

The logo for AssetBase, featuring the words "ASSET" and "BASE" stacked vertically in a white, sans-serif font against a dark blue square background.

**ASSET  
BASE**

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**CONFLICT OF INTEREST  
MANAGEMENT POLICY**

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**ASSETBASE (PTY) LTD (“ASSETBASE”)**  
with Registration Number 1999/015141/07

## Policy statement

Assetbase (Pty) Ltd's Governing Body, its employees, volunteers, contractors, suppliers and any other persons acting on behalf of the organisation are required to familiarise themselves with the policy's requirements and undertake to comply with the stated processes and procedures.

## Policy adoption

<b>Name &amp; Surname</b>	Cameron McCallum
<b>Capacity</b>	Director
<b>Signature</b>	
<b>Date</b>	

## Review

<b>Version</b>	V1.02
<b>Publishing Date</b>	November 2022
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<b>Frequency of Review</b>	Annually
<b>Next Review Date</b>	March 2024

## 1. Purpose

Every Financial Service Provider (“FSP”) must adopt, maintain and implement a Conflict of Interest Management Policy which complies with the provisions of the Financial Advisory and Intermediary Services Act, 37 of 2002.

A conflict of interest arises when an actual or potential interest may influence you to not act fairly, independently and objectively towards your client.

Assetbase and its representatives are committed towards acting within the best interests of our clients and to avoid all conflict of interests in relation to the provision of financial services. Where we are unable to avoid a conflict of interest, we will take all necessary precautions to ensure that any actual or potential conflict of interest is mitigated and adequately disclosed to our clients. In order to ensure the continued demonstration of our commitment, we have adopted a Conflict of Interest Management policy to provide for the effective management of any actual or potential conflicts of interest that may arise wholly or partially, in relation to the provision of financial services.

## 2. Application & responsibility

This policy applies to all employees (permanent or temporary), directors, representatives and Key Individuals and they are all responsible to identify a conflict of interest and to read and understand this policy.

All employees are required to familiarise themselves with the policy, undertake required training and adhere to the policy.

## 3. Internal controls to identify conflicts of interest

We have implemented the following internal controls to identify actual or potential conflicts of interest that may arise:

- Regular reviews on all contracts held with third parties in order to assess whether the contractual relationship in any way influences our objective performance towards our clients.
- Regular reviews on all relationships where an ownership interest exists between the us and a third party. The purpose of the review is to assess whether the relationship in any way influences our objective performance towards our clients.
- Conflict of Interest declarations are signed by all relevant personnel on an annual basis.
- The list of associates and third parties are reviewed and updated on a regular basis.
- We maintain a Gift Register. All gifts received from a third party with an estimated value of R500 or more will be recorded in the FSP's Gift Register.
- All applicable individuals are required to immediately disclose any actual or potential conflicts of interest as soon as they become aware of such situation.

## 4. Conflict identification

Throughout the process of rendering a financial service to a client, a representative must apply his or her mind to answering the following questions:

- Is there a situation that influence the objective performance of my obligations to my client? (Is there a financial gain OR loss that will negatively affect impartiality and independence?)
- Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client?

A negative answer to these questions will indicate that no obvious conflict exists. However, a positive answer must be followed by the following questions which will lead to a conflict being identified:

- Is it caused as a result of an actual or potential relationship with a 3rd Party
- Is it caused by an actual or potential financial or ownership interest?

## 5. Management of conflict

Once an actual or potential conflict of interest has been identified, it must be reported to the internal Compliance Officer and Board of Directors where they will evaluate the actual or potential conflict of interest and assess whether it is possible to avoid it.

Evaluation Process: The following must be considered:

- The possible negative impact it will have on our clients where the actual or potential conflict of interest is deemed to be unavoidable
- The possible negative impact it will have on the integrity of the financial services industry where the actual or potential conflict of interest is deemed to be unavoidable.

Avoidance	Unavoidable conflict / mitigation
Removing the underlying cause or situation that results in the actual or potential conflict of interest as soon as reasonably possible.	Measures will be implemented to mitigate the actual or potential conflict as far as reasonably possible.
Any immediate negative impact or prejudice towards clients pending the removal of the actual or potential conflict of interest will be kept to a minimum.	The reasons why the actual or potential conflict of interest was determined to be unavoidable must be recorded.
The reasons why the actual or potential conflict of interest was determined to be avoidable must be recorded.	Control measures must be implemented to reduce the negative effect on the client.
	The status of whether the actual or potential conflicts of interest's is still deemed to be unavoidable shall be reassessed on a continuous basis.
	All representatives will be notified of any actual or potential conflicts of interest as well as the reasons for its unavoidability.

