

FINSMART ASSET MANAGEMENT (PTY) LTD

Reg. No: 2012/116595/07 | FSP Licence No: 44557

CONFLICTS OF INTEREST MANAGEMENT POLICY

Issued in terms of Section 3A of the General Code of Conduct (Board Notice 80 of 2003)

This policy is issued in terms of Section 3A of the General Code of Conduct for Authorised Financial Services Providers and Representatives (Board Notice 80 of 2003), read with the Financial Advisory and Intermediary Services Act 37 of 2002. It must be made available to customers on request and a summary of its contents must be disclosed to customers where a conflict of interest is relevant. Compliance with this policy is mandatory for all staff, representatives and key individuals.

1. Purpose

The purpose of this policy is to establish a framework for the identification, avoidance, mitigation, management and disclosure of actual and potential conflicts of interest that may arise in the conduct of Finsmart Asset Management (Pty) Ltd ("Finsmart" or "the firm") and its representatives.

Finsmart is committed to providing financial advice that is objective, suitable and in the best interests of each customer. Conflicts of interest — whether arising from financial interests, ownership arrangements, personal relationships or other circumstances — have the potential to compromise the objectivity of advice. This policy sets out how Finsmart manages those risks.

This policy must be read together with Finsmart's Disclosure Document, Privacy Policy, AI Governance Policy, and Risk Management and Compliance Programme (RMCP).

2. Scope

This policy applies to:

- All Key Individuals of Finsmart Asset Management (Pty) Ltd;
- All authorised representatives and sub-representatives;
- All administrative and support staff;
- All contractors and third-party service providers acting in a capacity that may give rise to a conflict of interest; and
- Immediate family members of representatives, where their interests may create a conflict.

3. Legislative and Regulatory Framework

This policy is issued in compliance with and subject to:

- Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS Act);
- General Code of Conduct for Authorised Financial Services Providers and Representatives — Section 3A (Board Notice 80 of 2003, as amended);
- Determination of Fit and Proper Requirements for Financial Services Providers (Board Notice 194 of 2017);
- Conduct of Financial Institutions Bill (COFI Bill) — COFI-aligned pending enactment; and
- Financial Sector Conduct Authority (FSCA) guidance on conflicts of interest management.

Section 3A of the General Code requires every authorised FSP to maintain a conflicts of interest management policy, to make it available to customers on request, and to disclose the summary of the policy to customers in all communications. Representatives are required to act with due skill, care and diligence, and to place the interests of the customer first.

4. Definitions

In this policy, the following terms have the meanings set out below:

Term	Definition
Conflict of interest	Any actual or potential situation in which a representative or Finsmart has an interest — financial or otherwise — that may influence, or be perceived to influence, the objective provision of financial advice or intermediary services to a customer.
Financial interest	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 legitimate commission or fee payable in terms of the FAIS Act.
Representative	Any natural or juristic person who, under authority granted by an FSP, renders financial services to customers — including Key Individuals.
Product supplier	Any provider of a financial product in respect of which Finsmart provides advice or intermediary services.
Associated party	Any person who is a spouse, life partner, parent, sibling or child of a representative, or any entity in which a representative holds a material interest.
Material ownership interest	A direct or indirect shareholding or equivalent ownership interest of more than 10% in a product supplier or in Finsmart by a product supplier.
Immaterial financial interest	A financial interest with a determinable monetary value below the thresholds set out in Section 8 of this policy, which does not compromise objectivity.
Inducement	Any financial or non-financial benefit offered or received that is designed to influence a representative's conduct in a way that may not be in the customer's best interest.
COI Register	The Conflicts of Interest Register maintained by Finsmart recording all identified, disclosed and managed conflicts.

5. Types of Conflicts of Interest

Conflicts of interest at Finsmart may arise in the following circumstances:

5.1 Financial interest conflicts

- Receipt of gifts, hospitality, travel, accommodation or other benefits from product suppliers;
- Commission structures that may incentivise the recommendation of one product over another;
- Override commissions, volume bonuses or production-related benefits from product suppliers;
- Referral fees paid to or received from other advisers, attorneys or accountants;
- Soft commissions such as sponsored training, conferences or research provided by product suppliers; and
- Personal financial interests of representatives in entities that are customers or product suppliers of Finsmart.

5.2 Ownership and shareholding conflicts

- A representative or Key Individual holding more than 10% in a product supplier;
- A product supplier holding more than 10% in Finsmart; and
- A representative holding a material interest in an entity that competes with Finsmart.

