

TRACKER FINANCIAL SERVICES CONFLICT OF INTEREST POLICY

VERSION 3



Contents

- 1. Document History**
- 2. Introduction**
- 3. Definitions**
- 4. Purpose**
- 5. What is a Conflict of Interest?**
- 6. Managing Conflicts of Interest**
- 7. Particular management measures**
- 8. Reporting of Conflicts of Interest**

FSP name: TRACKER FINANCIAL SERVICES (PTY) LTD
 (“TFS”)
FSP number: 42862
License Information: Category I
Key Individual(s): Alisha Delpport
Compliance Officer: Warren Neale

1. DOCUMENT HISTORY

| Revision Date | Doc Version | Summary of Changes | Author/Reviewer | Approvals |
|----------------|-------------|--------------------|-----------------|------------------------------------|
| September 2019 | 1 | Name change | Alisha Delpport | Ronel Hanekom: Key Individual |
| August 2020 | 2 | Annual Review | Alisha Delpport | Ronel Hanekom: Key Individual |
| January 2022 | 3 | Annual Review | Alisha Delpport | Alisha Delpport: Key Individual |

2. INTRODUCTION

We at Tracker Financial Services are committed to doing business in an honest and ethical manner. We want to ensure that all business relationships are founded on professional principles and that all parties are independent and unrelated.

3. DEFINITIONS

3.1 **“Conflict of Interest”** includes any situation in which TFS (including all its financial service providers (FSPs) and its FAIS-affected employees) has an actual or potential interest that may influence the relationship with a client. A Conflict of Interest may arise where a Financial Interest, an Ownership Interest or any relationship with a Third Party affects the objectivity of the service provider.

For the purposes of this policy the definition of Conflict of Interest includes and is not narrower than the definition as set out in the FAIS General Code of Conduct for authorised FSPs.

Our policy defines possible Conflicts of Interest as, *inter alia*:

- conflicts of interest between TFS and the client;
- conflicts of interest between our clients if we are acting for different clients, and the respective interests conflict materially;
- conflicts of interest where associates, product suppliers, distribution channels or any other third parties are involved in the rendering of a financial service to a client;
- holding confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

3.2 **“Financial Interest”** includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration or compensation for the –

- potential or actual loss of any benefit, including any form of income or part thereof; or
 - cost associated with the provider's business or operations, including the sourcing of business;
 - the rendering of financial services; or
 - a loan, advance, credit facility or any other similar arrangement.
- 3.3 **"Immaterial Financial Interest"** means any Financial Interest received from a Third Party of a readily determinable monetary value which, when combined or aggregated, does not exceed R500 per calendar year from that Third Party.
- 3.4 **"TFS"** means TRACKER FINANCIAL SERVICES (PTY) LTD, Reg No: 2010/012930/0, Address: PO Box 2492 Cresta 2118 - includes any TFS subsidiary or holding company that has been issued with a FAIS license or that performs activities governed by the FAIS Act under the auspices of a FAIS license issued to any such company, directors and officers of any such company, and any other person that has the power to influence the strategy of any such company, whether or not such person is a key individual or representative, and whether acting individually or with others.
- 3.5 **"Ownership Interest"** means any equity or proprietary interest in the FSPs for which equity or proprietary interest, fair value was paid by the owner. This excludes equity or an ownership interest held at an approved nominee on behalf of another person at the time that it was bought, which includes any dividend, profit share or similar benefit derived from that equity or ownership interest. This excludes ownership interests of FAIS affected employees.
- 3.6 **"Third Party"** includes a product supplier, another FSP, an associate (as defined in the FAIS General Code of Conduct) of a product supplier or a provider, a distribution channel, or any person who provides a Financial Interest to TFS or its representative.
- 3.7 **'General Code of Conduct'** means the general code of conduct for authorised FSPs determined under section 15 of the FAIS Act.

4. PURPOSE

Financial services providers must take all necessary steps to eliminate any practices and services that may create a conflict of interest between their interests and the interests of existing or potential clients.

The General Code of Conduct for Authorised Financial Services Providers and Representatives under the FAIS Act, details the regulatory requirements for conflicts of interest.

The General Code of Conduct requires all FSPs to disclose to their clients the existence of actual and potential conflicts of interest.

The purpose of this Policy is to address conflict of interest situations that may arise and establishes a framework within which actual or perceived conflicts of interest must be identified, reported and addressed.

Anyone who violates this policy will be subject to TFS' Discipline and Grievance Procedure.

Like any financial services provider, TFS 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.

5. WHAT IS A CONFLICT OF INTEREST?

It is any situation in which a FSP or a representative has an actual or potential interest that may:

- 5.1 Influence the objective performance of the FSP or representative's obligations to that client
- 5.2 Prevent a FSP or representative from rendering an unbiased and fair financial service to that client
- 5.3 Prevent a FSP or representative from acting in the interests of that client.

6. MANAGEMENT OF CONFLICTS OF INTEREST

6.1 Specific monetary measures

We may only receive:

- commissions authorised in terms of applicable legislation;
- fees authorised in terms of applicable legislation;
- fees or remuneration for services rendered to a third party, if those fees are reasonably commensurate to the service being rendered;
- fees for the rendering of a service in respect of which commission or fees above is not paid, if those fees are specifically agreed to by a client in writing and may be stopped at the discretion of the client;
- limited immaterial financial interest as defined;
- a financial interest for a consideration or fair value that is reasonably commensurate to the value of the financial interest that is paid by the provider or representative at time of receipt thereof.

We will not offer any financial interest to any representative for:

- giving preference to the quantity of business secured for the provider to the exclusion of quality service;
- giving preference to a specific product supplier where more than one supplier can be recommended to a client;
- giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

The measures TFS have adopted to manage identified conflicts are further summarised below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified potential Conflict of Interest, we act impartially to avoid a material risk of harming the clients' interests.

6.2 Procedures

TFS has adopted appropriate procedures throughout its business to manage potential Conflict of Interest. Our representatives, associates and employees receive guidance and training on these procedures and they are subject to monitoring and review processes. There are specific measures and consequences in place for non-compliance with our Conflict of Interest policy.

6.3 Confidentiality barriers

Our representatives, associates and employees respect the confidentiality of client information and disclose or use it with circumspect. No such information may be disclosed to a third party without the written consent of the client.

6.4 **Monitoring**

The key individual or compliance officer in charge of supervising and monitoring this policy will provide feedback annually on all related matters. The policy will be reviewed annually.

6.5 **Disclosure**

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect the client's 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.

6.6 **Publication**

We will publish our Conflict of Interest management policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times.

6.7 **Report**

The FSP, compliance officer or key individual will include a report on the Conflict of Interest management policy in the annual compliance report submitted to the Registrar of Financial Services Providers.

6.8 **Declining to act**

We may decline to act for a client in cases where we believe the Conflict of Interest cannot be managed.

7. PARTICULAR MANAGEMENT MEASURES

7.1 **Identification of Conflict of Interest:**

- create awareness and knowledge of applicable stipulations of the General Code of Conduct; and
- create awareness and knowledge of relevant legislation relating to Conflict of Interest through training and educational material.

7.2 **Avoidance of Conflict of Interest:**

- ensure understanding and adoption of the Conflict of Interest policy and management measures by all employees, representatives and associates;
- conduct regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to identify non-compliance;
- keep a register of Conflicts of Interest.

8. REPORTING OF CONFLICTS OF INTEREST

Log any perceived or actual conflicts of interest or report any instance of non-compliance with this policy to the TFS Compliance team:

Mitesh Lakha mlakha@tracker.co.za

Alisha Delport: adelport@tracker.co.za