



CONFLICT OF INTEREST POLICY

Last update: November 2022

PURPOSE

The purpose of this Policy is to specify the procedures put in place by Atriafinancial SA (Pty) Ltd (hereafter the “Company”), a company incorporated under the laws of South Africa, the registered office of which is at the Workplace, 44 Melrose Boulevard, Birnam, 2196 and is a Financial Services Provider regulated in the conduct of its activities by the South African Financial Sector Conduct Authority (“FSCA”) under license 36060, for identifying and responsibly managing and controlling and, where necessary, disclosing the conflicts of interests arising in relation to its business and to reduce the risk of client disadvantage and of legal liability, regulatory censure or damage to Company’s commercial interests and reputation and to ensure that it complies with legislative requirements.

DEFINITION OF CONFLICT OF INTEREST AND THE COMPANY’S POLICY

A “conflict of interest” involves the **actual, apparent** or **potential** abuse of the trust that people have in professionals, business or third parties. Therefore, a conflict of interest implies only the potential for bias, not the likelihood. Furthermore, a conflict of interest is a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity.

An apparent conflict of interest is one in which a reasonable person would think that the professional’s judgment is likely to be compromised.

A potential conflict of interest involves a situation that may develop into **an actual conflict of interest**.

Financial interest can take numerous forms such as but not limited to cash, cash equivalent, voucher, gift, services, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, or other incentive, or valuable consideration. As a general rule the Company considers a Financial interest as placing an employee in more advantageous and/or beneficial position than they would have been in under normal working conditions.

It is important to note that a conflict of interest exists whether or not decisions are affected by a personal interest. Conflicts of interest in terms of the FAIS Act can be described as circumstances where some or all of the interests of clients to whom a financial services provider or product supplier provides financial services or products, are

inconsistent with, or diverge from, some or all of the interests of the FSP, its representatives or the product supplier

It is not possible to list all situations which could constitute a conflict. The facts of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict. Therefore, we as company have implemented a Conflict of Interest register and a gift registry that will upload all new scenarios that could be deemed as Conflicts of Interests or have the potential to develop into actual conflicts of Interest but also what gifts Relevant persons may be entitled to receive from clients that do not breach these policies.

The Company defines a conflict of interest as any situation where either the Company or an individual is in a position to exploit, abuse or misrepresent either the client or the Company in a professional or official capacity in any way or manner for either corporate or personal benefit and/or gains. For the purposes of identifying whether a conflict of interest that may arise or has arisen in the course of providing investment and ancillary services (or a combination of both thereof) and whether the existence may damage the interests of a client, and/or the integrity of the Company. The Company shall take into account, as a minimum the following factors, whether the Company or a relevant person, or a persons are directly or indirectly linked by control of the Company, in any of the following situations, whether as a result of providing investment or ancillary services or investment activities or otherwise:

- a. The Company or a relevant person, or a person is directly or indirectly linked by control to the Company, is likely to make a financial gain or avoid a financial loss, at the expense of the client.
- b. The Company or a relevant person, or a person is directly or indirectly linked by control to the Company, has an interest in the outcome of a service provided to the client, or of the transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
- c. The Company or a relevant person, or a person directly or indirectly linked by control to the Company, has a financial or other incentive to favour the interest of another client or group of clients over the interests of the client.
- d. The Company or a relevant person, or a person is directly or indirectly linked by control to the Company, carries on the same business as the client.
- e. The Company or a relevant person, or a person is directly or indirectly linked by control to the Company, 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 monetary or non-monetary benefits or services

f. that the Relevant person has either received gifts from clients that have not been declared in the Company's gift register or a gift received in outside the acceptable threshold of the Company's gift policy.

"Relevant person in relation to the Company" means any of the following persons:

- a) a member of the Board of Directors, partner or equivalent, manager or tied agent of the Company;
- b) an employee of the Company or of a tied agent of the Company, as well as any other natural person whose services are placed at the disposal and under the control of the Company or a tied agent of the Company who is involved in the provision by the Company of investment services or/and the performance of investment activities;
- c) a natural person who is directly involved in the provision of services to the Company or to its tied agent under an outsourcing arrangement for the purpose of the provision by the Company of investment services or/and the performance of investment activities.

The affected parties, if conflict of interest arises, can be the Company, its employees or its clients. More specifically, a conflict of interest may arise between the following parties:

- a. Between the client and the Company.
- b. Between two or more clients of the Company.
- c. Between the Company and its employees.
- d. Between a client of the Company and an employee/manager of the Company.
- e. Between the Company's departments.

Conflicts of interest can occur in a number of situations, for example:

- The Company is likely to sustain an overall financial loss or avoid a financial loss, by executing a client's specific order.
- The Company is likely to sustain an overall financial gain by not executing a client's specific order.
- The market moves to a direction of a point/timing when by executing client's order will result in a financial loss for the Company.
- The Company's hedging policy is affected negatively by the market movement and as a result client's orders are rejected in order to prevent a financial loss for the Company.