5.3 Personal relationship conflicts

- Providing advice to immediate family members or close personal associates;
- A representative supervising or reviewing the work of a family member; and
- A personal relationship between a representative and a decision-maker at a product supplier that may influence product recommendations.

5.4 Outside business interests

- A representative conducting business activities outside Finsmart that compete with or relate to Finsmart's services;
- A representative sitting on the board of a product supplier; and
- A representative acting as an executor, trustee or nominee for a customer, where this creates an interest in the customer's financial decisions.

5.5 Personal account dealing

- A representative trading in financial instruments for their own account in a manner that conflicts with advice given to customers; and
- Front-running — placing personal orders ahead of customer orders based on knowledge of pending customer instructions.

5.6 Referral and tied arrangement conflicts

- Referring customers to third-party service providers (attorneys, accountants, mortgage originators) in exchange for reciprocal referrals or fees;
- Exclusive or preferred provider arrangements with specific product suppliers; and
- Marketing agreements or co-branding arrangements with product suppliers.

6. Identification of Conflicts of Interest

Finsmart employs the following measures to identify conflicts of interest on an ongoing basis:

6.1 Annual declaration

All representatives and key individuals must complete a written Conflicts of Interest Declaration annually, disclosing:

- All ownership interests held in product suppliers or competing businesses;
- All financial interests received from product suppliers in the preceding 12 months;
- All outside business interests and secondary employment;
- All referral arrangements and fee-sharing agreements; and
- Any personal relationships with customers or product supplier personnel that may give rise to a conflict.

Annual declarations must be submitted to the Key Individual by 31 July each year and are retained in the COI Register.

6.2 At-point-of-advice assessment

Before providing advice on any financial product or making a recommendation, the representative must consider whether any actual or potential conflict of interest exists in relation to that advice. Where a conflict is identified, the representative must follow the management procedures in Section 7 before proceeding.

6.3 Ongoing monitoring

The Compliance Officer (Moonstone Compliance) will assist Finsmart in monitoring for undisclosed or emerging conflicts through:

- Review of remuneration and commission records;
- Review of product supplier financial interest disclosures;
- Periodic review of the COI Register; and
- Review of customer complaints for patterns that may indicate a conflict-driven advice failure.

7. Management Framework

Where a conflict of interest is identified, Finsmart applies the following hierarchy of responses:

Step	Response	When to Apply
1. Avoidance	Do not enter into the arrangement or conduct that gives rise to the conflict. Decline the financial interest or gift. Do not provide advice in the conflicted situation.	Where the conflict cannot be managed without compromising customer interests or regulatory obligations.
2. Mitigation	Implement controls that reduce the influence of the conflict on advice quality (e.g., independent review of the recommendation, recusal of the conflicted representative, obtaining a second opinion).	Where avoidance is not practical and the conflict can be effectively managed with controls.
3. Disclosure	Disclose the conflict clearly to the customer before providing advice, in a manner that enables the customer to make an informed decision about whether to proceed.	Where the conflict cannot be avoided or fully mitigated — disclosure alone is not sufficient where the conflict materially impairs objectivity.

Step	Response	When to Apply
4. Record	Record the conflict, the management response and the outcome in the COI Register, regardless of which step was applied.	Always — all identified conflicts must be recorded.

Disclosure of a conflict does not authorise Finsmart to act against the customer's interests. Where a conflict cannot be managed in a way that ensures objective advice, the representative must decline to provide advice on the conflicted matter.

8. Financial Interests from Third Parties

8.1 General rule

Representatives may only receive or offer a financial interest from or to a third party where:

- It is for the rendering of a legitimate service to a product supplier, customer or other financial services provider;
- It is permitted under the General Code of Conduct;
- It is disclosed in this policy or in the relevant record of advice; and
- It does not compromise the representative's objectivity or the customer's interests.

