

# CONFLICTS OF INTEREST POLICY

*(Last review on 01/03/2022)*

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## 1. Introduction

The BN 80 of 2003 (i.e., General Code of Conduct for Authorised Financial Services Providers and Representatives (as amended by BN 58 of 2010) requires that when a provider renders a financial service, the provider and any representative must avoid, and where this is not possible, mitigate any conflicts of interest between the provider and a client or the representative and a client.

GVT KORIMZA (PTY) LTD ("The Company" or the "FSP"), acting in its capacity as a Financial Service Provider and in accordance with the Financial Advisory and Intermediary Services Act, 2002 (Act No. 37 of 2002, i.e., "FAIS") is responsible for taking all appropriate steps to identify and manage any conflicts of interest in its business that might arise. This document identifies the potential and actual conflicts of interest that might arise and summarizes the controls implemented by us to manage any such conflicts of interest. The Company is committed to maintaining the highest ethical standards and fully complying with its regulatory and legal obligations. Compliance with this policy is a requirement of the employment contract of every employee, Key Individual and Representative as defined in FAIS and any breach may lead to disciplinary proceedings, debarment, up to, and including, dismissal.

## 2. Purpose

This policy's purpose is to set out the FSP's approach in identifying the circumstances which may give rise to a conflict of interest, the FSP's measures for preventing the rise of such conflicts of interest as well as managing conflicts of interest which may arise during the course of its normal business activities.

## 3. Identification of Potential or Actual Conflicts 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, hers 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 interests of that client,

including, but not limited to-

- (i) a financial interest;
- (ii) an ownership interest;
- (iii) any relationship with a third party (third party) means:
  - a product supplier
  - another provider
  - an associate of a product supplier or a provider
  - a distribution channel
  - 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.

For example, a conflict of interest may arise where the FSP, or one of its employees, is providing a financial service to its clients or engaging in activities on their own account which may entail a material risk of damage to the clients' interests, for example where the FSP:

- could 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 clients' interest in that outcome;
- has a financial incentive to favor the interest of another client, or group of clients, over the interest of the client;
- receives, will receive or will pay a person other than the client, an inducement in relation to a service provided to the client, in the form of monies or commission, other than the standard fee for that service.

The following are potential COI that could affect the FSP, or one of its employees, Key Individuals / Representatives and must be reported to the relevant person within the FSP.

1. Directorships or other employment;
2. interests in business enterprises or professional practices;
3. share ownership;
4. beneficial interests in trusts;
5. personal Account Trading;
6. professional associations or relationships with other organizations;
7. personal associations with other groups or organizations, or family relationships;
8. Front running;
9. Rebates;
10. Kickbacks; and
11. Commission

To adequately manage conflicts of interest, the Company shall identify all relevant conflicts timeously. The Company will employ different mechanisms to ensure that all conflicts are identified.

The Company shall identify all conflicts of interest, their severity and document controls to mitigate the conflicts. 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.

The Company will manage conflicts of interest fairly, between itself and its clients, between itself and its employees and between its customers and to organize and control their internal affairs responsibly and effectively.

#### **4. Managing Conflicts of Interest**

##### Need-to-know Policy

It is the policy of the FSP that all non-public information obtained from a client or potential client or other source which has been provided in the expectation that it will be kept confidential shall be treated as confidential and shall not be shared with any other company or individual. The FSP's employees may not disclose any such confidential information to any person who is not an employee unless required by the terms of a transaction or relevant law or regulation. The dissemination of confidential information within the FSP is at all-time subject to established information barriers. The FSP also operates a "need to know" policy. Under the terms of this policy, confidential information may only be disclosed to those persons who need it to serve the legitimate interests of the FSP and its clients and who can be expected to keep it in confidence in accordance with the policy regarding information barriers.

## Independence

It is the policy of the FSP that where it and/or its employees are carrying on investment business the FSP will disregard any material interest which it or any of its subsidiaries or affiliates may have when providing intermediary services. This policy ensures that in providing intermediary services, the employees of the FSP act independently of any interest that may conflict with the duties owed to different clients or between the FSP and potential clients. This means that all employees must disregard any of the following interests and must not allow the existence of such interests to influence them when dealing with clients or potential clients: (a) any personal interests which they or members of their family may have (b) any existing, proposed, or prospective business relationships between the FSP and any third party (c) any agreement or transaction which has been, will or maybe entered into by the FSP; or (d) the holding by, interest or position of the FSP in any investments issued by the client or any third party.