- The Company's employees put their own interests above the interests of the Company's clients (commissions, inducements, etc.) The Company has an interest in the outcome of a service provided for their clients or a transaction conducted on behalf of the client, which is different from the client's interest in this result.
- The Company has a financial or other incentive to favor the interests of one client above the interests of another client when performing the same investment service in circumstances which are otherwise identical;

Control and Prevention of Conflicts of Interest

Where conflicts, or potential conflicts, are identified or reported, the Company is committed to ensuring that they are effectively and fairly managed so as to prevent these conflicts from constituting or giving rise to a material risk of damage to the interests of the Company's customers or the Company's integrity. The Company applies at least one of the following measures to every conflict or potential conflict:

- Staff training
- Segregation of duties (see below)
- Chinese walls (see below)
- Record keeping
- Conflict of Interest Register
- Gift Register
- Regular independent monitoring or review
- Disclosure to clients (see below)
- Internal reporting and reviews on regular basis.

Management of Conflicts of Interest

A. Independence and Segregation of Duties

The following functions and departments are segregated as measures to prevent or manage conflicts of interest:

- Dealing and the front office;
- The front office and the back office;
- Set up of bank account and payments;
- Sales and client acceptance;
- Set up of data and transactions;

- Payment order and payment execution;

Furthermore, the following measures have been adopted by the Company for ensuring the requisite degree of independence:

- Measures to prevent or control the exchange of information between relevant persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more clients. (i.e. by establishing a Chinese wall – see section B below)

- Direct supervision of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, clients whose interests may conflict, or who otherwise represent different interests that may conflict, including those of the Company. The Company's department whose interests may conflict with clients are:

- i. Dealing Room Department
- ii. Customer Service
- iii. Sales and Retention Department

- Removal of any direct link between the remuneration of relevant persons principally engaged with one activity and the remuneration of, or revenues generated by, different relevant persons principally engaged in another activity, where a conflict of interest may arise in relation to those activities:

- i. Dealing Room, Customer Service, Sales and Retention Department employees do not relate their remuneration with clients' performance.
- ii. The same applies to the employees under the Marketing Department.

- Measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out and/or promotes investment or ancillary services or activities. Additionally, the person who decides or influences an individual's bonus may exert undue influence over that individual's integrity of judgment.

- Measures to prevent or control the simultaneous or sequential involvement of a relevant person in separate investment or ancillary services or activities such as reception and transmission of clients' orders and tasks such as portfolio decision making and

calculating performance, where such involvement may impair the proper management of conflicts of interest

B. Chinese Walls

Chinese walls are essentially information barriers which are used to prevent inside or highly confidential information possessed by one part of the business from being inappropriately passed to, or obtained by, another part of the business.

When a Chinese wall is used as a way of managing conflicts of interests, individuals on the other side of the wall will not be regarded as being in possession of knowledge denied to them as a result of the Chinese wall. For example, where arrangements have been put in place to ensure that entities belonging to the same group operate independently of each other with effective Chinese walls, the entities shall not be deemed to have knowledge of each other for conflicts of interest purposes. Access to server and clients' data is restricted per department in line with the Company's Server Security Policy.

In order to restrict the flow of confidential and inside information within the Company, the Company maintains Chinese walls and physical separation of the following departments:

- ✓ Compliance Department
- ✓ Back Office Department
- ✓ Accounting & Finance Department
- ✓ Dealing Room Department
- ✓ Marketing Department

Disclosure of Conflict of Interest

When the measures taken by the Company to manage conflicts of interest are not sufficient to ensure, with reasonable confidence that risks of damage to clients' interest will be prevented, the Company proceeds with the disclosure of conflicts of interest to the client. Prior to carrying out a transaction or providing an investment or an ancillary service to a client, the Company must disclose any actual or potential conflict of interest to the client. The disclosure will be made at the earliest possible opportunity, in a durable mean and shall include sufficient detail, taking into account the nature of the client, to

enable them to take an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises.

Clients will be given the opportunity to decide whether or not to continue their relationship with us with no unreasonable obstacles.

The Company shall ensure that disclosure to clients pursuant to this section is a measure of last resort that shall be used only where the effective arrangements established by the Company to prevent or manage its conflicts of interest are not sufficient to ensure, with reasonable confidence, that risks of damage to the interests of the client can be prevented.