8.2 Permitted financial interests

The following financial interests are permitted, subject to the thresholds and conditions below:

Category	Permitted?	Threshold / Conditions
Commissions and advice fees	Yes	Subject to FAIS Act and applicable legislation. Must be disclosed in the ROA and FSP Disclosure Document.
Gifts and hospitality (from product suppliers)	Yes — immaterial only	Maximum R1,000 per product supplier per calendar year in aggregate. Must be declared and recorded in the COI Register.
Sponsored training and education	Yes	Where training is bona fide, relevant to the representative's role, and not used to influence product recommendations. Must be recorded.
Sponsored industry conferences	Yes — with approval	Prior written approval from the Key Individual required. Travel and accommodation costs must be disclosed. Not available from a product supplier in respect of a specific product promotion.
Referral fees received	Yes — with disclosure	Must be disclosed to the customer in the ROA. Amount and recipient must be recorded in the COI Register.
Referral fees paid	Yes — with disclosure	Must be disclosed to the customer. Must comply with FAIS Act requirements.
Volume bonuses / override commissions	Conditional	Permitted only where disclosed to customers as a potential conflict. Must not influence product recommendations. Recorded in COI Register.
Cash payments (other than commission)	No	Not permitted under any circumstances.
Loans from product suppliers	No	Not permitted.

8.3 Gift and hospitality register

All gifts, hospitality, travel, accommodation and sponsorship received from product suppliers must be recorded in the COI Register within 5 business days of receipt, regardless of value. The record must include:

- The name and identity of the donor;
- A description of the gift or benefit;
- The estimated monetary value;
- The date received;
- The name of the representative who received it; and
- Whether it was accepted, declined or returned.

Gifts that would bring the aggregate value from a single product supplier above R1,000 in any calendar year must be declined or returned. Where it is not practical to return a gift, the matter must be escalated to the Key Individual for a decision.

8.4 Prohibited financial interests

The following are prohibited under all circumstances:

- Cash payments from product suppliers other than legitimate commission or fees;
- Gifts of a personal nature (jewellery, clothing, personal experiences) from product suppliers;
- Any financial interest offered in exchange for a commitment to place or maintain business with a specific product supplier;
- Financial interests that are conditional on achieving a sales target or volume threshold; and
- Financial interests offered to a representative's family members as a substitute for offering them to the representative directly.

9. Ownership and Shareholding Interests

Section 4(1)(d) of the General Code requires disclosure of material ownership interests between Finsmart and product suppliers.

Current ownership disclosure (as at the effective date of this policy):

- Finsmart Asset Management (Pty) Ltd does not hold a direct shareholding or equivalent interest of more than 10% in any product supplier.
- No product supplier holds a direct shareholding or equivalent interest of more than 10% in Finsmart Asset Management (Pty) Ltd.

Requirements for future ownership changes:

- Any representative or Key Individual who acquires or anticipates acquiring a direct or indirect interest of more than 10% in a product supplier must notify the Key Individual immediately and before completing the transaction.
- Any product supplier that acquires or proposes to acquire more than 10% in Finsmart must be disclosed to customers in the Disclosure Document and in all relevant records of advice.

- Material ownership interests, once arising, must be recorded in the COI Register and disclosed to affected customers at the next point of advice.

10. Personal Account Dealing

Representatives who wish to transact in financial products for their own account must:

- Ensure that personal transactions are not made on the basis of non-public information about customer orders or market-moving events;
- Not trade in financial instruments about which they are providing concurrent advice to customers, unless adequate controls are in place to prevent the conflict from influencing either the personal transaction or the customer advice;
- Notify the Key Individual of any proposed personal transaction in a financial instrument that may give rise to a conflict with a current customer engagement; and
- Not use knowledge of pending customer transactions (front-running) for personal gain.

Personal account transactions by representatives are subject to periodic review by the Key Individual or Compliance Officer.

11. Outside Business Interests and Secondary Employment

Representatives must disclose all outside business interests and secondary employment to the Key Individual before commencing any such activity. This includes:

- Directorship, trusteeship or membership of any board, trust or close corporation;
- Ownership of or participation in any business that provides financial services;
- Paid or unpaid roles at product suppliers, competitors or financial intermediaries; and
- Acting as an executor, trustee, agent or nominee for a customer.

The Key Individual will assess whether the outside interest gives rise to an actual or potential conflict and will notify the representative in writing of the outcome. Where a conflict is identified, the representative may be required to resign from the outside role, recuse themselves from related customer advice, or implement other management measures.

Outside business interests that have been approved must be re-disclosed in the annual COI declaration.

12. Referral Arrangements

Finsmart may refer customers to or receive referrals from other professionals (attorneys, accountants, mortgage originators, short-term insurance brokers). The following requirements apply:

- All referral arrangements must be documented in writing before referrals are made;
- Any fee, commission or other benefit paid or received in connection with a referral must be disclosed to the customer at the time of the referral, before the customer acts on it;
- Referral arrangements must not influence the objectivity of financial advice provided to the customer;

- Representatives may not refer customers to service providers in whom they hold a personal financial interest without disclosing that interest to the customer; and
- All referral arrangements and fees received or paid must be recorded in the COI Register.

