

ASANDE WEALTH MANAGEMENT (PTY) LTD

CONFLICT OF INTEREST AND INSIDER TRADING POLICY



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An authorized financial services provider (50155)



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1. INTRODUCTION

In terms of the Financial Advisory and Intermediary Services Act, 2002, **Asande Wealth Management (Pty)Ltd (“the FSP”)** is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage Conflict of Interest (“COI”). Section 3A(2)(a) of the FAIS General Code of Conduct (“GCOC) stipulates that every financial services provider, other than a representative, must adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the Act.

2. PURPOSE

The purpose of this policy is to comply with these obligations and provide for mechanisms in place to identify, mitigate and manage the conflicts of interest to which the FSP is a party. In addition, to ensure alignment between the values of the organization and the conduct of its people by safeguarding clients’ interests and ensuring the fair treatment of clients.

The FSP is committed to ensuring that all business is conducted in accordance with good business practice. To this end, the FSP 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 and potential conflicts of interests. Like any financial services provider, the FSP is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients’ interests is our primary concern and so our policy sets out how:

- we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients’ interests;
- we have established appropriate structures and systems to manage those conflicts; and
- we will maintain systems in an effort to prevent damage to our clients’ interests through identified conflict of interest.

To achieve the objectives set out above, this policy sets out the rules, principles and standards of the FSPs COI management procedures, by documenting them in a clear and understandable format.



3. SCOPE OF APPLICATION

This policy is applicable to the FSP, all providers of the FSP, key individuals, representatives, associates and administrative personnel. The FSP is committed to ensuring compliance with this policy and the processes will be monitored on an ongoing basis.

Any non-compliance with the policy will be viewed in a severe light. Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.

Avoidance, limitation or bypassing of this policy via an associate will be deemed non-compliance.

Asande Wealth Management (Pty) Ltd is a wealth management practice that offers financial advice and intermediary services to its clients. The practice currently has 1 Management staff, 2 Senior staff and 3 support staff.

Asande Wealth Management conducts its business honestly and ethically wherever we operate. Given the nature of the business, the potential for conflict of interest is inherent to the business of the FSP in that it, or its related parties, conducts activities within a diverse range of financial services that are offered, including Life Assurance, Investment, Retirement and Employee Benefits.

We strive to create and maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of Directors, Employees, Partners or Product Suppliers is in the FSP's best interest and the Company will not compromise its principles for any short-term advantage.

4. UNDERSTANDING CONFLICT OF INTEREST

4.1. When is it a conflict of interest?

A COI means any situation in which the FSP or one of our representatives has an actual or potential interest that may, in rendering a financial service to our clients -

- influence the objective performance of obligations to that client; or
- prevents us from rendering an unbiased and fair financial service, or
- prevents us from acting in the interests of that client.

An “**actual or potential interest**” includes but is no limited to:

- A **financial interest**, which includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration which exceeds R1000 per calendar year.¹
- An **ownership interest** which means any equity or proprietary interest and any dividend, profit share or similar benefit derived from that equity or ownership interest.
- Any **relationship with a third party**, meaning any relationship with a product supplier, other FSP’s, an associate of a product supplier or an associate of the FSP. A third party also includes any other person who, in terms of an agreement or arrangement, provides a financial interest to the FSP or its representatives.
- An **immaterial financial interest**, which is any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 in any calendar year from the same third-party in that calendar year received by –

¹ Financial Interest excludes an ownership interest and Training, that is not exclusively available to a selected group of providers or representatives where that training is related to products and legal matters relating to (1) those products, (2) General financial and industry information, (3) Specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training and (4) qualifying enterprise development contribution to a qualifying beneficiary entity.



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

4.2. What type of interest may we give and receive?²

The FSP and our representatives may only offer to and receive specific financial interests from a third party³, which includes the following:

1. Commission as authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998).
2. Fees as authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998).
3. "Other fees" specifically agreed to by the client and which can be stopped by the client at their discretion but only if agreed in writing with the client, including details of the amount, frequency, payment method and recipient of those fees, as well as the details of services to be provided in exchange for the fees.
4. Fees or remuneration for services that were rendered to a third party.
5. An immaterial financial interest.
6. Any other financial interest not mentioned above for which a consideration, fair value or remuneration that is reasonably commensurate is paid by that provider or representative, at the time of receiving that financial interest.

