

# Conflict of Interest Policy

March 2025

## 1. Introduction

Actual or potential conflicts of interest are inherent in the financial services industry. It is therefore essential that the Group is able to identify such conflicts and manage them fairly and appropriately. While not all potential conflicts of interest will manifest in actual conflicts, the very perception of bias can lead to a negative impression in the industry and result in reputational damage.

The General Code of Conduct for Financial Services Providers and Representatives (“the Code”), published in terms of the Financial Advisory and Intermediary Services Act (FAIS), requires every Financial Services Provider (FSP) to adopt, implement and maintain a conflict of interest management policy.

## 2. Purpose

The purpose of this policy is to provide guidance and mechanisms for the identification of conflicts of interest and to provide measures for the avoidance, disclosure or mitigation of such conflicts.

## 3. Scope

This policy applies to all employees, including consultants, vendors, contractors, agents and any other parties with a business relationship with the Group. This policy regulates the relationship between the Sygnia Group and its employees, as well as employees’ relationship with clients, suppliers, service providers and intermediaries.

## 4. Governance and Review

- Group Compliance is responsible for preparing, updating maintaining and communicating this policy to relevant employees within the organisation.
- The CEO is responsible for approving this policy and any amendments prior to its implementation.
- This policy will be reviewed and modified by Group Compliance on an annual basis or as and when material changes in legislation occur.
- The Audit & Risk Committee is responsible for approving this policy and recommending it to the Sygnia Board for approval.

## 5. Definitions

### 5.1 Associate

An associate in relation to a natural person includes:

- A life partner or civil union partner as recognised in law or the tenets of religion;
- A child, stepchild, adopted child or child born out of wedlock;
- A parent or stepparent;
- A person who has been appointed or is recognised by a court as the person legally responsible for managing another person’s affairs or meeting their daily needs;
- A person who is the spouse, life partner or civil union partner of any of the abovementioned persons;



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- A person with whom the other person is in a commercial partnership;
- Companies to which a Director is connected.

An associate in relation to a juristic person includes:

- Where the juristic person is a company (company A):
  - any subsidiary or holding company (holding company B) of company A;
  - any other subsidiary of that holding company B;
  - any other company of which holding company B is a subsidiary;
- Any member of a close corporation.

## 5.2 Distribution Channel

Includes:

- Any arrangement between a product supplier or any of its associates and one or more FSP or any of its associates in terms of which any support or services are provided to the FSP or FSPs in rendering a financial service to a client;
- Any arrangement between two or more FSPs or any of their associates that facilitates, supports or enhances a relationship between the FSPs and a product supplier;
- Any arrangement between two or more product suppliers or any of their associates that facilitates, supports or enhances a relationship between FSPs and a product supplier.

## 5.3 Employees

Refers to all directors and temporary and permanent employees, managers and officers.

## 5.4 Financial Interest

A financial interest is any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than an ownership interest and training that is not exclusively available to a selected group of providers or representatives.

## 5.5 Ownership Interest

An ownership interest is any equity or proprietary interest for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person. It includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

## 5.6 Sygnia

Refers to the Sygnia Group.

## 5.7 The Board

The Board of Directors of the Group.

## 5.8 Third Party

Includes a product supplier, another FSP, an associate of a product supplier or an FSP, a Distribution Channel or any person who, in terms of an agreement or arrangement with any such third parties, provides financial interest to an FSP or its representatives.

# 6. Conflict of Interest

A conflict of interest (COI) occurs when an employee's obligations to the Group or its clients could be influenced or compromised by self-interest, a prior commitment, competing loyalties or an inability to be objective.

In terms of FAIS, a COI is specifically defined as any situation in which an FSP or representative 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 a provider or representative 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;
  - a relationship with a Third Party.

## 7. Treating Customers Fairly

In adherence to the principles of Treating Customers Fairly (TCF) and the Code, all Employees must act in the best interests of clients and render unbiased and fair financial services at all times.

## 8. Identification of a Conflict of Interest

It is the responsibility of all Employees to identify actual or potential COIs. Managers are also responsible for identifying actual or potential COIs in their departments.

In determining whether a COI exists, consideration must be given to whether the Group or an Employee:

- 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 a client, or 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 a client or group of clients over the interests of another client;
- Receives (or will receive), from a person other than the client, an inducement in relation to a service provided to the client other than the standard commission or fee for that service.

Possible conflicts of interest would include, for example:

- Conflicts of interest between Sygnia and the client;
- Conflicts of interest between different clients and the different interests conflict materially;
- Conflicts of interest where Associates, product suppliers, Distribution Channels or any other Third Party is involved in rendering a financial service to a client; and
- Use of confidential information that could affect the advice or services provided to clients.

## 9. Declaration by Employees

All Employees must fully communicate and declare to Group Compliance any Ownership Interests or relationships with a Third Party that might create a conflict of interest or impair their ability to act with integrity or objectivity in their role at Sygnia.