13. Advice to Family Members and Related Parties

Advising family members or close personal associates creates an inherent risk that personal relationships may influence the objectivity of advice. Where a representative provides advice to an immediate family member or close associate, the following applies:

- The representative must disclose the personal relationship to the Key Individual before providing advice;
- The conflict must be recorded in the COI Register;
- The record of advice must disclose the personal relationship to the customer;
- Where the conflict is assessed as material, the Key Individual may require that the advice be independently reviewed before implementation; and
- In cases of significant potential bias, the representative may be required to refer the customer to another adviser.

14. Disclosure to Customers

14.1 Policy availability

This policy, or a summary of its material provisions, must be disclosed to customers in the following circumstances:

- At the commencement of the financial services relationship, as part of the Disclosure Document;
- Where a conflict of interest is identified that is relevant to advice being provided;
- On request, at any time — a copy of this policy must be provided free of charge within 5 business days.

14.2 Conflict-specific disclosure

Where a specific conflict of interest exists in relation to advice being provided to a customer, the representative must:

- Disclose the nature of the conflict before providing the advice;
- Explain how the conflict is being managed;
- Confirm that, notwithstanding the conflict, the recommendation is in the customer's best interest; and
- Record the disclosure and the customer's response in the record of advice.

14.3 Financial interest disclosure

All financial interests received from product suppliers that relate to a product recommended to a customer must be disclosed in the record of advice, including:

- The identity of the product supplier;
- The nature of the financial interest; and
- The monetary value or estimated value of the financial interest.

15. Conflicts of Interest Register

Finsmart maintains a Conflicts of Interest Register ("COI Register") to record all identified, disclosed and managed conflicts. The COI Register is maintained by the Key Individual and is available for inspection by the Compliance Officer and, where required, the FSCA.

The COI Register must record:

Field	Description
Date identified	The date on which the conflict was identified or arose.
Representative	The name and representative number of the representative involved.
Nature of conflict	A description of the actual or potential conflict of interest.
Source / party involved	The product supplier, third party or related party involved.
Type	Financial interest / ownership / personal relationship / outside business interest / referral / other.
Value	The monetary value of any financial interest received or offered (where applicable).
Management response	Whether the conflict was avoided, mitigated or disclosed — and the specific measures taken.
Disclosed to customer	Yes / No. If yes, the date and method of disclosure.
Recorded in ROA	Yes / No / Not applicable.
Outcome	The outcome and any follow-up required.
Key Individual review	Date of Key Individual review and sign-off.

The COI Register must be reviewed by the Key Individual quarterly and retained for a minimum of five (5) years.

16. Current Product Supplier Relationships

The following product suppliers have active working agreements with Finsmart Asset Management. The existence of these relationships and associated commission structures is disclosed to customers in Finsmart's Disclosure Document. None of the relationships below involves a material shareholding interest (more than 10%) by either party:

Product Supplier	Nature of Relationship	Potential Conflict	Management Measure
Allan Gray	Intermediary agreement — investments	Commission received on products recommended	Disclosed in ROA and Disclosure Document; suitability-based advice
BrightRock	Intermediary agreement — risk	Commission received on products recommended	Disclosed in ROA; needs analysis and comparison conducted
Discovery Life / Health	Intermediary agreement — risk and healthcare	Commission received on products recommended	Disclosed in ROA; suitability assessment required
Hollard	Intermediary agreement — risk	Commission received on products recommended	Disclosed in ROA; needs analysis conducted

Product Supplier	Nature of Relationship	Potential Conflict	Management Measure
Just SA	Intermediary agreement — living annuities	Commission received on products recommended	Disclosed in ROA; product comparison required
Liberty Life	Intermediary agreement — risk and investments	Commission received on products recommended	Disclosed in ROA; suitability-based advice
Momentum Group	Intermediary agreement — risk and investments	Commission received on products recommended	Disclosed in ROA; needs analysis conducted
Ninety One	Intermediary agreement — investments	Commission received on products recommended	Disclosed in ROA; investment mandate and suitability assessed
Old Mutual	Intermediary agreement — risk and investments	Commission received on products recommended	Disclosed in ROA; suitability-based advice
PPS	Intermediary agreement — risk and investments	Commission received on products recommended	Disclosed in ROA; needs analysis conducted
Sanlam	Intermediary agreement — risk and investments	Commission received on products recommended	Disclosed in ROA; suitability-based advice

The commission structures applicable to each product supplier are disclosed in the relevant record of advice and product proposal documents. Representatives may not favour any product supplier based on commission levels; recommendations must be based solely on customer suitability, needs and objectives.