² It is important to note that where the same legal entity is a product supplier and FSP, this section does not apply to the representatives of that entity. That entity is subject to the requirements set out in sections 4.4 of this report (FAIS GCOC S3A(1)(b) and 3A(1)(bA) in respect of its representatives.

³ FAIS GCOC S3A. FAIS GCOC S1 "third party" means a product supplier, another provider, associate of a product supplier or a provider, a distribution channel and any person who in terms of an agreement or arrangement with a person referred to previously provides a financial interest to a provider or its representatives.



4.3. On what basis may we give and receive financial interests?

The financial interest referred to in points 2, 3, and 4 above may only be offered or received by the FSP or its representatives, if:

- The financial interests are proportionate (reasonably commensurate) to the service being rendered, considering the nature of the service, the resources, skills and competencies that are reasonably required to perform it.
- The payment of those financial interests does not result in the FSP or representative being remunerated more than once for performing the same service.
- Any actual or potential conflicts between the interests of clients and the interests of the person receiving those financial interests are effectively mitigated; and
- The payment of those financial interests does not impede the delivery of fair outcomes to clients.

4.4. Financial interests for representatives of the FSP

The FSP may not offer any financial interest to a representative of that FSP –

- For giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.
- For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
- That is determined with reference to the quantity of business, without also giving due regard to the delivery of fair outcomes for clients.

In relation to delivery of fair outcomes for clients, the FSP must demonstrate that a determination of a representative's entitlement to a financial interest, considers measurable indicators, relating to the:

- Achievement of minimum service level standards in respect of clients



- Delivery of fair outcomes for clients; and
- Quality of the representative's compliance with the FAIS Act.

The measurable indicators are agreed in writing between the FSP and its representative and sufficient weight (significance) are attached to these indicators to materially mitigate the risk of the representative(s) giving preference to the quantity of business secured for the FSP over the fair treatment of clients.

The FSP does not offer a sign-on bonus⁴ to any person, other than a new entrant⁵, as an incentive to become a provider authorised or appointed to give advice.

The way in which the FSP remunerates its representatives and complies with these requirements, is set out in section 6 of this policy.

4.5. Gifting

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Partners, Directors and Employees shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.

In order to further ensure the adherence to this requirement, the official policy of the business is as follows:

- Any gifts or gratuities over the value of R1, 000.00 (One Thousand Rand) in the aggregate from any other person, including such person's associate as defined in Financial Sector Conduct Authority Board Notice 58 of 2010, may not be accepted by any person within

⁴ This requirement is only applicable to CAT I providers that are authorised to give advice. Refer to the definitions section of this policy.

⁵ A person who has never been authorised as a financial services provider or appointed as a representative by any financial services provider.



the organization. Nor may such gifts or incentives be given by any person in the Company, to any third party.

- No gifts or gratuities may be accepted or given without written consent from the Directors of Asande Wealth and all such gifts and accompanying documentation must be registered in the non-cash incentive/ gifts register (Annexure A). In exercising his discretion, management must have regard to any commission regulations or other laws which may be breached by the receipt of such gift. A written statement from the giver explaining the reason for and purpose of the gift must accompany any request for authorization. This provision applies, without limiting the generality of the foregoing, also to invitations to any functions, including lunches, dinners, training interventions and prize giving's.
- The gifts register shall be audited by Management on a bi-annual basis for the purpose of determining whether any gifts or incentives exceeded the aggregate value of R1,000.00 (One Thousand Rand).

5. INSIDER TRADING

Partners, Directors and Employees of Asande Wealth will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. This information – whether it is on behalf of the Asande Wealth, its Subsidiaries, any of its Clients or Product Suppliers – could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about the FSP, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

Misuse of material, inside information in connection with potential trading Asande Wealth's company securities can expose an individual to civil liability and penalties.

Under current legislation, Directors, Partners, and Employees in possession of material information not available to the public are "insiders." Spouses, friends, suppliers, brokers, and



others outside the group who may have acquired the information directly or indirectly from a Partner, Director, or Employee are also “insiders.” The Act prohibits insiders from trading in, or recommending the sale or potential future purchase of, Asande Wealth’s company securities, while such inside information is regarded as “material”, or if it is important enough to influence you or any other person in the purchase or sale of securities of any company with which we do business, which could be affected by the inside information.

