



Zivalea (Pty) Ltd

CONFLICT OF INTEREST MANAGEMENT POLICY

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Contents

1. Introduction.....	3
2. Purpose	Error! Bookmark not defined.
3. Definitions	4
4. Procedures	5
5. Housekeeping of document.....	14
6. List of Zivalea (Pty) Ltd associates.....	15
7. Ownership intrests held by Zivalea (Pty) Ltd in third parties.....	15
8. Ownership intrests held by third parties in Zivalea (Pty) Ltd.....	16
9. Conclusion.....	16



1. Introduction:

This policy sets out a comprehensive, effective, and sustainable framework for the identification, management, and resolution of conflicts of interest ("COI"). It is designed to ensure that the Company adheres to industry best practices and complies with all relevant statutory requirements, including the General Code of Conduct for Financial Services Providers and Representatives as outlined in Board Notice 80 of 2003, amended by Board Notice 58 of 2010, and other applicable provisions under the Financial Advisory and Intermediary Services Act, No. 37 of 2002 ("FAIS").

2. Purpose:

The purpose of this Conflicts of Interest Policy (the "Policy" or "COI") is to establish an appropriate and effective framework for identifying and managing conflicts of interest. The Company will take all reasonable steps to identify potential conflicts of interest that may arise between itself, including its directors, employees, or any individual or entity directly or indirectly associated with the Company, and its clients, or between one client and another, during the provision of investment services.

The Company is committed to maintaining and implementing effective organizational and administrative measures to prevent and manage conflicts of interest that could potentially harm the interests of its clients. Where these measures are insufficient to reasonably ensure that the risks of client detriment are prevented, the Company will disclose the conflict of interest. This disclosure will be made in a durable medium,

outlining the general nature and source of the conflict, the associated risks to the client, and the steps taken to mitigate such risks. The disclosure will be sufficiently detailed to enable clients to make informed decisions regarding their investments.



The Company reserves the right to amend this Policy at its discretion, whenever it deems appropriate. The Company will review and, if necessary, update this Policy at least annually to reflect changes in its operations, legal requirements, technology, and the broader business environment. Any amendments to this Policy will be communicated to the Financial Services Authority prior to implementation.

3. **Definitions:**

For purposes of this policy, the following terms and phrases are defined as follow:

“Conflict of interest” refers to any situation in which Zivalea (Pty) Ltd or its representatives have an actual or potential interest that could influence the impartial and objective performance of their duties when rendering financial services to a client or prevent them from providing an unbiased and fair financial service, or from acting in the best interests of the client. This includes, but is not limited to:

- i. A financial interest.
- ii. An ownership interest.
- iii. Any relationship with a third party, which is defined as:
 - a. a product supplier,
 - b. another provider,
 - c. an associate of a product supplier or a provider,
 - d. a distribution channel,
 - e. any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

“FAIS” means the Financial Advisory and Intermediary Services Act, 37 of 2002.



“Financial interest” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- i. an ownership interest
- ii. 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; specialized 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) a provider who is a sole proprietor,
- b) a representative for that representative’s direct benefit,
- c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

“Representative” means duly appointed representative and/or representative under supervision of Zivalea (Pty) Ltd.

“Ownership interest” means

- a) any equity or proprietary interest, for which at 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



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

“**Provider**” means Zivalea (Pty) Ltd

4. Procedures:

Zivalea (Pty) Ltd, or its authorized representatives, shall only receive or offer financial interest from or to a third party as prescribed by the Commissioner of Financial Services Providers, as may be amended from time to time, and as detailed in Annexure A attached hereto.

The Company shall not provide any financial interest to its representatives for prioritizing the volume of business generated for the provider over the quality of service rendered to clients. Furthermore, the Company prohibits offering financial interest that incentivizes representatives to favor a particular product supplier when multiple suppliers may be recommended to a client, or to favour a specific product of a supplier when a representative is permitted to suggest multiple products to a client.

