

Annexure B: Names of Third Parties in which RCM holds an Ownership Interest

Name of Third Party	Nature of Ownership Interest
Nil	Nil

Annexure C: Names of Third Parties that hold an Ownership Interest in RCM

Name of Third Party	Nature of Ownership Interest
Nil	Nil



Annexure D: DEFINITIONS

3.1 “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 –

- a. influence the objective performance of his/her/its obligations to that client; or
- b. prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client,
including, *but not limited to* -
 - i. a financial interest;
 - ii. an ownership interest;
 - iii. any relationship with a third party.;

3.2 “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 –

- a. an ownership interest
- b. training, that is not exclusively available to a selected group of providers or representatives, on –
 - i. products and legal matters relating to those products;
 - ii. general financial and industry information;
 - iii. specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.;

3.3 “Immaterial Financial Interest”

means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1000 in any calendar year from the same third party and in that calendar year received by –

- a. a provider who is a sole proprietor; or
- b. a representative for that representative’s direct benefit;
- c. a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.;

3.4 “Third Party”

means –

- a. a product supplier;
- b. another provider;
- c. an associate of a product supplier or a provider;
- d. a distribution channel; or
- e. any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.;

3.5 “Ownership Interest”

means –

- a. an 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; and
- b. includes any dividend, profit share or similar benefit derived from that equity or ownership interest.;

3.6 “RCM”

means Regarding Capital Management (Pty) Limited, FSP18834, in its capacity as a licensed Financial Services Provider in terms of the Financial Advisory and Intermediary Services Act 37, 2002.;