The following guidelines should be followed in dealing with inside information:

- Until the material information has been publicly released by Asande Wealth, a Partner, Director and an Employee must not disclose it to anyone except those within Asande Wealth whose positions require use of the information.
- Partners, Directors and Employees must not buy or sell future Asande Wealth’s securities when they have knowledge of material information concerning Asande Wealth until it has been disclosed to the public and the public has had sufficient time to absorb the information.
- Partners, Directors and Employees shall not buy or sell shares of another corporation, the value of which is likely to be affected by an action by the Company of which the Partner, Director and Employee is aware and which has not been publicly disclosed.

Partners, Directors and Employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.

Partners, Directors and Employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. The Partners, Directors and Employees of Asande Wealth will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

Violation of this code can result in disciplinary action being taken against the person, including possible termination of services. The degree of discipline relates in part to whether there it is a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.



6. PROCESSES AND INTERNAL CONTROLS TO MANAGE CONFLICT OF INTEREST

6.1. Identification of conflict of interest

To adequately manage COI, the FSP must identify all relevant conflicts timeously. In determining whether there is or may be a COI to which the policy applies, the FSP considers whether there is a material risk of unfair treatment or bias for the client, taking into account whether the FSP or its representative, associate or 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 the client or of 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 another client, group of clients or any other third party over the interests of the client;
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the legislated commission or reasonable fee for that service.

In line with our COI policy, possible and actual conflict of interest or examples of conflict of interest in our FSP are -

Partners, Directors, and Employees of FSP must never permit their personal interests to conflict, or appear to conflict, with the interests of the Company, its clients or Product Suppliers.

This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients.
- An outcome in service delivery or a transaction executed that may differ from the real interest of the client.

- Any non-cash incentives that may be received by the business from affecting any predetermined transaction and / or product.
- Effecting a transaction and / or product that may result in a benefit to another party other than the client.

- *Any COI-*
 - *between the FSP and external parties-*



- Include a list of all associates; and
 - Include a list of any third parties in which the FSP holds an ownership interest, or that a third party holds an ownership interest in the FSP.
- between the FSP and the client.
 - between our clients if we are acting for different clients and the different interests conflict materially.
 - where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client.
 - storing confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

All employees, including internal compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify the Key Individual of any conflicts they become aware of. The Key Individual will assess the implications of the conflict and how the conflict should be managed, acting impartially to avoid a material risk of harming clients' interests.

6.2. Measures for avoidance and mitigation of conflict of interest

To ensure that the FSP can identify, avoid and mitigate COI situations, the FSP creates awareness and knowledge of applicable stipulations, through training and educational material. Where a COI situation cannot be avoided, these instances are recorded on the FSP's conflict of interest register.

The FSP ensures the understanding and adoption of the FSP's conflict of interest policy and management measures by all employees, representatives and associates through training on the COI policy.

The Key Individual will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. Compliance and management then agree on the controls that need to be put in place to manage the conflict. Once



a conflict of interest has been identified it needs to be appropriately and adequately managed and disclosed, in line with the below points.

6.3. Measures for mandatory disclosure of conflict of interest

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned.

In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients. The Key Individual will ensure transparency and manage conflict of interests. The client must be informed on the Conflict of Interest Policy and where they may access the policy.

6.4. Ongoing monitoring of conflict of interest management

The key individual or staff member in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters. The FSP will conduct *ad hoc* checks on business transactions to ensure the policy has been complied with.

The Compliance Officer will include monitoring of the Conflict of Interest policy as part of her general monitoring duties and will report thereon in the annual compliance report.

This policy shall be reviewed annually and updated if applicable. The compliance function is outsourced to an external Compliance company with no shareholding in this FSP. The Compliance practice functions objectively and sufficiently independently of the FSP and monitors the process, procedures and policies that the FSP has adopted to avoid conflicts of interest.

6.5. Management and mitigation



The Key individuals and directors of Asande Wealth Management (Pty) Ltd will review all conflicts on a quarterly basis and make recommendations regarding steps to avoid a recurrence of those aspects. The Directors will accept responsibility for the implementation of all steps necessary. Notice of the attention paid to conflict of interest must be contained in the minutes of the meetings of the compliance meeting and the relevant extracts of the minutes must be made available to the FSP's Accountant on request, the purpose of which is to enable the accountant to report on compliance with this policy, where necessary.