4.1 Identification of potential COI:

To effectively manage conflicts of interest, the Company is committed to promptly identifying all relevant conflicts. The Company will implement various mechanisms to ensure that potential conflicts are identified in a timely manner.

The Company shall identify all conflicts of interest, assess their severity, and document the controls necessary to mitigate such conflicts. While it is not feasible to outline all circumstances that may constitute a conflict, each situation will be assessed on its individual merits to determine whether the interest at hand presents a potential conflict.



All employees, including management, bear the responsibility of identifying specific conflicts and are required to promptly notify the Compliance function upon becoming aware of any such conflicts. The Compliance Officer (CO) will evaluate the implications of the conflict and collaborate with the Board to determine the appropriate measures for managing the conflict.

For the purpose of identifying conflicts of interest that may arise in the course of providing investment services and which could potentially harm the interests of a client, the Company will assess at a minimum, whether the Company, any relevant person, or any entity directly or indirectly controlled by the Company, is in any of the following situations arising from the provision of investment services or activities:

- The Company or a relevant person is likely to achieve a financial gain, or avoid a financial loss, at the expense of the client.
- The Company or a relevant person has an interest in the outcome of a service provided to the client or a transaction conducted on the client's behalf, which diverges from the client's interest in that outcome.
- The Company or a relevant person has a financial or other incentive to favour the interests of another client or group of clients over the interests of the current client.
- The Company or a relevant person is engaged in the same business as the client.
- The Company or a relevant person receives, or is expected to receive, an inducement from a third party, in connection with a service provided to the client, in the form of money, goods, or services, other than the standard commission or fee for such service.



For the purposes of this Policy, a "relevant person" in relation to the Company includes any of the following individuals:

- A director, partner, or equivalent, or manager of the Company.
- An employee of the Company, or any other natural person whose services are made available to and under the control of the Company, who is involved in providing investment services or activities on behalf of the Company.
- Any natural person directly involved in providing services to the Company or a tied agent under an outsourcing arrangement, for the purpose of providing investment services or activities.

4.2 Resolving COI or potential COI:

The Company has implemented appropriate and effective internal procedures to minimize potential conflicts of interest. An independent compliance function is maintained within the Company, and one of its primary responsibilities is to monitor adherence to internal policies and procedures, as well as identify and manage any conflicts of interest that may arise.

Upon identifying a conflict, it must be managed in a timely and appropriate manner. The Compliance function will assess each conflict, determining whether it is actual or perceived, its potential impact, and the associated reputational risk. The Compliance Officer (CO) will then decide whether the transaction can proceed or if the conflict is too severe. If the CO determines that the conflict can be mitigated, appropriate controls will be implemented and documented.

The Company is committed to managing conflicts of interest in a fair and transparent manner, ensuring equitable treatment of its clients, employees, and other stakeholders. The Company and its employees are expected to adhere to the



principle of placing client interests before personal or Company interests in the conduct of business, to avoid conflicts of interest in professional activities within the securities market. To ensure fair treatment of clients, the Company has implemented the following procedures:

- The Company shall actively avoid conflicts of interest with clients. Where conflicts arise, the Company will ensure fair treatment through full disclosure or by declining to act.
- Employees are prohibited from maintaining investor accounts with other Financial Services Providers (FSPs) without prior authorization from the Company and must inform the Company of such accounts. They are also required to grant the Company permission to request transaction reports from the other FSPs.
- If the Company holds a material interest in a transaction involving a client or has a relationship that creates a conflict of interest regarding the transaction, the Company shall not provide advice or make discretionary decisions regarding that transaction, unless the material interest or relationship is fully disclosed to the client, or the client has taken steps to ensure that their interests are not adversely affected.
- The Company shall be promptly informed of any personal transaction entered into by a relevant person, either through notification or by other procedures enabling the Company to identify such transactions. For outsourced services, the Company will ensure that the third-party service provider maintains a record of personal transactions and provides this information upon request.
- The replacement of an individual performing duties related to a conflict of interest must receive prior approval from the CO and the Representative



Officer. Such approval will only be granted after reviewing all potential conflicts.

