

CONFLICT OF INTEREST MANAGEMENT POLICY



FREEDOM CAPITAL
INVESTMENT MANAGERS

FREEDOM CAPITAL (PTY) LTD IS AN AUTHORISED FINANCIAL SERVICES PROVIDER

FSP NUMBER 27030

Freedom Capital (Pty) Ltd is an authorised financial services provider

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A. INTRODUCTION

1. This document embodies the Conflict of Interest Management Policy for Freedom Capital (Pty) Ltd.
2. “Conflict of interest” means any situation in which Freedom Capital (Pty) Ltd or its representatives 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 Freedom Capital (Pty) Ltd 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
 - i. a financial interest;
 - ii. an ownership interest;
 - iii. any relationship with a third party; “third party” means
 - a. a product supplier,
 - b. another provider,
 - c. an associate of a product supplier or a provider;
 - d. a distribution channel;
 - 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. The primary objectives of this Policy are:
 - i. To provide guidance on the behavior expected in accordance with Freedom Capital (Pty) Ltd standards;
 - ii. To promote transparency and to avoid business-related COI;
 - iii. To ensure fairness in the interests of employees and Freedom Capital (Pty) Ltd;
 - iv. To document the process for the identification, mitigation, 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.
4. Freedom Capital (Pty) Ltd is committed to ensuring that all business is conducted in accordance with good business practice. To this end Freedom Capital (Pty) Ltd conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimize and manage all real or potential conflict of interest (COI). Freedom Capital (Pty) Ltd and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between Freedom Capital (Pty) Ltd and a client or its representative and a client.

B. FINANCIAL INTEREST

- 1.1. Freedom Capital (Pty) Ltd 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 (“the Commissioner”) from time to time, and as set out in Annexure A hereto.
- 1.2. “Financial interest” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –
 - 1.2.1. an ownership interest;
 - 1.2.2. 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 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.
- 1.3. Any financial interest received by an employee of Freedom Capital (Pty) Ltd must within 10 days of that receipt be recorded in the gift registry of Freedom Capital (Pty) Ltd, attached hereto as Annexure A.
- 1.4. Freedom Capital (Pty) Ltd may not offer any financial interest to its representatives–
 - 1.4.1. That is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or
 - 1.4.2. For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client: or
 - 1.4.3. For giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.
- 1.5 For purposes of paragraph 2.4, Freedom Capital (Pty) Ltd must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the –
 - 1.5.1 Achievement of minimum service level standards in respect of clients;
 - 1.5.2 Quality of the representative's compliance with this Act;

as agreed between Freedom Capital (Pty) Ltd and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.

C. MECHANISMS FOR IDENTIFYING COI

1. Personal account trading of securities and derivatives.

D. RESOLVING COI

1. The first and most important line of defence against COI or commitment must be by the key individuals and representatives themselves.
2. Key individuals and representatives will make sure that all personal account trading will be signed off and an up to date record kept.

E. POTENTIAL COI THAT COULD AFFECT Freedom Capital (Pty) Ltd

1. The following are potential COI that could affect Freedom Capital (Pty) Ltd:
 - i. Directorships or other employment;
 - ii. interests in business enterprises or professional practices;
 - iii. share ownership;
 - iv. beneficial interests in trusts;
 - v. personal account trading;
 - vi. professional associations or relationships with other organizations;
 - vii. personal associations with other groups or organizations, or family relationships;
 - viii. Front running;
 - ix. Rebates;
 - x. Kickbacks; and
 - xi. Commission
2. Personal account trading, above all else, is where there is potential COI for Freedom Capital (Pty) Ltd.

F. MEASURES TO AVOID COI:

1. An up to date personal account trading register is kept.

G. DISCLOSURE OF COI:

1. At the earliest reasonable opportunity, Freedom Capital (Pty) Ltd and its representative must, in writing, disclose to a client any COI in respect of that client including –
 - i. Measures taken to avoid or mitigate the conflict;
 - ii. Any ownership interest or financial interest that the provider or representative may be or become eligible for;

- iii. 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.
2. At the earliest reasonable opportunity, Freedom Capital (Pty) Ltd and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed.
3. 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, and head of the department or key individual.
4. In accordance with an employee'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 Freedom Capital (Pty) Ltd.
5. 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.

H. PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY

1. Every staff member must have a copy of the Conflicts of interest Management Policy.
2. If a potential COI arises, the transaction must first be discussed with management before entering into the transaction.
3. The personal account trading register signed off before trading.
4. Any other conflicts that may arise from time to time, with regards to incentivization or the like, regardless of size, need to be discussed and verified with management.

I. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE PROVIDER'S EMPLOYEES AND REPRESENTATIVES

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

J. LIST OF ALL Freedom Capital (Pty) Ltd ASSOCIATES

1. Not applicable

K. NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLD AN OWNERSHIP INTEREST

1. Freedom Capital (Pty) Ltd has no interest in a third party.

L. NAMES OF ANY THIRD PARTIES THAT HOLDS AN OWNERSHIP IN THE PROVIDER

1. Not applicable.

M. INCLUDE THE NATURE AND EXTENT OF THE OWNERSHIP INTEREST REFERRED TO IN PARAGRAPHS K AND L

1. Not applicable

APPROVAL OF CONFLICT-OF-INTEREST POLICY

The sole director exercising his highest level of authority hereby approves this Conflict-of-Interest Policy and binds Freedom Capital (Pty) Ltd to create a culture of compliance within the institution.

Full name:

Signature:

Designation:

Signed on this day ofin

ANNEXURE A - FINANCIAL INTEREST

1. *Freedom Capital (Pty) Ltd or its representatives may only receive or offer the financial interests referred to herein if-*
 - 1.1. *Those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service being rendered and the resources, skills and competencies reasonably required to perform it;*
 - 1.2. *The payment of those financial interests does not result in the provider or representative being remunerated more than once for the performance of a similar service;*
 - 1.3. *Any actual or potential COIs between the interests of the client and the interests of the person receiving the financial interests are effectively mitigated; and*
 - 1.4. *The payment of those financial interest does not impede the delivery of fair outcomes to the client.*
2. *Freedom Capital (Pty) Ltd or its representatives may only receive or offer financial interest from or to a third party as follows;*
 - 2.1. *Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;*
 - 2.2. *Commission authorised under the Medical Schemes Act;*
 - 2.3. *Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act;*
 - 2.4. *Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (1.1), (1.2) or (1.3) is not paid, if*
 - 2.4.1. *The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representative in exchange for the fees are specifically agreed to by a client in writing; and*
 - 2.4.2. *those fees may be stopped at the discretion of that client.*
 - 2.5. *Fees or remuneration for the rendering of a service to a third party.*
 - 2.6. *Subject to any other law, an immaterial financial interest*;* and
 - 2.7. *A financial interest, not referred to under sub-paragraph (1.1) to (1.6), 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.*
 - 2.8. *For purposes of this document -*
 - 2.8.1. *“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 –*
 - 2.8.1.1. *a provider who is a sole proprietor; or*
 - 2.8.1.2. *a representative for that representative’s direct benefit;*
 - 2.8.1.3. *a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.*

Full name:

Signature:

Designation:

Signed on this day ofin

