



10X YOUR FUTURE

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CONFLICT OF INTEREST MANAGEMENT POLICY

10X INVESTMENTS (PTY) LTD

Registration number: 2005/033587/07

FSP number: 28250



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1. INTRODUCTION

In terms of the General Code of Conduct for Authorised Financial Services Providers and Representatives Amendment Notice, 2010 (“Board Notice 58” or the “Notice”), published on 19 April 2010 under the Financial Advisory and Intermediary Services Act, 2002 (“FAIS Act”), every authorised financial services provider (“FSP”) (other than a Representative) must adopt, maintain, and implement a conflict of interest management policy that complies with the provisions of the Notice.

2. SCOPE OF APPLICATION

This Conflict of Interest Management Policy (“Policy”) applies to 10X Investments (Pty) Ltd, FSP No. 28250) (“10X” or “the “Company”) as well as all its employees, key individuals, representatives, associates, contractors, temporary staff, and its relationships with a third party.

3. PURPOSE

10X is committed to conducting its business in accordance with good business practice and to ensuring alignment between its values and the conduct of its people by safeguarding clients’ interests and ensuring the fair treatment of clients.

This Policy provides for the mechanisms in place to identify, manage, mitigate, disclose, and avoid existing and potential conflicts of interest to which 10X is a party to:

- ensure compliance with the FAIS Act; and the requirements of Board Notice 58 and
- avoid legal liability, penalties, fines, and reputational risk arising from any conflict of interest; and
- avoid any situation in which 10X has an actual or potential interest that may, while rendering a financial service to a client –
 - influence the objective performance of its obligations to that client; or
 - prevent it 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 –
 - a financial interest,



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- an ownership interest, or
- any relationship with a third party.

4. UNDERSTANDING CONFLICT OF INTEREST

4.1 WHEN IS IT A CONFLICT OF INTEREST?

A conflict of interest means any situation in which 10X or one of its representatives has an actual or potential interest that may, in rendering a financial service to its clients –

- influence the objective performance of obligations to that client; or
- prevents us from rendering an unbiased and fair financial service, or
- prevents us from acting in the interests of that client.

An “actual or potential interest” includes but is no limited to:

- A financial interest, which includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive, or valuable consideration which exceeds R1000 per calendar year.
- An ownership interest which means any equity or proprietary interest and any dividend, profit share or similar benefit derived from that equity or ownership interest.
- Any relationship with a third party or an associate of 10X. “Third party” refers to, inter alia, stockbrokers, institutional clients that are themselves FSPs, consultants, brokers, products supplier, associates of product suppliers.
- An immaterial financial Interest, which is 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 in that calendar year received by –
 - a provider who is a sole proprietor; or
 - a representative for that representative's direct benefit;



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- a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

4.2 WHAT TYPE OF INTEREST MAY BE RECEIVED?

10X and its representatives may only offer to and receive specific financial interests from a third party, which includes the following:

- “Other fees” specifically agreed to by the client and which can be stopped by the client at their discretion but only if agreed in writing with the client, including details of the amount, frequency, payment method and recipient of those fees, as well as the details of services to be provided in exchange for the fees.
- Fees or remuneration for services that were rendered to a third party.
- An immaterial financial interest.
- Any other financial interest not mentioned above for which a consideration, fair value or remuneration that is reasonably commensurate is paid by that provider or representative, at the time of receiving that financial interest.

4.3 BASIS FOR OFFERING AND RECEIVING FINANCIAL INTERESTS

The financial interest referred to in points 2, 3, and 4 above may only be offered or received by 10X or its representatives, if:

- The financial interests are proportionate (reasonably commensurate) to the service being rendered, considering the nature of the service, the resources, skills, and competencies that are reasonably required to perform it.
- The payment of those financial interests does not result in 10X, or representative being remunerated more than once for performing the same service.
- Any actual or potential conflicts between the interests of clients and the interests of the person receiving those financial interests are effectively mitigated; and
- The payment of those financial interests does not impede the delivery of fair outcomes to clients.



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4.4 FINANCIAL INTERESTS FOR 10X'S REPRESENTATIVES

10X may not offer any financial interest to its representatives –

- 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.
- For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client.
- That is determined with reference to the quantity of business, without also giving due regard to the delivery of fair outcomes for clients.

In relation to delivery of fair outcomes for clients, 10X must demonstrate that a determination of a representative's entitlement to a financial interest, considers measurable indicators, relating to the:

- Achievement of minimum service level standards in respect of clients
- Delivery of fair outcomes for clients; and
- Quality of the representative's compliance with the FAIS Act.

The measurable indicators are agreed in writing between 10X and its representative's, and sufficient weight is attached to such indicators to materially mitigate the risk of a representative giving preference to the quantity of business secured for 10X over the fair treatment of clients.

