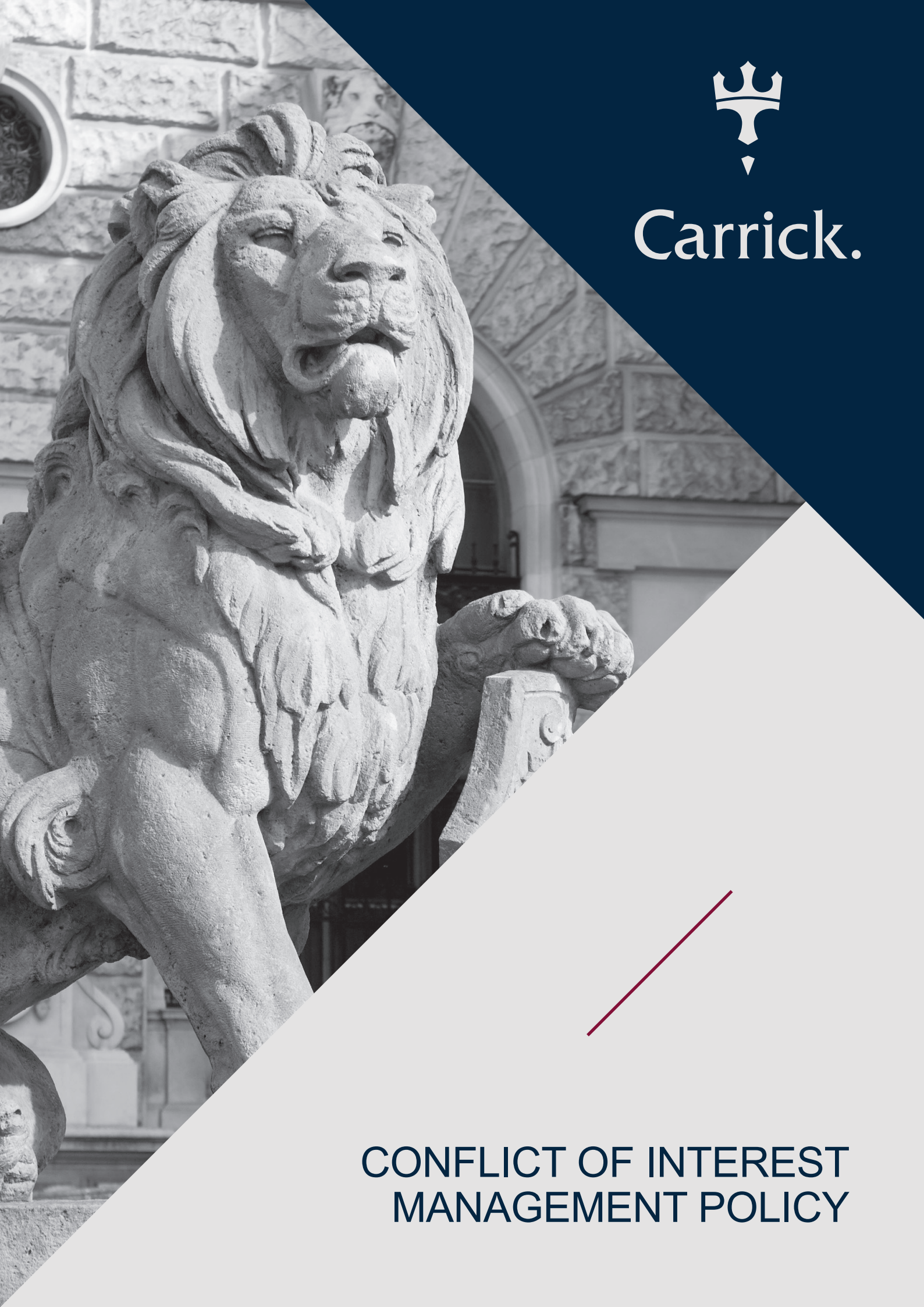




Carrick.



