

## SAC P13 CONFLICT OF INTEREST POLICY

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### 1. SCOPE AND PURPOSE

SA Commercial places a high priority on its clients' interests. As conflicts of interest affecting clients could undermine the integrity and professionalism of our business, any instances must be identified as early as possible. If conflict situations cannot be avoided, they must be managed equitably and in the client's interest. Detecting potential or recognised conflicts of interest that could compromise the interest of its clients and managing and limiting the impact of conflicts of interest, therefore, constitute an integral part of SA Commercial's duties and obligations.

A conflict of interest is a situation in which the interests of SA Commercial, in the exercise of its activities, and the interests of its clients, are directly or indirectly in competition, and which could significantly prejudice the client's interests. This notion concerns SA Commercial in its capacity as a service provider, and all individuals working for SA Commercial (employees, associates, service providers, etc.). A conflict of interest may be recognized (actually identified) or potential (conceivable).

In accordance with the General Code of Conduct for Financial Services Intermediaries we are required to disclose any ownership interest we may have in external parties.

### 2. RECOGNISING CONFLICTS

Conflict of interest situations that could prejudice a client may take a variety of forms, whether or not SA Commercial suffers any financial loss and independently of whether the actions or the motivations of the employees involved are intentional. At least 3 types of situations are defined by SA Commercial to help determine whether a potential conflict of interest situation might occur:

- SA Commercial or an employee will receive a financial gain or avoid a potential loss at the client's expense;
- The interest of SA Commercial, a department or an employee may be different from the client's interest;
- SA Commercial or an employee is induced to favour one client over another (whether for financial reasons or otherwise).

### 3. MANAGEMENT

SA Commercial has established a management policy enabling it to prevent potential conflicts of interest, mitigate and manage actual conflicts of interest and communicate them effectively to clients. This policy is based on a system of prevention, detection, management, communication and recording conflicts of interest.

Senior Management is responsible for the operation and condition of the conflicts of interest register. If a new potential or actual conflict of interest should arise, management of SA Commercial will decide whether the

transaction will actually generate a conflict of interest and if so, if it will be accepted or declined, and managed in the client's interest. If a conflict of interest cannot be properly managed, the necessary information on the type and origin of the conflict of interest will be communicated to the client, to enable the client to make a fully informed decision. All the documents and supporting evidence will be stored by SA Commercial.

In general, all measures and complementary procedures will be taken to ensure the required level of independence.

SA Commercial manages potential and actual conflict of interest situations based on the following:

- Ethical principles. Predominant among these rules are the principles of client sovereignty, equity, impartiality, respect for professional secrecy, market integrity and compliance with laws and regulations.
- A control system to ensure monitoring of the conflicts of interest and corrective measures are taken. In this respect, SA Commercial has procedures detailing the concrete measures to manage potential or recognized conflicts of interest in the interest of clients.

It is the duty of all employees to inform their line manager and the Head of Legal, Risk & Compliance of any potential or confirmed conflict of interest as soon as it is perceived or identified. Where this is not possible or appropriate, disclosure should be made to the next management line upward.

In the case of the Board, any such declarations should be made at the start of any board meeting, captured within the minutes, and reported to the Head of Legal, Risk & Compliance who will update the conflicts register.

#### 4. RESPONSIBILITIES

The Legal, Risk & Compliance Department will advise all relevant staff of:

- The definition of 'conflict of interest';
- The main features; and
- Examples of possible conflicts of interest that may emerge

The Legal, Risk & Compliance Department will assess the seriousness of identified possible conflicts and will determine (in consultation with senior management) the management thereof. Typically this can involve:

- If current disclosures constitute adequate management
- What further disclosures would constitute adequate management?
- Whether or not disclosure alone can adequately manage the conflict. Where it cannot, all stakeholders can decide how the conflict should be avoided, or whether the conflict should be referred for prompt board consideration.

The Legal, Risk & Compliance Department will keep adequate records of the controls management process, from identification through to effective resolution of the conflict.

The Legal, Risk & Compliance Department can prepare a report on the management of conflicts of interest, for the Executive team to consider at intervals appropriate to the business.

## 5. CORRECTIVE ACTION

The company's Corrective and Preventive action Procedure will be activated if this procedure fails to meet the desired objectives.

## 6. MANAGEMENT REVIEW

Management should review the Control of Documents and Records Process on a continuous improvement basis for suitability, adequacy, and effectiveness at least once every twelve months.

Reports required for the reviewing of input and output of this process are:

- Follow up actions from previous management review meetings

The output from the Management Review will include:

- Improvements of the effectiveness of the quality management system and its processes
- Resources needed
- Improvements to the process related to the provision of service to the business.