5. PROCESSES AND INTERNAL CONTROLS TO MANAGE CONFLICT OF INTEREST

5.1 Mechanisms for the identification of conflict of interest

To adequately manage conflict of interest, 10X must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which this Policy applies, 10X considers whether there is a material risk of unfair treatment or bias for the client, considering whether 10x or its representative, associate or employee:

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- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- 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;
- 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 services, other than the legislated commission or reasonable fee for that service.

All employees are responsible for identifying specific instances of conflict and are required to notify Compliance of any conflicts they become aware of. The Compliance Officer will assess the implications of the conflict and how the conflict should be managed, acting impartially to avoid a material risk of harming clients' interests.

10X has implemented the following mechanisms for the identification of conflicts of interest –

- (i) 10X employees are required to disclose the following annually:
 - Ownership interests held, e.g. any outside employment or other interests for whom remuneration is received as well as any directorships held. The aforesaid must be disclosed and approved by the 10X Human Resources. Disclosure of shares held in companies (both locally and internationally) is also required of employees;
 - Financial interests; and
 - Disclosure of ownership and financial interests is also required at every 10X board meeting.
- (ii) 10X's management and Compliance Officer are responsible, together with Regulatory Compliance, for determining which conflicts are likely to result in a material risk of damage or detriment to a client's interests.

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- (iii) Apart from managing conflicts of interest between itself and its clients, 10X will as soon as is reasonably possible, disclose the conflict to one or more clients in circumstances where this is merited.

5.2 Measures for the avoidance of conflict of interest and where avoidance is not possible, disclosure of therefore and measures to mitigate such conflict of interest

- Segregation of duties

Where the same employees carry out more than one key function within the trading area (e.g. execution, reconciliation, and settlement), controls that are considered adequate are implemented. Further, employees employed in regulatory oversight and review roles have no operational responsibilities.

- Training of employees on conflicts of interest, FAIS Act legislation and Company policies and procedures to identify, avoid and mitigate. Most of these policies and procedures form part of employees' terms and conditions of employment.
- Disclosure – conflicts of interest that are identified in the future will be included within appropriate mechanisms or systems in order to manage those conflicts. Where 10X considers that there are no other means of managing the conflict or where the measures in place do not sufficiently protect the client's interests, the specific conflict will be disclosed to enable the client to make an informed decision as to whether or not to continue with 10X's service in that particular situation.

5.3 Measures for the disclosure of conflict of interest

- Where appropriate and where determinable, 10X will disclose all monetary value of non-cash inducements to clients and will ensure that all clients are informed of the availability and accessibility of this Policy.
- Every authorised representative is required to complete a declaration form as and when they receive and/or offer a financial interest from/to third parties. The declaration form must be completed prior to receiving and/or offering any financial interest from/to third parties and must be submitted Compliance.

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- Key individuals and representatives are required to sign an annual declaration stating that he/she is fit and proper, as required under the FAIS Act, and are required to disclose whether or not he/she is currently conflicted or has been in a conflict situation and what measures were taken to avoid or mitigate the conflict of interest.
- All employees are required to maintain a register recording his/her ownership interests and financial interests. Approval is required from an employee's line manager and from Compliance to ensure that a financial interest received or offered complies with the Company's rules and that the correct procedures have been followed.
- All Representatives must disclose a conflict of interest to clients.
- 10X must maintain a gift register.

5.4 Receiving or offering financial interests which do not need to be disclosed and approved by the Compliance Officer

The following expenditure is not included in the R1 000 Immaterial Financial Interest limit and does therefore not have to be disclosed and recorded in the Immaterial Financial Interest register:

(i) Non-Exclusive Training:

- Training, that is not exclusively available to a selected group of FSPs or representatives, on –
 - products and legal matters relating to those products;
 - general financial and industry information; and
 - specialised technological systems of a third party necessary for the rendering of a financial service.
- Drinks and meals provided during the training session(s) are also excluded provided that same are not excessive in nature.

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- Note that travel, accommodation, gifts, and entertainment associated with the aforementioned training does not form part of the training exclusion and is subject to the R1 000 Immaterial Financial Interest limit.
- Road shows, industry conferences and product updates (including standard meals and drinks) - provided they are educational, market / product related. However, gifts, entertainment, travelling, and accommodation associated with the road shows and conferences are subject to the R1000 Immaterial Financial Interest limit.
- Conference sponsorships - provided that no drinks, meals, entertainment, or gifts are provided.

(ii) Where 10X or an employee pays for the financial interest, there is no prohibition.

5.5 Financial interests (offered or received) that need to be disclosed and approved and to which the Immaterial Financial Interest limit will apply

(i) Training

- Travel, accommodation, gifts and entertainment associated with that training will be subject to the R1 000 Immaterial Financial Interest limit.
- Training that is exclusively available to a selected group of FSPs or representatives.