All Employees are required to declare any financial interests received that might affect the performance of their duties to their manager and Group Compliance. Group Compliance is responsible for the final determination of whether a possible COI is identified as an actual COI, and guidance from the Audit and Risk Committee may be sought in this regard. Group Compliance can instruct the Employee to return the financial interest received.

If the COI involves a director, the Compliance team will consider reporting to the Sygnia Limited Board of Directors who will determine the course of action.

## 10. Specific Rules

The following rules (see 10.1 to 10.4 below) relating to potential COIs must specifically be adhered to by all Employees.

### 10.1 Gifts and Hospitality

No Employee may accept, offer or provide persons with any financial interest with a view to improperly influencing or inducing such persons in order to obtain a benefit.

Reasonable gifts of immaterial financial interest and hospitality are usually acceptable if they are consistent with accepted business practice, could not be perceived as a bribe and do not make the recipient feel obligated or make it difficult for the recipient to make a fair decision.

Gifts in the form of cash (including cash equivalents such as cash vouchers and gift vouchers), shares or leisure gifts (such as flight tickets and accommodation) are not permissible under any circumstances.

No gift may be offered to or accepted which in aggregate exceeds R1 000,00 in any calendar year from the same supplier, client or third party.

Where the amount is unknown, employees must estimate the cost based on the fair market value of the gift or entertainment. Branded promotional items such as pens, trade show bags and all other trinkets that employees receive as attendees of an event such as conferences, training events, seminars and trade shows that are offered equally to all attendees are not required to be disclosed.

All gifts and hospitality, subject to the exceptions mentioned above, must be declared to Group Compliance for recording in the Gift Register. The employee must disclose the acceptance or receipt of gifts as soon as practicably possible but not later than 7 business days after the acceptance or receipt.

Any gift, hospitality, gratuity or other benefit which an employee would like to receive or offer that has a value in excess of R1 000,00 is only permitted if it is pre-approved by the Business Unit Head and Senior Management and must be declared to Compliance within 48 hours of receipt or delivery.

## **10.2 Personal Account Trading**

All Employees are required to comply with the Group's Personal Account Trading Policy to ensure that clients' interests take precedence.

## **10.3 Employment Relationships**

All Employees are required to disclose, both at the beginning of their employment and throughout the course of their employment, any interest outside of Sygnia's employment that they are party to. No material conflict in this regard is allowed.

Employees are also required to disclose any personal financial interest that he/she or an Associate has in relation to the Group's business. This potential COI might include directorships and significant shareholdings.

Information received by Employees in the course of business dealings may not be used for personal gain or for any purpose other than that for which it was provided.

## **10.4 Remuneration**

The Sygnia Group shall not pay any remuneration to any FSP or representative (either its own or that of a third party FSP) other than what is permissible in accordance with legislation applicable from time to time to the Sygnia Group.

No Employee shall be remunerated in any way such that the remuneration will result in a COI with the best interests of any client. The Code specifically prohibits a product supplier from offering any Financial Interest to its own representatives to give preference to the quantity of business secured over the quality of service rendered to clients.

Sygnia will not offer financial interest to its representatives or associates for:

- Giving preference to the quantity of business secured to the exclusion of the quality of service rendered to its clients; or
- Giving preference to a product supplier when a representative may recommend more than one product supplier to a client; or
- Giving preference to a supplier's specific product to a client when a representative might recommend more than one product from that supplier.

## 11. Management of Conflicts of Interest

Employees must avoid any activities that they should reasonably be aware may lead to an actual or perceived COI with the business of the Group or with the provision of financial services to clients. Where avoidance is not possible, measures must be taken to mitigate any conflicts of interest and it must be appropriately disclosed to an existing or potential client at the earliest reasonable opportunity.

In determining whether the COI is unavoidable, the effect of the identified COI on clients and on Sygnia must be assessed and a decision made as to whether avoiding the COI would result in Sygnia being:

- Unable to provide services that it is contractually obliged to provide to a client;
- Unable to provide services of the same quality and standard to a client if it should decide to avoid the COI; and
- Unable to provide services to clients at the same costs or fees to a client;
- Unable to avoid due to inherent Group structures or legal or practical impossibilities.

When there is doubt, Group Compliance will determine whether a COI can be classified as unavoidable and guidance may be obtained from the Audit and Risk Committee.

Depending on the nature of the unavoidable COI, it may be appropriate to:

- Disclose the COI to the client in a clear and concise manner at the earliest reasonable opportunity, together with measures that were taken to mitigate the situation;
- Allocate another representative to provide the service to the client;
- Decline to provide a service to the client.

It is strictly prohibited to avoid, limit, circumvent or attempt to circumvent compliance through an Associate or an arrangement involving an Associate.

Group Compliance is responsible for recording, updating and maintaining all declared COIs in the Conflicts of Interest Register.

## 12. Disclosure

Where a conflict of interest cannot be avoided, all affected clients shall be duly notified in writing at the earliest reasonable opportunity and will also be alerted to the actions that have been taken to mitigate the COI.

