



CONFLICTS OF INTEREST MANAGEMENT POLICY

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1. PREAMBLE

CAPTA is a financial services group and consists of different business divisions. Collectively, these divisions provide financial and estate planning, short-term and long-term insurance, asset management, collective investments, and other financial services to their clients.

The relationship between CAPTA and its clients, employees and partners are based on mutual integrity and trust. CAPTA is committed to maintaining this integrity and trust by complying with applicable legislation.

This Policy applies to the CAPTA Group which comprises of the following entities, their representatives, key individuals, and all employees of the CAPTA Group:

- CAPTA Wealth (Pty) Ltd (FSP 43071)
- CAPTA Forex (Pty) Ltd (FSP 48120)
- CAPTA Fiduciary (Pty) Ltd (not an FSP)
- CAPTA Invest (Pty) Ltd (FSP 43436)
- Pin Oak Capital (Pty) Ltd (FSP 51368)

Any reference made to “CAPTA” or “FSP” shall include the above listed entities, their affiliates and all employees of the CAPTA group.

2. INTRODUCTION

This policy outlines a suitable, effective, and sustainable approach and response to the identification and management of conflicts of interest (“COI”).

The policy aims to comply with the best practice and statutory requirements as per the General Code of Conduct for Financial Services Providers and Representatives published in Board Notice 80 of 2003 as amended by Board Notice 58 of 2010 as well as other applicable requirements as set out in the Financial Advisory and Intermediary Services Act, 37 of 2002 (“FAIS”).



3. PURPOSE

This document embodies the Conflict of Interest Management Policy for CAPTA.

The purpose of this policy is:

- i. to provide guidance on the behaviours expected in accordance with the Company's standards.
- ii. to promote transparency and to avoid or mitigate any business-related COI that may arise between the Company, its clients, vendors and/or employees respectively.
- iii. to ensure fairness in the interests of employees and the Company.
- iv. to document the process for the disclosure, approval and review of activities that may amount to actual, potential or perceived COI.
- v. to provide a mechanism for the objective review of personal outside interests.

CAPTA is committed to ensuring that all business is conducted in accordance with good business practice. To this end CAPTA conducts business in an ethical and equitable manner and in a way, that safeguards the interests of all stakeholders to minimise and manage all real or potential COI. CAPTA must therefore avoid (or mitigate where avoidance is not possible) any COI between CAPTA and a client or its representative and a client.

4. DEFINITIONS

These definitions are listed for purposes of this policy.

“Associate” as defined in the FAIS Act, in relation to a natural person an associate means:

- a. The spouse, life partner or civil union partner of that person;
- b. A child (including a stepchild and adopted child) and their spouse/partner;
- c. Parent or stepparent of that person;
- d. The person legally responsible for managing such person's affairs or ensuring that their daily needs are met and their spouse/partner;
- e. Business partner of that person;

In relation to a juristic person, an associate for a company means:

- a. Subsidiary or holding company of that company;



- b. Another subsidiary of the holding company;
- c. The holding company of the holding company;
- d. Any person from whom the Board of Directors or governing body is accustomed to take instructions/directions; or
- e. Any juristic person who is accustomed to taking instructions/directions from the Board of Directors or governing body and acting in accordance with these;
- f. Any trust controlled or administered by the Company.

CAPTA” means the CAPTA Group which comprises of all its subsidiaries, their representatives, key individuals and all employees. Refer to the Preamble of this policy for further clarification.

“Conflict of interest” means any situation in which CAPTA (Financial Services Providers, their Representatives, Key Individuals and all employees) has an actual or potential interest that may, in rendering a financial service to a client influence the objective performance of his, her or its obligations to that client; or prevent the Company or its representatives 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 a financial interest; an ownership interest; and or any relationship with a third party.

“Employee” means any staff member (temporary or permanent), executive director, contractor (includes persons employed by a contractor) or any person who assists in carrying on the business of CAPTA (such as key individuals and representatives) and who receives compensation from CAPTA for the services rendered.