Where a conflict is identified and a decision is made, the nature of the decision must be communicated to the third party in writing as soon as possible. This applies regardless of whether the decision Asande Wealth made to cease doing business or continue with the business at hand despite the existence of the conflict. It is important for the preservation of the corporate integrity that these disclosures are made at all times.

6.6. Training and staff

Comprehensive training on the Conflict of Interest is provided to all employees and representatives as part of specific and/or general training on the FAIS Act and GCOC.

Training will be incorporated as part of all new appointees' induction. Ongoing and refresher training on the FSP's Conflict of Interest management processes and policy is provided on an annual basis.

6.7. Registers

With regard to existing third-party relationships, being the product suppliers listed in our Contact Stage Disclosure letter, we confirm that there are no circumstances which could lead to a potential conflict of interest. Should any conflicts arise with regard to any of these, prior to entering into any business transaction with you, we undertake to disclose these in the registers below.

All gifts, financial interest, immaterial financial interest and any other COI situations as outlined in this policy, must be recorded in the FSP's COI register, attached as Annexure A.



7. REMUNERATION POLICY

Our remuneration policy is that no representative shall be solely remunerated as part of an incentive structure with its main or sole aim to increase production for a particular Supplier, by way of share options at a discount or by way of any cash or non-cash incentive, unless such incentive structure takes into account:

- A combination of quantitative and qualitative criteria; and
- Is not limited to a specific Product Supplier; and
- Is not limited to a specific product.

Any incentive as contemplated in this section must be linked to a particular incentive exercise and be approved by the Board in writing prior to being implemented. All incentive projects must be disclosed to clients of the Company who are approached with a view to doing business with them in relation to the incentive project. Every incentive project must be attached to this policy, together with a description of the nature and basis of participation and any other rules as well as the duration of the incentive project.



8. ANNEXURES

Annexure A

Conflict of Interest Register

Type	Date Received	From	To	Reason	Value	Approved?	Approver	Signature
Choose an item.						Yes/No		
Choose an item.						Yes/No		
Choose an item.						Yes/No		
Choose an item.						Yes/No		
Choose an item.						Yes/No		

We take pride therein that our advice is objective and free of external influence, but wish to disclose to you, our valued client, that we have received the following financial interests and wish to disclose the value and the reason for receiving the financial interests



Annexure B

Policy Review

Date	Detail of change or amendment	Person	Signature
13/04/2022	Scope of application of conflict of interest	Sheila	
04/07/2022	Identification of conflict of interest	Sheila	
04/07/2022	Definitions	Sheila	
04/07/2021	Annexure B: policy Owner	Sheila	

Date adopted: 7 October 2019

Policy owner: Sheila Maluleka



Annexure C – Additional Definitions

1. Associate

(a) In relation to a natural person, means–

- (i) a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
- (ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
- (iii) a parent or stepparent of that person;
- (iv) a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
- (v) a person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv);
- (vi) a person who is in a commercial partnership with that person;

(b) in relation to a juristic person–

- (i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
- (ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
- (iii) which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person–
 - (aa) had such first-mentioned juristic person been a company; or
 - (bb) in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
- (iv) means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act;

(c) in relation to any person–



- (i) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
- (ii) includes any trust controlled or administered by that person.

2. Fair Value

Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 61 of 1973.

3. FSC

Means the Financial Sector Code published in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, (Act 53 of 2003), as amended from time to time

4. Distribution channel means

- a) Any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client.
- b) Any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier.
- c) Any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

5. New Entrant

Is a person who has never been authorised as a financial services provider or appointed as a representative by any FSP.



6. No-claim bonus means

Any benefit that is directly or indirectly provided or made available to a client by a product supplier in the event that the client does not claim or does not make a certain claim under a financial product within a specified period of time.

7. Measured Entity

Has the meaning assigned to it in the FSC insofar it relates to a qualifying enterprise development contribution.

8. Qualifying Beneficiary Entity

Has the meaning contemplated in the FSC insofar as it relates to a qualifying enterprise development contribution

9. Qualifying Enterprise Development Contribution

Has the meaning assigned to it in the FSC

10. Sign-On Bonus means

(a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and

(b) a financial interest referred to in paragraph (a) includes but is not limited to–

(i) compensation for the–

(aa) potential or actual loss of any benefit including any form of income, or part thereof; or

(bb) cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services; or

(ii) a loan, advance, credit facility or any other similar arrangement.