- The Company's software incorporates security features to prevent unauthorized access to sensitive information that could benefit the Company over its clients or give an unfair advantage to one client over another.
- Employees are prohibited from investing in financial instruments for which they possess non-public or confidential information.
- A record will be maintained for all personal transactions reported to the Company, including any approvals or prohibitions associated with such transactions.
- The Company will take reasonable steps to ensure that neither it nor its employees or agents offer, solicit, or accept any inducement that could conflict with their duties to the client.
- Employees are prohibited from knowingly or recklessly making misleading, false, or deceptive statements to clients or concealing material facts at any time.

In addition to these procedures, the Company has established specific measures to manage potential conflicts of interest, including:

- Effective procedures to prevent inappropriate influence over the activities of relevant persons providing investment services or activities.
- Separate supervision of relevant persons whose primary duties involve activities on behalf of clients with conflicting interests, or who represent differing interests, including those of the Company.
- Controls to prevent or manage simultaneous or sequential involvement of relevant persons in separate investment services or activities that may impair conflict management.



- Removal of any direct link between the remuneration of relevant persons engaged in different activities, where a conflict may arise.
- Procedures to prevent or control the exchange of information between relevant persons engaged in activities that could create conflicts of interest, especially where the exchange of such information could harm client interests.

The procedures and measures outlined in this Policy ensure the requisite degree of independence and integrity within the Company, including:

- Relevant persons are prohibited from purchasing or selling financial instruments, or causing such transactions, while in possession of inside information relating to the instruments.
- Relevant persons are prohibited from recommending or soliciting the purchase or sale of financial instruments while in possession of inside information.
- Regular monitoring and review procedures will be in place for execution arrangements with execution venues, liquidity providers, and price providers, on an ongoing basis.
- Procedures to monitor access to electronic data.
- Relevant persons engaged in research activities must not discuss unreleased information or research in progress with sales staff or any other person without a valid business need to know.
- The Company will maintain an ongoing monitoring program to regularly assess its procedures, policies, and internal controls.
- The four-eye principle will be implemented to prevent abuse of position.



The Company is dedicated to maintaining an effective and appropriate compliance culture that enables it to address emerging conflicts of interest. Employees are responsible for identifying new circumstances that could lead to conflicts of interest and implementing appropriate measures to manage them.

For the purposes of this Policy, a "personal transaction" is defined as any trade in a financial instrument effected by or on behalf of a relevant person, where at least one of the following criteria is met:

- The relevant person is acting outside the scope of their professional duties.
- The transaction is made for the account of any of the following persons:
 - The relevant person.
 - Any person with whom the relevant person has a family relationship or close association.
 - A person in whom the relevant person has a direct or indirect material interest in the outcome of the transaction, excluding fees or commissions for executing the trade.

Segregation of Company's assets from clients' assets

The Company shall maintain separate accounting records for its own assets and those of its clients to ensure the protection of client assets and to prevent the misuse of these assets by the Company or third parties. This segregation helps minimize the risk of loss, diminution, or impairment of client assets, or any associated rights, due to misuse, fraud, poor administration, inadequate record-keeping, or negligence.

Furthermore, the Company ensures legally secure segregation of clients' assets from its own in the event of the Company's bankruptcy. To achieve this, the Company



maintains distinct books and accounting records for each client, ensuring that client assets are properly safeguarded and distinguished from the Company's assets.