“FSP” means Financial Services Provider authorised in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002.

“FAIS” means the Financial Advisory and Intermediary Services Act, 37 of 2002, as amended.

“Financial interest” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship and or any other incentive or valuable consideration, other than –

- i. an ownership interest;
- ii. training, that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products;



general financial and industry

- iii. information; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

“Immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by –

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

“Material Financial Interest” means a Financial interest of any kind, which, in view of all the circumstances, is substantial enough that it would, or reasonably could, affect a Responsible Person’s judgement with respect to transactions to which the entity is a party. This includes all forms of compensation.

“Representative” means duly appointed representative and/or representative under supervision of Capta.

“Ownership Interest” means an equity ownership interest, for which fair value was paid by the owner, other than equity or ownership interest held by an approved nominee on behalf of another person and includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

“Representative” means duly appointed representative and/or representative under supervision of CAPTA.

“Ownership interest” means any equity or proprietary interest, for which at fair value was paid by the owner at the time of acquisition, other than equity or an proprietary interest held as an approved nominee on behalf of another person; and it includes any dividend, profit share or similar benefit derived from that equity or ownership interest.



“Product Supplier” Any person or juristic person who issues a financial product by virtue of an authority, approval or right granted to such person or juristic person under any law.

“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 set out above provides a financial interest to CAPTA.

5. POTENTIAL COI THAT COULD AFFECT CAPTA

The following are potential COI that could affect the company (list is not exhaustive)

1. Directorships or other employment;
2. interests in business enterprises or professional practices;
3. share ownership;
4. beneficial interests in trusts;
5. personal Account Trading;
6. professional associations or relationships with other organizations;
7. personal associations with other groups or organizations, or family relationships;
8. Front running;
9. Rebates;
10. Kickbacks; and
11. Commission

Examples of potential COI scenarios include, but are not limited to the following:

1. Using influence to secure a contract for a service provider in which you hold an interest;
2. Soliciting financial interest to influence or unfairly advance the interests of a third party;
3. Accepting benefits from service providers or contractors;
4. Setting up business in direct competition with the Company; and
5. Giving preference to the quantity of business which you undertake rather than the quality thereof.



6. HOW TO IDENTIFY COI

CAPTA is responsible for identifying conflicts and has adequate procedures and measures in place to deal with each COI identified.

CAPTA will have a Conflict of Interest when it has an actual or potential interest which, when dealing on behalf of clients or for clients with third parties or other CAPTA associates, prevents CAPTA from providing a fair and unbiased service. There are various scenarios where a Conflict of Interest may arise.

To identify whether there is a conflict of interest CAPTA asks the following questions:

1. Do I have my client's best interest at heart, or am I acting in my own best interest?
2. Do I have the Company's best interest at heart, or am I acting in my own best interest?
3. Am I acting professionally?
4. Am I acting independently?
5. Am I acting objectively?
6. Are my interests aligned with that of CAPTA?

7. INSIDER TRADING

The term "insider trading" describes circumstances where an individual, who has price sensitive information, deals in a related security or financial instrument before the information is made available to the rest of the market.

Insider trading creates conflicts of interest.

The individual is abusing their knowledge and so placing themselves in a better position than the rest of the market, which conflicts with the concept of market fairness. A representative that commits insider trading is additionally placing themselves in a better position than CAPTA and/or its clients, so creating a conflict of interests between themselves and CAPTA and/or its clients.



8. MEASURES TO AVOID COI

Key individuals, representatives, and all employees of CAPTA are expected to avoid all COI or potential COI. Where not possible, mitigate and disclose.

In terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy must provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.

To manage conflict of interest, CAPTA must identify all potential and relevant conflicts. The following measures will be followed to determine whether the conflict of interest is avoidable.