(ii) Events

- Events, for example golf days, will be subject to the R1 000 Immaterial Financial Interest limit per representatives or FSP.

(iii) Entertainment

- Tickets to sporting events, shows, concerts and other similar entertainment will be subject to the R1 000 Immaterial Financial Interest limit.

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(iv) Gifts

- Gifts received and offered will subject to the R1 000 Immaterial Financial Interest limit.
- Gifts exceeding the R1 000 Immaterial Financial Interest limit may not be offered and, in the event that they are received, must be returned.
- Gifts that cannot be returned must be donated to charity.

5.6 Financial interests that may not be offered or accepted

- Cash irrespective of the amount involved.
- A financial interest exceeding R1 000 or a financial interest which will cause the R1 000 Immaterial Financial Interest limit in respect of a representative or third party to be exceeded. No “topping up” is allowed.

5.7 Accepting of Immaterial Financial Interests from third parties

The employee must:

- Obtain the Rand value or where this is not possible, an approximate Rand value, of the financial interest from the third party.
- Request a copy of the Immaterial Financial Interest declaration form from Compliance.
- Submit the completed Immaterial Financial Interest declaration form together with supporting documentation to Compliance for review and approval.
- Request that Compliance record the receipt of the financial interest in Company gift register.
- If Compliance does not approve the financial interest, the reason thereof must be provided and recorded in the Company gift register.

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- If approved, Compliance must provide the employee a signed copy of the Immaterial Financial Interest declaration form to enable him/her to provide proof to his/her division for record purposes.
- Compliance will file the Immaterial Financial Interest declaration form for record keeping and monitoring purposes.
- The employee may now formally accept the financial interest from the third party.
- The employee is required to monitor limits and maintain his/her own electronic Excel spreadsheet.
- Compliance will monitor the above on an ad hoc basis.
- Non-compliance will be reported to the Company's management and governance committees.

5.8 Offering of Immaterial Financial Interest to third parties

Financial interests in excess of R1 000 may not be offered.

5.9 The Employee must

- Request a copy of the Immaterial Financial Interest declaration form from Compliance.
- Submit the completed Immaterial Financial Interest declaration form together with supporting documentation to Compliance for review and approval.
- Compliance must approve or decline the financial interest by signing the completed form.
- If Compliance declines, he/she must record the reason therefore on the Excel spreadsheet and provide the employee with a signed copy of the Immaterial Financial Interest declaration form for record purposes.
- If approved, Compliance must provide the employee with a signed copy of the Immaterial Financial Interest declaration form record purposes.



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- Compliance will file the Immaterial Financial Interest declaration form for record keeping and monitoring purposes.
- The employee may now formally offer the financial interest to the third party.
- The employee is required to monitor limits and maintain his/her own electronic Excel spreadsheet.
- Compliance will monitor the above on an ad-hoc basis.
- Non-compliance will be reported to the Company's management and governance committees.

6. TRAINING AND AWARENESS

10X will ensure that their employees, representatives, and associates are aware of the contents of this Policy. Training on the Conflict of Interest will be provided to all employees and representatives as part of specific and/or general training on the FAIS Act and General Code of Conduct.

7. CONSEQUENCES OF NON-COMPLIANCE WITH THIS POLICY

Any non-compliance with the policy will be viewed in a severe light. Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.

8. LIST OF ASSOCIATES

10X and its representatives may not avoid, limit or circumvent or attempt to avoid, limit or circumvent compliance with Board Notice 58 through an associate or an arrangement involving an associate.

Please see Annexure "A" for a list of associates and third parties as defined in Board Notice 58.

9. REPORTING



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The Compliance Officer is responsible for reporting on this Policy as required by the FSCA from time-to-time. The report will refer to the implementation, monitoring, and compliance with and the accessibility of this Policy.

10. POLICY REVIEW AND APPROVAL

This Policy will be reviewed annually by Compliance, any amendments must be submitted to the Board for approval.

11. AVAILABILITY

This Policy is available on 10X's website or as a hard copy and can be provided on request from the Compliance.



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ANNEXURE A

List of Associates (list of associates as defined in Board Notice 58)

NAMES OF ANY THIRD PARTIES THAT HOLD AN OWNERSHIP INTEREST IN 10X	
Entity	Ownership Interest
DIGAME AFRICA (Incorporated in the Republic of Mauritius)	37.00%
OMPE GP IV (Pty) Ltd	54.34%
10X Management	8.66%

NAMES OF ANY THIRD PARTIES IN WHICH 10X HOLDS AN OWNERSHIP INTEREST	
Entity	Ownership Interest
10X Fund Managers (RF) (Pty) Ltd	100%
CoreSolutions Fund Managers (RF) (Pty) Ltd	100%
Coreshares Asset Management (Pty) Ltd	100%
Coreshares Holding (Pty) Ltd	100%