## 6. Disclosure of conflicts of interest

Assetbase is committed to ensure that clients are fully informed about actual or potential conflicts of interest in relation to the provision of financial services. Disclosure alone will often not be enough, but once it is established that a conflict may or does exist, clients will be informed of the actual or potential conflict of interest in writing at the earliest reasonable opportunity.

The written disclosure must include the following information:

- The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest
- Sufficient detail to enable the client to understand the exact nature of the relationship or arrangement with the third party and the conflict of interest
- Measures taken to avoid or mitigate the conflict

- Any ownership interest or financial interest, other than an immaterial financial interest, that the FSP or representative may be or become eligible for
- Reference to the FSP's Conflict of Interest Management Policy and how it may be accessed

## 7. Permitted financial interest

Assetbase and its representatives may only receive or offer the following “financial interest” from or to a “third party” (please refer to definitions in the Annexure to this policy):

<b>Financial interest</b>	
<b>Fees or remuneration</b>	<p>For the rendering of a service to a third party</p> <p>These fees may only receive or offer these financial interests if:</p> <ul style="list-style-type: none"> <li>• those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;</li> <li>• the payment of those financial interests does not result in Assetbase or its representative being remunerated more than once for performing a similar service;</li> <li>• any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated; and</li> <li>• the payment of those financial interests does not impede the delivery of fair outcomes to clients.</li> </ul>
<b>An immaterial financial interest</b>	<p>Immaterial financial interest from/to third parties not exceeding a total of R1 000, per calendar year per third party.</p> <p>Gifts must be declared and included in the Gift Register.</p>
<b>A financial interest, not referred to above.</b>	<p>For which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by Assetbase or its representative at the time of receipt thereof.</p>

## 8. Financial interest not permitted

Assetbase may not offer any financial interest to its representatives:

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

Assetbase must be able to demonstrate that the determination and entitlement to the financial interest, that may not be offered to representatives as determined by quantity of business secured without also giving due regard to the delivery of fair outcomes for clients, takes into account measurable indicators relating to the:

- achievement of minimum service level standards in respect of clients
- delivery of fair outcomes for clients
- quality of the representative's compliance with this Act

as agreed between Assetbase and its representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.

## **9. Compliance measures**

The governing body is responsible towards ensuring our continued compliance with the Conflict of Interest Management Policy. All applicable employees must receive a copy of the policy and training must be provided where required. The policy will be reviewed on an annual basis and any deviation from the policy will require prior approval.

The governing body shall publish its Conflict of Interest Management Policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times

## **10. Consequences of non-compliance**

Where there is reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest via the proper communication channels, we will proceed to investigate and take any appropriate steps deems necessary to limit any financial prejudice that may be suffered by Assetbase, our clients or any other third party.

Appropriate disciplinary steps and corrective actions against such employee or representative will be taken where necessary. Any failure by an employee to comply with the Conflict of Interest Management Policy will be considered serious form of misconduct and a dismissible offence.

## ANNEXURE A: DEFINITIONS

### Conflict of Interest

Conflict of Interest means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client:

- a) influence the objective performance of his, her or its obligations to that client; or
- b) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client, including but not limited to:
  - a financial interest;
  - an ownership interest;
  - any relationship with a third party.

### Financial Interest

Financial Interest means 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) an ownership interest;
- b) 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; and
  - specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
- c) a qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

### Immaterial Financial Interest

Immaterial Financial Interest means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by:

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

### Ownership Interest

Ownership Interest means

- a) 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, and
- b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

## 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; or
- e) any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to a provider or its representatives.

## Associate

Associate means

- a) in relation to a natural person:
  - a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person
  - a child of that person, including a stepchild, adopted child and a child born out of wedlock
  - a parent or stepparent of that person
  - 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
  - a person who is a spouse, life partner or civil union partner of a person referred to above
  - a person who is in a commercial partnership with that person
- b) in relation to a juristic person:
  - 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
  - which is a close corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act
  - which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
    - had such first-mentioned juristic person been a company, or
    - in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other person been a company; or
    - means any person in accordance with whose directions or instructions the board of director 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:
  - 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
  - includes any trust controlled or administered by that person



## Distribution Channel

Distribution Channel means

- a) any arrangement between a product supplier of 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

## List of associates

Name	Relationship
Rapid Stream Capital (Pty) Ltd	Holding company
Netto Invest (Pty) Ltd	Subsidiary
Netto Capital (Pty) Ltd	Subsidiary
Perpetual Fiduciary Services (Pty) Ltd	Subsidiary

## Ownership interests in third parties held by the FSP

Name	Relationship
N/A	

## Ownership interest held by third parties in the FSP

Name	Shareholding
N/A	