17. Prohibited Conduct

The following conduct is prohibited under this policy and under the FAIS Act:

- Recommending a financial product based primarily or solely on the commission or financial interest payable to the representative;
- Accepting any financial interest that may reasonably be perceived to compromise objectivity, even if below the R1,000 threshold;
- Failing to disclose a known conflict of interest to a customer before providing advice;
- Entering into an agreement with a product supplier that is conditional on placing a minimum volume of business with that supplier;
- Sharing commission or fees with an unauthorised person;
- Providing advice in a situation where a conflict cannot be managed in the customer's interests and declining to advise would be the appropriate response;
- Retaliating against any person who reports a conflict of interest in good faith; and
- Deliberately concealing a conflict from the Key Individual, Compliance Officer or FSCA.

18. Breach Reporting and Consequences

Any representative or staff member who becomes aware of an actual or potential breach of this policy must:

- Report it to the Key Individual or Compliance Officer as soon as practicable;

- Not attempt to conceal or resolve the breach independently; and
- Cooperate fully with any investigation.

Finsmart will not retaliate against any person who reports a breach in good faith.

Consequences of policy breach may include:

- Written warning or formal disciplinary action;
- Repayment of financial interests improperly received;
- Suspension or termination of the representative's authority to act;
- Referral to the FSCA where the breach constitutes a contravention of the FAIS Act; and
- Deregistration of the representative with the FSCA.

19. Training

All representatives and key individuals must:

- Complete conflicts of interest awareness training on joining Finsmart and annually thereafter;
- Complete the annual COI Declaration (Section 6.1) by 31 July each year;
- Attend any COI-related training arranged by the Compliance Officer; and
- Acknowledge receipt and understanding of this policy in the Staff Acknowledgement (Section 21).

Training records and signed declarations will be maintained by the Key Individual and are subject to audit by the Compliance Officer and FSCA.

20. Policy Review

This policy will be reviewed:

- Annually — next review due 30 June 2027;
- Following any material change to the FAIS Act, General Code of Conduct, or FSCA guidance on conflicts of interest;
- Following the enactment of the COFI Act and publication of related conduct standards;
- Following any material change in Finsmart's product supplier relationships or ownership structure;
- Following any conflict-related breach or complaint; and
- Following any FSCA inspection or enforcement action relating to conflicts of interest.

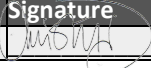
21. Staff Acknowledgement

All representatives, key individuals and relevant staff must sign and return this acknowledgement to confirm they have read, understood and agree to comply with this policy.

I, the undersigned, confirm that:

- I have read and understood the Finsmart Conflicts of Interest Management Policy (Version 1.1, effective 20 July 2026);
- I understand my obligation to identify, avoid, mitigate and disclose conflicts of interest;
- I will complete the annual COI Declaration by 31 July each year;
- I will record all financial interests received from product suppliers in the COI Register;
- I understand that recommendations must be based on customer suitability and not on commission levels;
- I will disclose all conflicts of interest to customers before providing advice in a conflicted situation;
- I will report any breach of this policy to the Key Individual or Compliance Officer immediately; and
- I understand that breach of this policy may result in disciplinary action and regulatory referral.

22. Policy Approval

Approved By	Role	Signature	Date
Christel du Toit	Key Individual		20 July 2026

Regulatory note: This policy has been prepared to comply with Section 3A of the General Code of Conduct for Authorised Financial Services Providers and Representatives (Board Notice 80 of 2003), issued under the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS Act). It is also aligned with the Treating Customers Fairly (TCF) framework and the market conduct principles of the Conduct of Financial Institutions Bill (COFI Bill) introduced in 2026. The gift threshold of R1,000 per provider per calendar year reflects the threshold currently in use in the industry; practitioners should confirm the applicable threshold against any updated FSCA guidance or subordinate legislation issued after the effective date of this policy. This policy should be updated once the COFI Act is enacted and related conduct standards are published.