When CAPTA deals with an identified potential conflict of interest, all information surrounding the actual or potential conflict of interest must be disclosed to the Compliance department who upon being informed, compile and assess the following (COI Assessment):

- a) If the conflict is avoidable or unavoidable
- b) If the conflict is real or perceived.
- c) What the value of the conflict is.
- d) What negative impact will it have on the client.
- e) The negative impact on CAPTA (reputational and financial).
- f) Analyse the risk severity (not severe or severe)
- g) Make a recommendation (continue or discontinue with transaction or activity)
- h) If the COI can be mitigated, controls/measures that should be put in place to effectively mitigate the conflict.

After assessment by the compliance department the above assessment must be convened with the Board of Directors for review and in order to reach a final decision.

The Board of Directors decision process:

The Board of Directors and will apply its mind whether CAPTA can obtain a more advantageous



transaction, contract or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.

If a more advantageous transaction, contract or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Board of Directors will determine whether the transaction, contract or arrangement is in the best interest of CAPTA and any affected client/s and accordingly make its decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination.

9. MEASURES TO MITIGATE A COI

CAPTA has internal controls in place to manage and mitigate potential & identified conflicts of interest.

1. Interests Register

This register is used to list all identified conflicts of interest (internal and external). It lists only relevant information to identify the conflict of interest person or entity. Our conflict of interest assessment (conducted on each conflict of interest) lists and details how the conflict was disclosed, how was it managed, avoided, and mitigated. This register gets updated by the compliance department as soon as a conflict of interest has been identified. This register is reviewed on an annual basis by the compliance department. This register is available for viewing to the extent required by law.

2. Gifts Register

This register is used to record all gifts offered or received by CAPTA. This register gets updated by the compliance department as soon as a gift has been disclosed to CAPTA or offered to a client. This register is reviewed on an annual basis by the compliance department. This register is available for viewing to the extent required by law.

3. CAPTA staff declaration

All CAPTA employees, key individuals, representatives, directors and or any other persons that working under CAPTA is required to sign a declaration to the effect that they have fully read and understand the



provisions of the policy and the implications thereof. These declarations are updated annually and when employing new employees, key individuals, representatives, directors and or any other persons that working under CAPTA, they will also be required to sign a staff declaration. These declarations are available for viewing to the extent required by law.

All of the above are held by the compliance department for record purposes.

10. DISCLOSURE OF COI

At the earliest reasonable opportunity, CAPTA and its representative must, in writing and in a reasonable period, disclose to a client any COI or potential COI in respect of that client including;

- a. Measures taken to avoid or mitigate the conflict;
- b. Any ownership interest or financial interest that the provider or representative may be or become eligible for;
- c. The nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI.

At the earliest reasonable opportunity, CAPTA and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.

Notification of an actual or potential COI should be made to a person with responsibility for the issue or area, such as the relevant management team, supervisor, head of the department or key individual.

In accordance with an employee's obligation to act in the best interests of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with Capta.

Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures as governed by relevant industrial awards or agreements.

11. EMPLOYMENT AND DIRECTORSHIP

Any staff which includes Employees, Key Individuals, Representatives, Directors and any other persons working under CAPTA in terms of a contract are obligated to comply with the below:



1. In accordance with a staff member's obligation to act in the best interest of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with CAPTA.
2. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures.
3. Staff may not take up outside employment without the prior approval of Board of Directors.
4. Staff may not hold outside directorships without the prior approval of CAPTA's Board of Directors and should avoid any outside directorships that would create or appear to create a conflict of interest.
5. Any staff that hold or have been invited to hold outside directorships must ensure compliance with all provisions of this policy.
6. Directors who holds or intends to hold outside directorships must disclose this to the Board of Directors and, if required, must recuse themselves from any discussions and decision making processes relating to that entity in which they have an interest in accordance with applicable laws.

12. ACCEPTED FINANCIAL INTEREST BY OR TO THIRD PARTIES

CAPTA may not offer any financial interest to its representatives for giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients; or giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

CAPTA or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of the Financial Sector Conduct Authority from time to time, and as set out below.