Forbidden Business Practices

The Company strictly prohibits business practices that could give rise to conflicts of interest in the ordinary course of its operations. The following practices are explicitly forbidden, including, but not limited to:

- The provision of investment services to clients with the intent of manipulating the price of financial instruments for the benefit of the Company, relevant persons, or clients in general, particularly concerning transactions the Company or relevant persons intend to conduct before or after providing such services.
- The use of client transaction information by the Company or relevant persons for the benefit of the Company, or its disclosure to third parties.
- Transactions conducted by the Company or relevant persons in financial instruments for which the Company has produced analysis reports or research findings prior to the public release of those reports or findings.
- The preferential treatment of relevant persons at the expense of clients during the provision of investment services.
- The execution of transactions by relevant persons for their own account, or for the account of related persons, based on confidential information obtained during their employment with the Company.

All employees are required to be vigilant regarding the aforementioned prohibited practices and have an obligation to immediately report any suspected violations to the Compliance Officer (CO).



4.3 Potential COI that could affect Zivalea (Pty) Ltd

The following represent potential conflicts of interest (COI) that could arise within the Company:

- i. Directorships or other employment outside the Company.
- ii. Interests in business ventures or professional practices.
- iii. Ownership of shares in related entities.
- iv. Beneficial interests in trusts.
- v. Personal account trading activities.
- vi. Professional affiliations or relationships with other organizations.
- vii. Personal associations with groups, organizations, or family members.
- viii. Front-running (trading on non-public information).
- ix. Rebates (unlawful or undisclosed payments).
- x. Kickbacks (payments made in return for influence or actions).
- xi. Commission-based incentives or conflicts

Examples of Potential COI Scenarios:

1. Using personal influence to secure a contract for a service provider in which an employee or representative has an interest.
2. Soliciting financial interest or other benefits to unfairly advance the interests of a third party.
3. Accepting benefits from service providers, contractors, or other external parties.
4. Establishing a business in direct competition with Zivalea (Pty) Ltd.
5. Prioritizing the quantity of business over the quality of services rendered to clients.



4.4 Disclosure of Conflicts of Interest (COI):

At the earliest reasonable opportunity, Zivalea (Pty) Ltd and its representatives must disclose to a client, in writing, any actual or potential conflict of interest (COI) with respect to that client, including:

- a. Measures taken to avoid or mitigate the conflict
- b. Any ownership or financial interest that the provider or representative may be, or become, eligible for.
- c. The nature of the relationship or arrangements with any third party that gives rise to the COI, with sufficient detail to enable the client to fully understand the nature of the conflict.

Furthermore, Zivalea (Pty) Ltd and its representatives must inform the client, in writing, at the earliest reasonable opportunity, about the Conflict of Interest Management Policy, and how it may be accessed.

Any actual or potential COI must be reported to the person responsible for addressing the issue, such as the relevant management team, supervisor, head of department, or key individual.

Employees are obligated to act in the best interest of Zivalea (Pty) Ltd and may not engage in conduct that could lead to a COI with the Company. Failure to disclose a potential or actual COI in accordance with this policy may result in disciplinary action, as governed by relevant industrial awards or agreements.

In cases where the organizational and administrative arrangements established by the Company to prevent or manage a conflict are deemed insufficient to ensure, with reasonable confidence, the protection of the client's interests, the Company will disclose the conflict in clear terms.



Before proceeding with a transaction or providing an investment service to a client, the Company will disclose any actual or potential COI, particularly where the measures taken are not sufficient to prevent damage to the client's interests. This disclosure will include sufficient detail to enable the client to make an informed decision regarding the investment service, considering the nature of the client, the source of the conflict, and the risks involved. The Company reserves the right to refrain from proceeding with any transaction or matter giving rise to the conflict if the disclosure is insufficient to mitigate the conflict effectively.

The following information must be disclosed to the Compliance Officer (CO):

- Opening and closing of personal accounts at any other Financial Services Providers (FSP) for personal investment purposes.
- All personal transactions performed, with notification to be provided within 24 hours.
- Financial instruments held by the employee or any relevant person.
- Transactions executed by the Company in which the employee or any relevant person may have an interest or conflict.

