



CONFLICT OF INTEREST MANAGEMENT POLICY

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This Conflict of Interest Management Policy (hereinafter referred to as “*the Policy*”) outlines a suitable, effective, and sustainable approach 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*”).

1 PURPOSE

1.1 This document outlines the Conflict of Interest Management Policies for STOICFX (PTY) LTD, establishing a framework for recognizing, addressing, and managing potential conflicts of interest in our operations.

1.2 The objectives of this Policy are multifaceted:

- i. **Guidance on Expected Behaviors:** To provide clear guidance on the behaviors and ethical standards expected of all employees and representatives of STOICFX (PTY) LTD in their professional interactions.
- ii. **Promoting Transparency:** To promote transparency in all dealings and to proactively avoid or mitigate any business-related conflicts of interest (COI) that may arise between STOICFX (PTY) LTD, its clients, vendors, and employees.
- iii. **Ensuring Fairness:** To ensure that the interests of both employees and the company are safeguarded, thereby fostering an equitable working environment.
- iv. **Documenting Processes:** To document the processes for disclosing, approving, and reviewing any activities that may give rise to actual, potential, or perceived conflicts of interest, ensuring accountability and clarity.
- v. **Providing a Review Mechanism:** To establish a mechanism for the objective review of personal outside interests that may conflict with the interests of STOICFX (PTY) LTD or its clients.

1.3 STOICFX (PTY) LTD is firmly committed to conducting all business activities in accordance with established good business practices. We operate with a strong ethical foundation, ensuring that our dealings are fair and equitable. By safeguarding the interests of all stakeholders, we aim to minimize and effectively manage any real or potential conflicts of interest that may arise in the course of our operations.

- 1.4 In alignment with our commitment to ethical conduct, STOICFX (PTY) LTD and its representatives are required to actively avoid, or mitigate where avoidance is not feasible, any conflicts of interest that may exist between the company and its clients or their representatives. This proactive approach not only enhances our reputation for integrity but also reinforces our dedication to maintaining trust and transparency in all business relationships.
- 1.5 By adhering to this Policy, we ensure that our operations are not only compliant with relevant regulations but also reflective of our core values of integrity, fairness, and respect for all stakeholders involved.

2 DEFINITIONS

For purposes of this policy, the following words and/or phrases are defined herein:

- 2.1 **“Company”** means STOICFX (PTY) LTD or STOICFX.
- 2.2 **“Conflict of interest”** means any situation in which STOICFX (PTY) LTD and/or its representatives has an actual and/or potential interest that may, in rendering a financial service to a client influence the objective performance of their obligations to that client; and/or prevents STOICFX (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, the following:
- 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.)
- 2.3 **“FAIS”** means the Financial Advisory and Intermediary Services Act, 37 of 2002.

- 2.4 **“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 the following:
- 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 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.
- 2.5 **“Immaterial financial interest”** means any financial interest with a determinable monetary value, the aggregate of which does not exceed one thousand ZAR (R1,000.00) in any calendar year from the same third party in that calendar year received by –
- i. a provider who is a sole proprietor; or
 - 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.
- 2.6 **“Representative”** means duly appointed representative and/or representative under supervision of STOICFX (PTY) LTD.
- 2.7 **“Ownership interest”** means
- i. 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
 - ii. includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
- 2.8 **“Provider”** means STOICFX (PTY) LTD or STOICFX.

3 PROCEDURES

- 3.1 STOICFX (PTY) LTD or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of Financial Services Providers from time to time.
- 3.2 STOICFX (PTY) LTD 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.

4 **HOW TO IDENTIFY CONFLICTS OF INTEREST**

To determine whether STOICFX (PTY) LTD is encountering a conflict of interest, the Company or relevant personnel should engage in a thorough evaluation by considering the following questions:

- 4.1 **Client's Best Interest:** Does the Company or relevant individual genuinely prioritize the client's best interest, or are they primarily acting in their own self-interest? It's crucial to assess whether the actions taken align with the client's needs and objectives, ensuring that decisions are made with the client's welfare in mind.
- 4.2 **Company's Best Interest:** Is the Company or relevant individual acting in the best interest of STOICFX (PTY) LTD, or are they pursuing personal gains that could conflict with the Company's objectives? Understanding this dynamic is essential for maintaining the integrity of the Company and its operations.
- 4.3 **Professional Conduct:** Is the Company or relevant individual consistently maintaining a high standard of professionalism in their actions and decisions? This involves evaluating whether they adhere to ethical guidelines and professional standards, ensuring that their behaviour reflects positively on the Company.
- 4.4 **Independence:** Is the Company or relevant individual operating independently, free from external pressures or influences that could compromise their judgment? Assessing independence is vital to ensure that decisions are made based on merit and not swayed by external factors that could lead to bias.
- 4.5 **Objectivity:** Is the Company or relevant individual making decisions based on objective criteria rather than personal biases or interests? It's important to evaluate whether the decision-making process is grounded in facts and rational analysis, thereby safeguarding the integrity of the outcomes.

- 4.6 By engaging in this comprehensive evaluation, STOICFX (PTY) LTD can ensure that its actions align with ethical standards and prioritize the best interests of both clients and the Company. This reflective approach not only fosters trust but also strengthens the commitment to ethical business practices.

5 RESOLVING CONFLICTS OF INTEREST OR POTENTIAL CONFLICTS OF INTEREST

- 5.1 Key individuals and representatives of STOICFX (PTY) LTD are expected to actively avoid any actual or potential conflicts of interest (COI) in the performance of their duties. A conflict of interest arises when personal interests, relationships, or circumstances could potentially influence or compromise their impartiality and objectivity in decision-making.
- 5.2 In situations where it is not possible to completely avoid a conflict of interest, it is imperative that these individuals take proactive measures to mitigate any negative impacts. This may include implementing safeguards to ensure that their personal interests do not interfere with the best interests of the Clients or the integrity of the firm.
- 5.3 Furthermore, full disclosure of any identified conflicts of interest is essential. By transparently communicating these matters to Clients and relevant stakeholders, STOICFX (PTY) LTD aims to uphold the highest standards of integrity and trustworthiness. This transparency allows Clients to make informed decisions and reinforces the firm's commitment to ethical practices.
- 5.4 All employees and representatives are encouraged to remain vigilant and to report any potential conflicts to their supervisors. Ongoing training and awareness programs will be provided to ensure that everyone understands their responsibilities in this regard.
- 5.5 If you have any questions or concerns about how conflicts of interest are managed at STOICFX (PTY) LTD, please feel free to reach out to our compliance team for further clarification. Your trust and confidence are of utmost importance to us, and we are dedicated to maintaining a transparent and ethical trading environment.

6 POTENTIAL COI THAT COULD AFFECT STOICFX (PTY) LTD

6.1 Potential Conflicts of Interest

The following are potential conflicts of interest that could impact the operations and integrity of STOICFX (PTY) LTD:

- i. **Directorships or Other Employment:** Holding positions in other companies or organizations that may influence decisions or create a bias towards specific interests.
- ii. **Interests in Business Enterprises or Professional Practices:** Ownership stakes or involvement in businesses that may compete with or affect the services provided by STOICFX (PTY) LTD.
- iii. **Share Ownership:** Holding shares in companies that may be affected by decisions made within STOICFX (PTY) LTD, potentially leading to divided loyalties.
- iv. **Beneficial Interests in Trusts:** Having financial interests in trusts that could conflict with the interests of clients or the Company.
- v. **Personal Account Trading:** Engaging in trading activities for personal accounts that could influence market conditions or create an appearance of impropriety.
- vi. **Professional Associations or Relationships with Other Organizations:** Maintaining relationships with other firms or professionals that may create conflicts with the duties owed to STOICFX (PTY) LTD or its clients.
- vii. **Personal Associations with Other Groups or Organizations:** Connections with groups, associations, or family members that may unduly influence business decisions or create biased outcomes.
- viii. **Front Running:** Executing orders for oneself or another party before executing orders for clients, potentially disadvantaging those clients.
- ix. **Rebates:** Accepting rebates from third parties for directing business their way, which may compromise impartiality.
- x. **Kickbacks:** Receiving undisclosed payments for favourable treatment of vendors or service providers, leading to compromised decision-making.
- xi. **Commission:** Earning commissions that could create incentives to recommend specific products or services that may not align with the best interests of clients.