The Commissioner of Financial Sector Conduct Authority issued Board Notice 58 of 2010 (BN 58) under section 15 of the Financial Advisory and Intermediary Services Act, 2002 (FAIS). BN 58 amends the General Code of Conduct for Authorised Financial Services Providers and Representatives under FAIS and determines that a financial services provider or its



representatives may only receive or offer financial interest from or to a third party as follows:

1. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
2. Commission authorised under the Medical Schemes Act;
3. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act, if those fees are reasonably commensurate to a service being rendered;
4. Fees for the rendering of a financial service in respect of which commission or fees referred to in sub-paragraph (i), (ii) or (iii) is not paid, if those fees;
 - a) are specifically agreed to by a client in writing; and
 - b) may be stopped at the discretion of that client.
5. fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;
6. subject to any other law, an immaterial financial interest; and
7. a financial interest, not referred to under sub-paragraph (i) to (vi), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

13. THE R1000 RULE

As per the above definitions under point 4, an immaterial financial interest is defined as: any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by –

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

As per the above, CAPTA deems any 'gift' above the value of R1000.00 as a material financial interest that could lead to a potential conflict of interest.

CAPTA is not allowed to spend on, or receive any 'gift's' of more than R1000 per year from any third party.

"Gifts' include, but are not limited to:

- a) Meals
- b) Golf days
- c) Wine
- d) Tickets for rugby or cricket matches/ sporting events
- e) Hunting trips
- f) Accommodation

Note that the R1 000 (one thousand rand) limit applies per Representative, and not per FSP or Product Supplier.

Example: an FSP called ABC has 500 representatives on its licence. CAPTA may spend R1 000 (one thousand rand) per year on each individual representatives of ABC. You may not aggregate this amount across the ABC, and spend say R3 000 (three thousand rand) on some representatives, and average the amount out by not spending any money on some of the representatives.

Similarly, representatives from CAPTA may not receive more than R1 000 (one thousand rand) worth of gifts, hospitality, meals etc. from another FSP or Product Supplier in a calendar year.

14. HOUSEKEEPING OF THIS DOCUMENT

i. Ownership and ultimate responsibility:

This policy is owned and maintained by CAPTA. The ultimate responsibility for this document, the contents thereof and compliance remains with CAPTA who is responsible for creating an ethical environment.

ii. Updates, reviews, and approval:

This policy shall be reviewed on an annual basis and updated if necessary, by the Compliance department who will additionally propose any revisions and recommendations to CAPTA's board of Directors. This policy is approved by the board of directors.

iii. Adoption and implementation:

Every staff member has access and understands the contents and implications of this policy, additionally they have each signed a staff declaration. If a potential COI arises, the transaction must first be discussed with the compliance department who will convene with the Board of Directors first before entering the transaction and or activity.

iv. Non-compliance with this document:

Non-compliance with this policy and the procedures described in it may be misconduct and employees may be subject to disciplinary action that may lead to dismissal.



15. LIST OF CAPTA ASSOCIATES

- CAPTA Wealth (Pty) Ltd (FSP 43071)
- CAPTA Forex (Pty) Ltd (FSP 48120)
- CAPTA Fiduciary (Pty) Ltd (not an FSP)
- CAPTA Invest (Pty) Ltd (FSP 43436)
- Pin Oak Capital (Pty) Ltd (FSP 51368)

16. NAMES OF ANY THIRD PARTIES IN WHICH CAPTA HOLD AN OWNERSHIP INTERENST

- Not Applicable to any company listed under point 1.

17. NAMES OF ANY THIRD PARTIES THAT HOLDS AN OWNERSHIP INTEREST IN CAPTA.

- Capta Holdings (Pty) Ltd

18. LIST NATURE AND EXTENT OF OWNERSHIP INTEREST REFERRED TO IN POINT 16 AND 17.

- Holding company of the entities

19. CONCLUSION

All representatives of CAPTA including key individuals, representatives, employees and management are required to be dedicated to upholding the highest level of integrity and ethical conduct in all of their activities and relationships with all stakeholders.



Annexure A – Gift register

Name of Key Individual / Representative	Date on which gift was received	Source of gift	Type of gift	Value of gift