CONFLICT OF INTEREST  
MANAGEMENT POLICY

# Table of Contents

<b>1. Introduction</b>	<b>3</b>
<b>2. Purpose</b>	<b>3</b>
<b>3. Scope of application</b>	<b>3</b>
<b>4. Understanding Conflict of Interest</b>	<b>3</b>
4.1 When is it a Conflict of Interest?	3
4.2 What type of interest may we Give and Receive?	4
4.3 On what basis may the we Give and Receive Financial Interests?	4
4.4 Financial Interests for the FSP	5
<b>5. Processes and Internal Controls to manage Conflict of Interest</b>	<b>5</b>
5.1 Identification of Conflict of Interest	5
5.2 Measures for avoidance and mitigation of Conflict of Interest	6
5.3 Measures for mandatory disclosure of Conflict of Interest	6
5.4 Ongoing monitoring of Conflict of Interest Management	6
5.5 Training and Staff	6
5.6 Registers	6
<b>6. Remuneration Policy</b>	<b>6</b>
<b>7. Annexures</b>	<b>7</b>
Annexure A – Additional Definitions	7

# 1. Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, CARRICK WEALTH (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 organisation 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 minimise 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, 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 circumvention of this policy via an associate will be deemed non-compliance.

CARRICK WEALTH (PTY) LTD is a Private Company. Rashay Makan, Fred van Niekerk and Paul Brian Mitchell are the Key individuals and representatives of the FSP. The FSP also appoints various other representatives and admin staff.

# 4. Understanding Conflict of Interest

## 4.1 WHEN IS IT A CONFLICT OF INTEREST?

A COI means any situation in which the FSP 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 not 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.
- 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.
- 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 –
  - 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?**

The FSP may receive specific financial interests from a third party , 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.

## **4.3 ON WHAT BASIS MAY THE WE GIVE AND RECEIVE FINANCIAL INTERESTS?**

The financial interest referred to in points 2, 3, and 4 above may only be received by the FSP, 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 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 THE FSP

The FSP will not take any financial interest:

- For giving preference to a specific product of a product supplier, where he may recommend more than one product of that product supplier to a client.
- For giving preference to a specific product supplier, where he 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 will determine his entitlement to a financial interest taken measurable indicators into consideration, relating to the:

- Achievement of minimum service level standards in respect of clients
- Delivery of fair outcomes for clients; and
- Quality of the compliance with the FAIS Act.

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

## 5. Processes and Internal Controls to Manage Conflict of Interest

### 5.1 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, 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:

Any COI:

**between the FSP and external parties:**

- The Associates of this FSP are:
  1. Carrick Financial Services (Pty) Ltd (100% shareholder of the FSP)
  2. LNKD Investment Managers (70% shareholder of the FSP)
  3. Carrick Consult (50% shareholder of the FSP)

Rashay Makan together with the Risk and Governance Committee will be responsible for identifying specific instances of conflict. They 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.

## **5.2 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 and associates through training on the COI policy.

The Risk and Governance Committee 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 steps.

## **5.3 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 Risk and Governance Committee 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.

## **5.4 ONGOING MONITORING OF CONFLICT OF INTEREST MANAGEMENT**

The Risk and Governance Committee will regularly monitor and assess all related matters.

The Risk and Governance Committee will include monitoring of the Conflict of Interest policy as part of their 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.

## **5.5 TRAINING AND STAFF**

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

Ongoing and refresher training on the FSP's Conflict of Interest management processes and policy is provided on an annual basis.

## **5.6 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.

# **6. Remuneration Policy**

Representatives of the FSP only receive remuneration as set out section 4.2 of this policy. Admin staff receive fixed salaries.

## Annexure A - Additional Definitions

### 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.

### Fair Value

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

### 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

### 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.

**New Entrant**

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

**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.

**Measured Entity**

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

**Qualifying Beneficiary Entity**

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

**Qualifying Enterprise Development Contribution**

Has the meaning assigned to it in the FSC

**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.