

Reviewed: January 2023

CONFLICT OF INTEREST POLICY

This document is based on the FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002, NOTICE 58 OF 2010 - AUTHORISED FINANCIAL SERVICES PROVIDERS AND REPRESENTATIVES as amended by GOVERNMENT GAZETTE NO. 33133 ON THE 19TH APRIL 2010.

Introduction:

In the financial services industry, where Aylett & Co. ("Aylett") operates, conflicts of interest can be described as circumstances where some, or all of the interests of clients to whom a financial services provider provides financial services are inconsistent with, or divulge from, some or all of the interest of Aylett, or any employee, director or FAIS representative of Aylett.

In terms of the FAIS General Code of Conduct a provider and a representative must avoid, and where this is not possible, mitigate, any conflict of interest between Aylett and a client or any employee, director or FAIS representative of Aylett and a client.

Purpose:

The purpose of this policy is to outline a suitable approach and response to the identification and management of conflicts of interest. It is not the aim of Aylett to avoid all possible conflicts of interest but rather to identify and effectively manage conflicts of interest that may arise during the normal course of business.

Potential conflicts of interest:

Aylett has identified potential conflicts of interest that are typical in the financial services industry, as well as standards of conduct expected of employees, each of which has an associated written policy and processes, where relevant.

Gifts and Inducements

Employees must not accept, or offer, any gift or inducement likely to induce business or influence any business decision. Consideration must be given to whether employees can remain objective and whether an employee's integrity may have been, or be perceived to have been, compromised.

Outside Interests

Employees must avoid or disclose any actual or potential Outside Interests in a business or entity other than those within Aylett. An employee has an "Outside Interest" if that employee is directly or indirectly involved in any employment, ownership, position of authority (including any directorships, trusteeships, or similar positions) or control of a business, external interest or entity.

Personal Account Trading

Employees are permitted to make personal investments/disinvestments in securities, provided that they comply with the internal policy on personal account trading. The policy places various obligations on employees including disclosure of all PA trades, obtaining pre-trade permission to trade and providing brokers notes and/or statements to the Compliance Department periodically.

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Insider Trading

Employees must not act, or cause others to act, on material, non-public information.

Market Abuse

Employees must not engage in practices designed to distort prices or artificially inflate trading volume with the intent to mislead market participants.

Order Execution and Allocation

Employees must ensure that all investors are treated fairly in the execution of orders and the allocation of trades to client portfolios. Aylett will not discriminate against any client or place any single client's interest above those of others.

Research and Execution Costs

Employees are required to make efficient decisions, in the interests of our clients, in relation to trade execution and the purchase of ancillary services such as investment research. All research is to directly benefit the client.

Managing conflicts of interests:

Aylett has installed the following mechanisms to ensure that conflicts of interest are managed appropriately:

- **Identification of conflicts of interest.**
 - All employees are required to report any potential or actual Conflicts of Interest to the Compliance Officer. The onus is on every employee to comply with this Policy. Should any individual be uncertain as to whether they are in a conflicted situation, then he/she should contact the Compliance Officer immediately.
- **Avoiding Conflicts of Interest altogether**
 - Once an actual or potential conflict of interest has been identified the following measures will be followed in order to determine whether the conflict of interest is avoidable:
 - Consult our external compliance officer (Compli-Serve) for advice on how to proceed.
 - All information surrounding the actual or potential conflict of interest must be disclosed to all interested parties.
- **Disclosing Conflicts of Interest appropriately**
 - Any breach of this policy must be reported to the Compliance officer immediately.
 - Aylett staff must include all material facts when making disclosures or providing information regarding actual or potential conflicts of interest to Aylett, Aylett investors, or potential Aylett investors.

Senior Management Responsibilities:

Senior management at the Company are responsible for the creation, implementation and oversight of appropriate processes and procedures for the effective management of conflicts of interest within the Company.

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Senior management are to be involved in all aspects of conflict of interest identification and the management thereof, and is to take a broad view of the risks posed to the Company.

The responsibility needs to be allocated to accountable individuals, and controls to mitigate conflicts need to be reviewed on a regular basis.

Senior management is responsible for ensuring that the broad spread of conflict risk to which the Company is exposed is addressed.

Senior management needs to make informed judgments about the materiality of the conflict risk.

Representative entitlement to financial interest:

- As consideration for providing services to Clients, staff designated as Representatives under FAIS are entitled to remuneration by salary and other benefits in terms of their contracts of employment.
- No Employee may receive a Financial Interest that leads to a potential Conflict of Interest between the Employee and any Clients.

List of Aylett Associates:

- None

Consequences of non-compliance with policy by employees:

Consequences for non-compliance with the policy by Aylett employees and representatives is a serious offence and any violation of the principles/guidelines/rules set out in this policy could lead to immediate disciplinary action.

Training:

All employees must know and understand the Conflicts of Interest Management Policy as well as the policies relating to the identified sub-categories of potential Conflicts of Interest, to the extent relevant to their roles & responsibilities. Appropriate training will be provided to all employees on a periodic basis.

Conclusion:

- The Company's conflicts of interest policy is readily available to all staff members.
- Any training done on the subject is reported on to ensure all staff members remain up to date on any developments in the industry.
- This policy is designed to promote client protection and to maintain market integrity within the financial services industry.

At the end of each quarter, the senior management will sign a register (Gifts Register - recorded in the compliance file) of all benefits given to any staff member during the quarter and forward this to the external compliance officer.

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Policy Approval:

This policy has been considered and approved by the Directors of Aylett & Co.

Glossary:

“Associate” means in the case of a company, 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.

“Conflict of interest” means any situation in which Aylett & Co (Pty) Ltd (“Aylett”), or any employee, director or FAIS representative of Aylett has an actual or potential interest that may, in rendering a financial service to an investor,

- influence the objective performance of the obligations to that investor, or
- prevent Aylett, or any employee, director or FAIS representative of Aylett from rendering an unbiased and fair financial service to that investor, or from acting in the interests of that investor, including, but not limited to:
 - a financial interest,
 - an ownership interest,
 - any relationship with a third party.

Conflicts of interest include actual, potential and perceived conflicts.

“Employee” means an individual who has entered a permanent, fixed term, or temporary contract of employment with Aylett.

“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:

- An ownership interest,
- 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
 - Specialised technological systems of a third party necessary for the rendering of a financial service
 - but excluding travel and accommodation associated with that training.

“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 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.

“Ownership Interest” means:

- Any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or an proprietary interest held as an approved nominee on behalf of another person, and

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- Includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

“Provider” means any person, other than a representative, who as a regular feature of the business of such person:

- Furnishes advice, or
- Furnishes advice and renders intermediary service, or
- Renders an intermediary service.

“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 in the paragraphs above provides a financial interest to a provider or its representative.