6.2 Examples of Potential Conflict of Interest Scenarios

The following scenarios illustrate how conflicts of interest may manifest in practice, though this list is not exhaustive:

- i. **Influencing Contracts:** Using personal influence to secure a contract with a service provider in which you hold a financial interest, potentially compromising objectivity in the selection process.
- ii. **Soliciting Financial Interests:** Actively seeking financial benefits to influence or unfairly promote the interests of a third party, thereby undermining fair business practices.
- iii. **Accepting Benefits:** Accepting gifts, incentives, or other benefits from service providers or contractors that could lead to biased decision-making or perceptions of impropriety.
- iv. **Competing Businesses:** Establishing a business that directly competes with STOICFX (PTY) LTD, which could divert resources and attention away from the Company's objectives.
- v. **Prioritizing Quantity Over Quality:** Giving preference to the volume of business undertaken rather than ensuring that it meets the quality standards and ethical considerations expected by clients and stakeholders.

By recognizing and addressing these potential conflicts of interest, STOICFX (PTY) LTD aims to maintain the highest standards of integrity and transparency, ensuring that the interests of clients and the Company remain paramount.

7 INSIDER TRADING

- 7.1 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.
- 7.2 Insider trading creates conflicts of interest.
- 7.3 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

STOICFX (PTY) LTD and/or its clients, so creating a conflict of interests between themselves and STOICFX (PTY) LTD and/or its clients.

8 PENSION FUNDS

8.1 In situations where a Financial Services Provider (FSP) renders financial services to a pension fund, it is imperative that the FSP adheres to the stricter limitations outlined in Directive No. 8 of 2018 of the Pension Funds Act, No. 24 of 1956, specifically regarding the prohibition of accepting gratification.

8.2 The following conditions must be strictly observed to ensure compliance and maintain the integrity of fiduciary duties:

- i. Any gratification which objectively viewed, creates a conflict of interest with their fiduciary duty towards the funds;
- ii. Token gift/s that exceed/s the annual limit set by the Board of the Pension Fund in terms of the pension funds’ gift policy, which annual limit shall not be more than five hundred ZAR (R500.00) per annum in aggregate from any one service provider (i.e. FSP);
- iii. Any gratification relating to local or international due diligence including but not limited to subsistence, travel or accommodation;
- iv. Any gratification relating to local or international entertainment or sporting events including, but not limited to, subsistence, travel or accommodation; or
- v. Conferencing costs or board of fund expenses.

9 MEASURES TO AVOID CONFLICTS OF INTEREST

9.1 STOICFX (PTY) LTD has established a comprehensive framework of procedures designed to prevent and effectively manage conflicts of interest. This proactive approach is integral to our commitment to maintaining ethical standards and safeguarding the interests of our clients, stakeholders, and the broader market.

- 9.2 Our procedures encompass a thorough identification and assessment of potential conflicts of interest that may arise in the course of our operations. We have implemented clear guidelines for employees and representatives to follow, ensuring that they are aware of their responsibilities in disclosing any situations that could lead to a conflict.
- 9.3 Additionally, we conduct regular training sessions to educate our staff about the importance of conflict management and the specific policies in place. This ongoing training fosters a culture of transparency and accountability within the organization, empowering employees to make informed decisions that prioritize the best interests of our clients.
- 9.4 To ensure the effectiveness of these procedures, STOICFX (PTY) LTD engages in continuous monitoring and review processes. This includes regular audits and evaluations of our practices to identify any emerging conflicts and assess the adequacy of our responses. In the event that conflicts are identified, we have established corrective action protocols that allow us to address the situation promptly and effectively.
- 9.5 Furthermore, we are committed to fostering open lines of communication, encouraging clients and employees to report any concerns or perceived conflicts without fear of repercussions. This collaborative approach not only enhances our ability to manage conflicts of interest but also reinforces our dedication to ethical conduct and client trust.
- 9.6 Through these robust procedures and ongoing vigilance, STOICFX (PTY) LTD aims to uphold the highest standards of integrity, ensuring that all business activities are conducted fairly and transparently, thereby minimizing the potential for conflicts of interest to arise.
- 9.7 Key Procedures
- i. **Information Control:** Effective procedures to prevent the harmful exchange of information between individuals where conflicts may arise.
 - ii. **Separate Supervision:** Relevant persons are supervised separately if their roles or interests conflict.
 - iii. **Remuneration:** Remuneration policies prevent conflicts of interest, ensuring no direct link between conflicting activities.
 - iv. **Influence Limitation:** Measures to prevent undue influence over individuals providing investment services.
 - v. **Activity Management:** Controls to prevent simultaneous involvement in conflicting activities.