The disclosure shall:

- a) Clearly state that the organisational and administrative arrangements established by the Company to prevent or manage that conflict are not sufficient to ensure, with reasonable confidence, that the risks of damage to the interests of the client will be prevented;
- b) Include specific description of the conflicts of interest that arise in the provision of investment and/or ancillary services, taking into account the nature of the client to whom the disclosure is being made. The description shall explain in sufficient detail to enable that client to take an informed decision with respect to the investment or ancillary service in the context of which the conflicts arise:
 - i. The general nature and sources of conflicts of interest;
 - ii. The risks to the client that arise as a result of the conflicts of interest; and
 - iii. The steps undertaken to mitigate risks.

Record Keeping

The Company keeps and regularly updates a record of the kinds of investment and ancillary service or investment activity carried out by or on behalf of the Company in which a conflict of interest entailing a risk of damage to the interests of one or more clients has arisen or, in the case of an ongoing service or activity, may arise. The following documentation shall be maintained for a minimum period of 5 (five) years:

- This policy, any functional variations if applicable
- Training material and training records;

- Conflicts of Interest Notification Forms;
- Any other documentation used to demonstrate the management of conflicts of interest.

All records and personal data that the Company shall hold as part of its record keeping will be in accordance with the Client Agreement and any laws and regulations that the Company will be obliged to comply. We strongly recommend that you review the Client agreement and should you have any queries please contact us at compliance@mena.evest.com

Conflict of Interest Register

This Conflict of Interest Register outlines all potential and actual Conflicts of Interests that the Company Policies cover as well as the mitigation controls put in place to manage any conflicts. This Register is open for viewing upon request. The register is updated when a conflict becomes apparent, and is reviewed annually. (Appendix B)

Gift Register

This Register of Gifts Received, documents all financial interests and immaterial financial interests offered to or received by a by Relevant Persons. The register is updated when a Gift is received or offered, and is reviewed annually. (Appendix c)

Conflicts Deadlock

Where the line management cannot resolve a conflict to the satisfaction of all parties, the Compliance Head shall have the right to provide a final decision to any conflict deadlocks, as the Approved Person with responsibility for Compliance and Risk, the Compliance Head's Final decision shall be binding on all parties. **Review of the Policy**

This Policy shall be reviewed periodically. The Company shall take all appropriate measures to address any deficiencies.

Over-reliance on disclosure of conflicts of interest shall be considered a deficiency in the Company's conflicts of interest policy.

Procedures for management of conflicts of interest identification

The Company is responsible for establishing procedures for the identification, prevention and control of conflicts of interest. Checks and monitoring are carried out by Risk Management and the Compliance Officer in order to determine whether potential conflicts of interest are controlled. In the event of non-compliance with the policy, a report is made to the responsible management and a decision on how to resolve the situation is made in consultation with the management. In the event that a conflict of interest is identified and it is not possible for the Company to prevent or control a conflict of interest, the Company will notify the client accordingly, as discussed above.

To adequately manage conflicts of interest, the Company will employ two different mechanisms to ensure that all conflicts are identified:

Firstly, it shall maintain a register of identified conflicts of interest. The register will be compiled in conjunction with the board of Directors upon the suggestions and advise of the Compliance Officer, and then the company shall proceed to updating all new conflicts as soon as it they are identified.

Secondly, the register is reviewed on an annual basis for completeness. The register identifies the conflict, the severity of the conflict and documented controls to mitigate the conflict.

All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify the compliance officer of any conflicts they become aware of. The compliance officer will assess the implications of the conflict and how the conflict should be managed in conjunction with the board.

Managing Conflicts of Interest

Once a conflict has been identified it needs to be appropriately and adequately managed. Management and compliance assess each conflict and whether the conflict is actual or perceived and what the value of the conflict or exposure is and the potential reputational risk.

Compliance and management shall decide whether it is viable to go ahead with the transaction or if the conflict is too severe, decline to act.

If Compliance and management decide that the particular conflict can be mitigated, they need to agree on the controls that should be put in place to manage the conflict. The controls have to be documented in the Conflicts of interest Register.

All staff must take responsibility to not knowingly create a conflict of interest. Should the Client have reasonable grounds to believe that a member of staff has not performed its duties to satisfactory standard and has or is acting in a manner that has cause or may cause a conflict then the Client is obliged to inform the Company immediately of these actions.

Monitoring

On an annual basis, a conflicts of interest evaluation takes place performed by the Compliance Officer and this policy will be reviewed. If applicable, all appropriate measures will be taken to address any deficiencies. Also, upon the annual review should the Compliance officer discover new potential or actual conflicts of interest these new conflicts will be uploaded on to the Company's Conflict of Interest register.

POLICY UPDATES

We may from time to time may update our Conflict of Interest Policy. The amended and revised Policies will be posted on the Website keeping you informed. It's the sole obligation of the Client to remain updated of any amendments.

The Company keeps a Conflict of Interest register that will be updated at various intervals and that will be available upon request from the either the clients, associates and third parties. Please feel free to Contact our Compliance officer for any additional assistances or documents in regards to Conflict of Interest.