## Inducements

The FSP has mechanisms and processes in place to ensure that in all cases, the clients are treated fairly and professionally, in accordance with their best interests and ensures that the said fee does not impair the FSP's duty to act in the best interest of the client.

## Disclosure

Where the FSP has considered the circumstances surrounding a possible Conflict of Interests and has determined for reasons that may have arisen at that time, that it is impossible to avoid such Conflict of Interest, the FSP shall at that time take such measures as may be reasonable to mitigate the prejudice to client.

In circumstances referred to right above the FSP or Representative as the case may be required to notify the client of the possibility of the conflict and shall disclose full details of the nature of the possible prejudice to the client. The FSP must also inform the client of the existence of the FSPs COI Policy and how it may be accessed.

The written notification to the client shall also contain details and reasons why the Conflict of Interest cannot be avoided in the circumstances and the client shall be asked to confirm in writing that the Provider may proceed or continue to act in the particular matter, as the case may be.

## Other measures

The FSP's internal procedures and measures for the management of potential and/or actual Conflicts of Interest include, but are not limited to, the following:

- a) The FSP has a dedicated Internal Compliance Officer, which is independent and which is responsible, among other, to monitor any possible deviation from the FSP's internal policies and procedures as well as identifying and managing any possible Conflicts of Interest and report these to the FSP's Board of Directors;
- b) appointment of Internal Auditor to ensure that appropriate systems and controls are maintained and report to the FSP's Board of Directors;
- c) prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's Board of Directors;
- d) segregation of employees' duties;

- e) The FSP ensures that marketing communication is reviewed and approved by the internal and external Compliance Officer prior to distribution to potential clients. The Compliance Officers also ensures that such communication meets the relevant definition of marketing communication as well as having the appropriate disclosure statement.
- f) The FSP shall ensure the regular review of the terms and conditions of the relationship between the business and the product supplier in order to identify potential, apparent or actual Conflicts of Interest and the regular review of the procedures adopted to prevent such conflicts in compliance with this Policy.
- g) The FSP shall ensure that all employees of the business are adequately exposed to this policy and concept of Conflicts of Interest and shall provide appropriate training to employees and ensure adherence of employees to the policy.
- h) The FSP shall continuously monitor compliance with this Conflicts of Interest policy and shall, on an annual basis, conduct a review of this policy.

## 5. Record Keeping

Under the FAIS Act, the FSP is required to keep and regularly update a written record of any conflict of interest that has arisen or may arise during the course of conducting its business which entails material risk of damage to the interests of one or more clients.

## 6. Further Information

For further information regarding the FSP's Conflicts of Interest policy, you may contact [support@tixee.com](mailto:support@tixee.com).

Should you wish to open a trading account with the product supplier, the counterparty to your transactions will be the product supplier, therefore, you shall ensure that you carefully read and understand the product supplier's respective Conflicts of Interest policy which is available on its website.

## 7. List of all GVT Korimza (Pty) Ltd associates:

- Pipbull Ltd

## 8. Names of any third parties in which GVT KORIMZA (PTY) LTD hold an ownership interest:

- No Ownership interest

## 9. Names of any third parties that holds an ownership interest in GVT KORIMZA (PTY) LTD:

- Stoa Ventures Ltd

## 10. List nature and extent of ownership insert referred to in point 8 and 9.

Stoa Ventures Ltd is the sole shareholder of GVT KORIMZA (PTY) LTD holding 100% of all issued shares of the FSP. Stoa Ventures is a dynamic financial investment group with a clear vision to develop a high growth,

diversified investment and commercial portfolio. Stoa Ventures actively seeks unique opportunities to grow the value and potential of its investments. To achieve industry-leading performance, Stoa Ventures deploys its deep market insight, innovative thinking and investment intelligence, which are hallmarks of the brand and its approach.

#### **11. Conclusion:**

All representatives of the FSP including key individuals and management are required to be dedicated to upholding the highest level of integrity and ethical conduct in all of their activities and relationships with all stakeholders.