9.8 Specific Measures

- i. **Regulatory Compliance:** Employees must comply with all relevant laws and the company's code of ethics.
- ii. **Segregation of Duties:** Separation of tasks that may lead to conflicts.
- iii. **Gifts and Inducements Log:** Recording of any benefits received or offered.
- iv. **Restricted Trading:** Employees are prohibited from trading on the company's platform without management approval.
- v. **Conflict Reporting:** Employees must report potential conflicts of interest related to transactions.
- vi. **Commission and Market Impact:** Employees must ensure fair commission rates and minimal market impact.
- vii. **Non-Public Information:** Employees must not trade on insider information and report such cases to supervisors.
- viii. **Compliance Oversight:** The internal compliance officer ensures client interests are prioritized and addresses compliance breaches.
- ix. **Chinese Walls:** Physical and information barriers between departments to prevent conflict.
- x. **Electronic Data Access:** Procedures control access to sensitive data.
- xi. **Material Information Control:** Sensitive information is shared only on a need-to-know basis.
- xii. **Four-Eyes Principle:** Critical decisions are supervised by at least two individuals.

These measures aim to ensure independence, professionalism, and proper management of conflicts of interest within the company.

10 DISCLOSURE OF CONFLICTS OF INTEREST

10.1 At the earliest reasonable opportunity, STOICFX (PTY) LTD and its representative must, in writing, disclose to a client any COI or potential COI in respect of that client including, but not limited to, the following –

- 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.
- 10.2 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.
- 10.3 In accordance with an employee's obligation to act in the best interest of his or their employer, it is not permissible for employees to engage in conduct that would amount to a COI with STOICFX (PTY) LTD.
- 10.4 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 HOUSEKEEPING OF THIS DOCUMENT

11.1 Ownership and Ultimate Responsibility

This document is owned and maintained by STOICFX (PTY) LTD. The ultimate responsibility for this document, the contents thereof and compliance remains with the Key individuals, of STOICFX (PTY) LTD who is responsible for creating an ethical environment.

11.2 Updates, Reviews and Approval

This Policy shall be reviewed on an annual basis and updated if necessary. This Policy is approved by the Compliance Department of STOICFX (PTY) LTD.

11.3 Adoption and Implementation

It is essential that every staff member possesses a copy of the Conflicts of Interest Management Policy to ensure a thorough understanding of its provisions and implications. In the event that a potential conflict of interest arises, it is imperative that the transaction is first discussed with management prior to proceeding.

This step not only facilitates a comprehensive evaluation of the situation but also ensures that any necessary precautions are taken to uphold the integrity of our operations and

maintain our commitment to ethical standards. By fostering an open dialogue with management, we can collaboratively assess the potential risks and determine the best course of action, thereby safeguarding the interests of all stakeholders involved.

11.4 Non-Compliance with this Policy

Failure to comply with this Policy and the procedures outlined herein may be considered a serious violation of company standards and could constitute misconduct.

Employees found to be in non-compliance may face disciplinary actions, which could range from reprimands to more severe consequences, including potential termination of employment. It is crucial for all staff members to adhere strictly to this Policy to maintain the integrity of our operations and uphold the ethical standards expected at STOICFX (PTY) LTD.

STOICFX (PTY) Ltd does not hold an ownership interest in any third-party company, and no third-party company holds an interest in STOICFX (PTY) Ltd.

12 **CONCLUSION**

All representatives of STOICFX (PTY) LTD, including key individuals and management, are expected to demonstrate unwavering commitment to the highest standards of integrity and ethical conduct in every aspect of their activities and interactions with all stakeholders. This dedication is essential not only to foster trust and credibility but also to uphold the core values that define our organization. It is imperative that every representative acts in a manner that reflects these principles, ensuring transparency, fairness, and respect in all professional relationships.