5 Housekeeping of this document:

i. Ownership and Ultimate Responsibility:

- This document is owned and maintained by Zivalea (Pty) Ltd. The ultimate responsibility for the document's contents and adherence to compliance lies with the Key Individuals of Zivalea (Pty) Ltd, who are responsible for fostering an ethical environment within the Company.

ii. Updates, Review and Approval:



- The Conflicts of Interest Management Policy shall be reviewed at least annually and updated as necessary. This policy is subject to approval by the Board of Directors.

iii. Adoption and Implementation:

- Every employee of Zivalea (Pty) Ltd is required to receive a copy of the Conflicts of Interest Management Policy. In the event that a potential conflict of interest arises, the transaction must first be discussed with management prior to proceeding.

iv. Non-Compliance with this Document:

- Non-compliance with this policy and the procedures outlined within it may constitute misconduct, subjecting employees to disciplinary action, which may include dismissal.

6 List of Zivalea (Pty) Ltd associates

The Company may enter into agreements with various associates, including but not limited to the following:

- **Bank Accounts / Payment Providers:** The Company maintains merchant accounts in its name with banks and various payment service providers to facilitate Client transactions. These accounts are not intended for the safekeeping of Client funds; rather, they serve to settle payment transactions.
- **Liquidity Providers:** The Company uses an Execution Venue for the transmission of orders via straight-through processing. When executing Client Orders through an Execution Venue, the Company may pay monthly commissions to enhance the quality of services provided to Clients.
- **Introducers or Affiliates ("Introducers"):** A Client may be introduced to the Company by a third party, such as a business introducer, associate, or affiliate (collectively referred to as "Introducer"). The Client acknowledges that the



Company is not a party to any separate agreements between the Client and the Introducer. It is also clarified that the Introducer is not authorized to act on the Company's behalf to bind it contractually, extend credit, offer guarantees against losses, or provide investment services or legal, investment, or tax advice in the Company's name. Furthermore, the Introducer is not authorized to collect funds from the Client for deposit into their Client Account; deposits should be made through the Company's accepted methods. The Client acknowledges that the Company may pay the Introducer for client referrals through inducements, based on account activation. The Client's turnover will remain unaffected by any inducement paid to the Introducer.

7 Ownership interests held by Zivalea (Pty) Ltd in third parties

The Company does not currently hold an ownership interest in any other entity.

8 Ownership interests held by third parties in Zivalea (Pty) Ltd

No third party holds an ownership interest in the Company.

9 Conclusion:

All representatives of Zivalea (Pty) Ltd, including Key Individuals and management, are required to uphold the highest standards of integrity and ethical conduct in all their activities and interactions with stakeholders. This commitment is essential to maintaining the trust and confidence of clients, regulatory bodies, and the wider community.



Annexure A- Accepted financial interest as amended

The Commissioner of Financial Services Providers issued Board Notice 58 of 2010 (BN 58) under section 15 of the Financial Advisory and Intermediary Services Act, 2002 (FAIS). BN 58 amends the General Code of Conduct for Authorised Financial Services Providers and Representatives under FAIS and determines that a financial services provider or its representatives may only receive or offer financial interest from or to a third party as follows:

- i. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act.
- ii. Commission authorised under the Medical Schemes Act.
- iii. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act, if those fees are reasonably commensurate to a service being rendered.
- iv. Fees for the rendering of a financial service in respect of which commission or fees referred to in sub-paragraph (i), (ii) or (iii) is not paid, if those fees –
 - v. are specifically agreed to by a client in writing; and
 - vi. may be stopped at the discretion of that client.
- vii. fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered.
- viii. subject to any other law, an immaterial financial interest*; and
- ix. a financial interest, not referred to under sub-paragraph (i) to (vi), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

Annexure B – Gift register

Name of Key Individual / Representative	Date on which gift was received	Source of gift	Type of gift	Value of gift
