

Conflict of Interest Management Policy

1. Scope

The General Code of Conduct for Authorised Financial Services Providers and Representatives (“The Code”) issued under the Financial Advisory and Intermediary Services Act, 2000 (Act 37 of 2002) (“FAIS”), requires financial service providers to have a Conflict-of-Interest Management Policy to ensure that conflicts of interest are managed appropriately within the business.

This notion concerns Mazi Asset Management, all individuals working for Mazi Asset Management (employees, associates, service providers, etc.), and the Mazi Asset Management businesses (major shareholders, companies controlled by the Group, etc.).

2. Purpose

This purpose of this policy is to assist Mazi Asset Management and related individuals to identify potential and actual conflicts of interest and manage it appropriately.

It describes the procedures to be followed to ensure that conflict of interest situations do not cause Mazi Asset Management to act in contravention of the FAIS Act and General Code of Conduct which requires that a provider must always render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.

3. Background

A conflict-of-interest situation arises when a staff member(s) experiences a situation in which their own interest or the interests of Mazi Asset Management, or one of its associates in the exercise of its activities, are directly or indirectly in competition with, or may significantly prejudice a client’s interests.

Such a situation may, in the rendering of a financial service to a client,

- influence an individual in the objective performance of his, her or its obligations to that client
- 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

A conflicting interest may include, but are not limited to:

- a real or perceived financial gain resulting from recommendations to clients that may prejudice the client
- an outcome of service delivery or transaction that may not best serve the interests of the client
- non-cash incentives that may be received by the Company because of effecting any predetermined transaction and/ or product
- effecting a transaction and/ or product that may benefit a party other than the client

Conflicts of interest may be recognised (identified) or be potential or perceived (conceivable) and most often arise because of an actual or possible financial interest.

4. Policy

Mazi Asset Management is committed to avoiding and where this is not possible mitigating any conflict of interest that may arise between us, as a financial services provider, and our clients when rendering a financial service.

Where such a conflict of interest cannot be avoided the situation will be explained to the effected client(s).

5. Allowable Financial Interests

The following allowable financial interests must be disclosed to clients in writing before any transaction takes place:

- Fees as provided for in any applicable legislation, if these fees are reasonably commensurate to the service being offered.
- Fees for rendering a financial service which are not provided for in any legislation or regulations, provided the client has specifically agreed to fees in writing and has a discretion to stop them at any time.

The following allowable financial interests must be disclosed internally in the company's gift register:

- Promotional items (with a value of no more than R1000.00 per FAIS representative / key individual in any given year)
- Any other financial interest with a determinable monetary value not exceeding R1000.00 per FAIS representative / key individual in any given year

The following allowable financial interests must be disclosed internally in the company's conflicts of register and to affected clients:

- Ownership interest
- Directorships

The following allowable financial interests must be disclosed internally in the company's training register:

- Training that is not restricted to a selected group of providers and FAIS representatives on products and legalities thereof; general financial and industry information; specialised technological systems (of a third party) necessary for rendering a financial service.

6. Disallowed Financial Interests

The following financial interests are disallowed:

- Financial interest to a representative or to the provider for giving preference to a quantity of business to the exclusion of quality to the client, preference to a specific product supplier or preference to a specific product.
- Cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship and any other incentive or valuable consideration not mentioned above, including travel and accommodation associated with allowed training.
- Any financial interest other than allowable financial interests listed above with a determinable monetary value exceeding R1000.00 per FAIS representative / key individual in any given year.
- Training restricted to a selected group of providers and FAIS representatives on products and legalities thereof; general financial and industry information; specialised technological systems (of a third party) necessary for rendering a financial service.

Conflict of Interest Management Procedure

1. Measures for avoidance or mitigation of conflict of Interest and control measures

1.1 Reporting and record keeping

- Both a Gifts Register for allowable financial interests (Annexure A) and a Conflicts of Interest Register for Ownership interests, Directorships and Disallowed financial interests (Annexure B) have been implemented
- Siyabonga Mchunu will act as the custodian of both the Conflicts of Interest Register and the Gifts Register
- Each Representative has a duty to report any such an immaterial financial interest provided or received to the custodian of the Gifts Register (within a week of giving / receiving such a gift) who shall report to the Managing Director of the Company as soon as the aggregate financial interest given or received by any one representative from that product provider, or third party reaches R1 000.00 in that particular year

1.2 Key Individual Authorisation

- A financial interest with a monetary value of between R1000.01 and R10 000.00 constitutes a material conflict, and will prior to giving, or the acceptance of the financial interest, require the written consent of the relevant Director of Mazi Asset Management and must be recorded in the relevant Conflict of Interest register
- In exercising his discretion, the Director must consider:
 - this conflict-of-interest policy and the requirements for updating the register
 - any applicable legislation which may be breached by the receipt of such a gift or entertainment;
 - a written statement from the giver explaining the reason for and purpose of the entertainment or gift
 - the extent of the conflict;
 - the estimated direct financial impact that a particular situation or activity would have on the Company;
 - the effect that the financial interest is likely to have on the client;
- any applicable legislation which may be breached by the receipt of such a gift or foreign travel, hospitality, accommodation, sponsorship and any other incentive or valuable consideration not mentioned above, including travel and accommodation associated with allowed training

- Any financial interest other than allowable financial interests listed above with a determinable monetary value exceeding R1000.00 per FAIS representative / key individual in any given year
- Training restricted to a selected group of providers and FAIS representatives on products and legalities thereof; general financial and industry information; specialised technological systems (of a third party) necessary for rendering a financial service.

1.3 Annual Key Individual and Representatives

- All the Key Individuals and Representatives will be required to also complete the 'Conflicts of Interest Questionnaire' as provided for in Annexure C of this policy
- The conflict-of-interest register will be updated and reviewed by the Key Individual(s)
- If it has been established that a particular situation or activity gives rise to a conflict of interest, such a situation must be avoided
- If such a conflict of interest is inevitable it is the responsibility of the Director to ensure that the effect if the conflict is mitigated by disclosing the conflict of interest to the relevant client(s)

2. Further Reporting of Conflicts of Interest

All activities that resulted in conflict-of-interest situations must be reported to the company's compliance officer on a bi-annual basis.

2.1 Consequences of non-adherence

- Violation of this policy and procedures described herein will result in disciplinary action.

2.2 Training and awareness

- A copy of the policy will be provided to each staff member and representative, and updated versions will be circulated.
- All the Company's staff will be trained on this policy and related procedures. Clients will be made aware of the existence of this policy.

2.3 Review

- This policy shall be reviewed annually and any changes to this policy shall be communicated to all staff.