## 13. Record Keeping

The following records should be kept for at least five (5) years:

- COIs identified and actions taken;
- Reports given to Sygnia's senior management, heads of business units and/or Group Compliance about matters relating to COIs;
- Copies of written COIs disclosures made to clients.

## 14. Monitoring

COI monitoring is undertaken by Group Compliance as part of the Group's Compliance Monitoring Programmes/Plans.

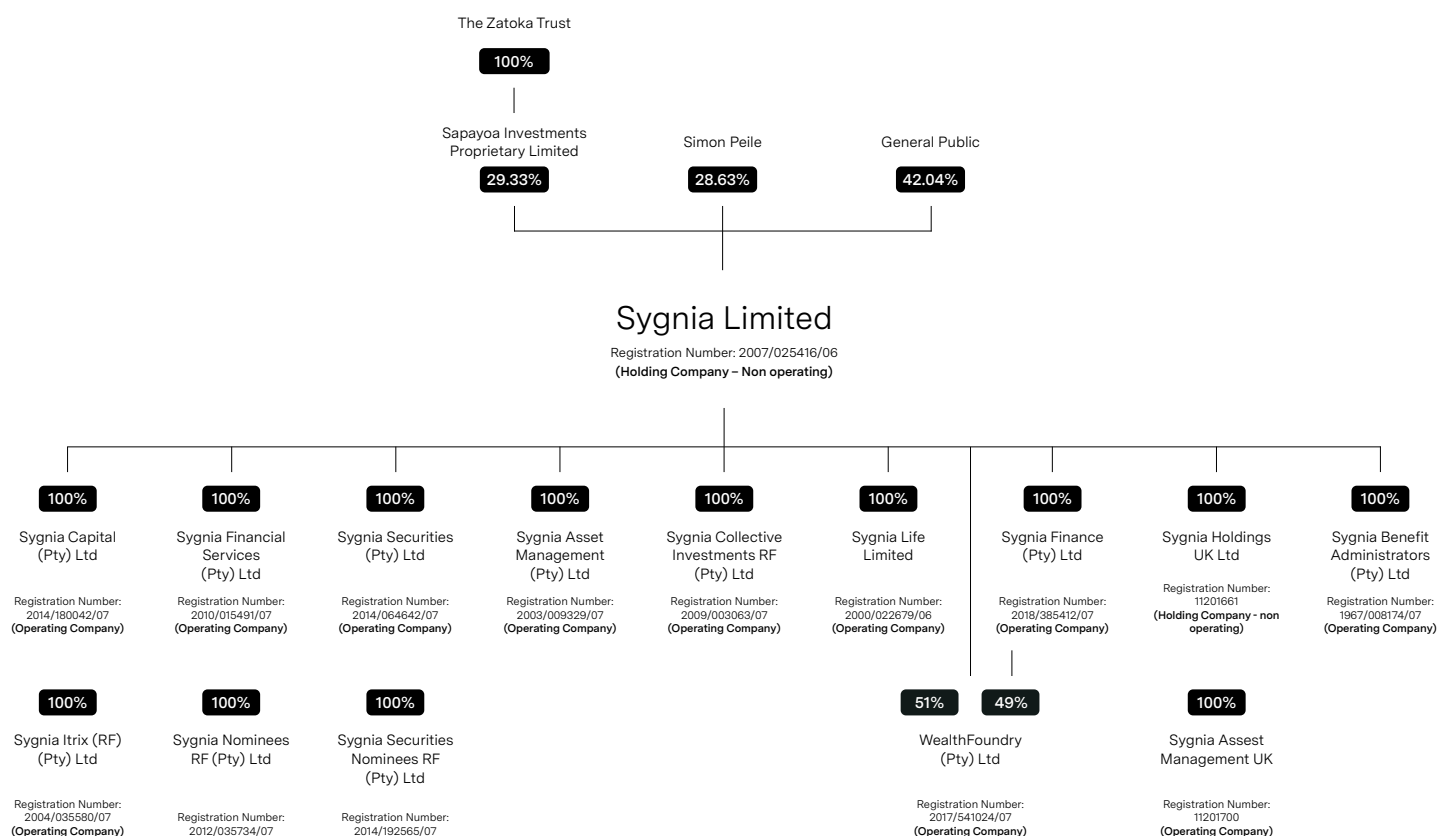
## 15. Training

Group Compliance is responsible for ensuring that Employees receive training regarding COI and the provisions of this policy. Training should occur on a regular basis to ensure Employees remain aware of their obligations.

## 16. Non-Compliance

Non-compliance by Employees with the requirements of this policy and procedure will result in the appropriate disciplinary measures in terms of Sygnia's Disciplinary Code. Sygnia representatives will also be subject to the processes and procedures applicable to representatives under the FAIS Act.

### Annexure A



### Registered FSPs:

Name of FSP	FSP Registration Number
Sygnia Asset Management (Pty) Limited	873
Sygnia Financial Services (Pty) Limited	44426
Sygnia Life Limited	2935
Sygnia Securities (Pty) Limited	45818
WealthFoundry (Pty) Limited	49421