EFFICIENT | PRIVATE CLIENTS
Consistently Excellent

## Efficient Private Clients (Pty) Ltd

Version 5 | Effective date: 1 December 2019| Review date: 2 May 2025

# CONFLICT OF INTEREST MANAGEMENT POLICY

### 1. INTRODUCTION AND PURPOSE

Efficient Private Clients (Pty) Ltd ("EFPC"), a subsidiary of the Efficient Group (Pty) Ltd and a registered financial services provider ("FSP") with FSP no. 47481, is committed to conducting its business with integrity, transparency, and in the best interests of its clients. In accordance with the requirements of the Financial Advisory and Intermediary Services Act, No. 37 of 2002 ("FAIS") and the General Code of Conduct for Authorised Financial Services Providers and Representatives ("the Code"), a FSP is obligated to avoid, manage, and disclose any conflicts of interest that may arise in the course of rendering financial services.

This Conflict of Interest Management Policy sets out the principles and procedures adopted by EFPC to identify, mitigate, and manage conflicts of interest to ensure compliance with the FAIS regulatory framework. The aim is to safeguard the objectivity and independence of the advice and intermediary services provided by EFPC, thereby promoting fair treatment of clients and maintaining the trust and confidence of all stakeholders.

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| Prepared by | Chief Compliance Officer | Date: | 22 April 2025 |
| Approved by | Board of Directors | Date: | 2 May 2025 |

## 2. SCOPE

This policy is applicable to all employees of EFPC and must be read in conjunction with the relevant provisions of the FAIS Act and the Code. In addition, it should be considered alongside the following Efficient Group policies:

- Conflict of Interest Management Policy;
- Gifts Policy;
- Anti-bribery and Corruption Policy;
- Personal Account Dealing Policy;
- Treating Customers Fairly Policy;
- Code of Conduct and Ethics Policy; and
- Whistleblowing Policy.

## 3. DEFINITIONS

In this policy, unless the context otherwise indicates:

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| Associate | means:<br>a. a subsidiary or holding company of EFPC;<br>b. another subsidiary of the holding company;<br>c. any other company of which that holding company is a subsidiary;<br>d. a company of which the holding company is the minority shareholder;<br>e. any person from whom the Board of Directors of EFPC is accustomed to take instructions/directions;<br>f. any juristic person who is accustomed to taking instructions/directions from the Board of Directors of EFPC and acting in accordance with these; or<br>g. any trust controlled or administered by EFPC. |
| Conflict of interest | means any situation in which EFPC or a representative of EFPC has an actual or potential interest that may, in rendering a financial service to a client:<br>a. influence the objective performance of his/her obligations to that client; or<br>b. prevent EFPC or a representative of EFPC from rendering unbiased and fair financial service to that client or from acting in the interest of that client, including, but not limited to:<br>i. a financial interest;<br>ii. an ownership interest; or<br>iii. any relationship with a third party. |

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| Employees | means full-time and part-time employees, whether temporary or permanent, and includes directors, representatives, juristic representatives, and independent consultants of EFPC. |
| 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:<br>a. an ownership interest;<br>b. training, that is not exclusively available to a selected group of FSPs or representatives on:<br>i. products and legal matters relating to those products;<br>ii. general financial and industry information; or<br>specialised technology systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training;<br>c. a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity. |
| Intranet | means a web-based collaborative platform used by the Efficient Group and its subsidiaries for various purposes including document management and employee engagement. It is also referred to as Efficient Pulse. |
| Juristic representative | means a legal entity, such as a company that is appointed by a licensed FSP to act on its behalf in rendering financial services to clients. |
| Key individuals | means the individuals responsible (individually and jointly) for managing and overseeing the financial business activities of EFPC on a daily basis and who are registered as key individuals for this FSP with the regulator. |
| New entrant | means a person who has never previously been authorised as a FSP or appointed as a representative by any FSP. |
| Ownership interest | means any ownership interest which was bought for fair value and any dividend, profit share, or similar benefit derived from this. Equity or proprietary interests held as an approved nominee on behalf of another person is not included in this definition. |
| Product supplier | means any natural or juristic person, partnership, trust, or organ of sate that issues a product. |

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| Representative | means any person, who renders a financial service to a client for or on behalf of a FSP, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting, or other service in a subsidiary or subordinate capacity, which service:<br>a. does not require judgment on the part of the latter person; or<br>b. does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.<br>In this policy, the words "advisor", "financial advisor", and "representative" are used interchangeably, and it includes juristic representatives. |
| Sign-on bonus | means:<br>a. any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a FSP or representative; and<br>b. a financial interest referred to in paragraph (a) includes, but is not limited to:<br>i. compensation for the:<br>(aa) potential or actual loss of any benefit including any form of income, or part thereof; or<br>(bb) cost associated with the establishment of a FSP's business or operations, including the sourcing of business, relating to the rendering of financial services.<br>ii. a loan, advance, credit facility, or any other similar arrangement. |
| Third party | means:<br>a. a product supplier;<br>b. another FSP or its associate;<br>c. an associate of an FSP;<br>d. a distribution channel; or<br>any person who in terms of an agreement or arrangement with a person referred to in (a) to (d) above provides a financial interest to a FSP or its representatives. |

## 4. GENERAL RULES

4.1 All employees must act in the best interest of clients and EFPC, maintaining the highest standards of honesty, fairness, and professionalism.

4.2 Conflicts of interest should be avoided where possible. Where a conflict of interest cannot be avoided, it must be managed and disclosed in accordance with this policy at the earliest opportunity possible.

## 5. IDENTIFYING CONFLICTS OF INTERESTS

5.1 The receiving or offering of gifts by employees is a potential conflict of interest.

5.2 The receiving or offering of gifts by employees is subject to the rules of the Efficient Group Gifts Policy and must be registered for approval on the Gift Register on the Efficient Group intranet (Efficient Pulse).

5.3 Gifts offered and received by representatives of EFPC for their own direct benefit are limited to an aggregate value of R1 000 (one thousand Rand) received from or offered to the same third party in a calendar year.

5.4 Employees are required to report any potential or actual conflict of interest, via the online Conflict of Interest Register available on the intranet, for the consideration of the line manager.

5.5 Declared conflicts of interest must be investigated by the key individuals, the Human Resources Department, and/or the Compliance Department to ensure that necessary controls are implemented to mitigate the associated risks.

5.6 The Efficient Group maintains an anonymous tip-off feature on its website, allowing stakeholders to report their concerns regarding any unethical behaviour within the Efficient Group.

5.7 All key individuals and representatives of EFPC must complete an annual Fit and Proper Declaration. The declaration includes questions designed to identify any potential conflict of interest and requires employees to confirm that they have read and understood this policy.

## 6. MANAGING CONFLICTS OF INTEREST

6.1 EFPC and its representatives may only receive or offer financial interest from or to a third party in accordance with the FAIS Act and its subordinate legislation.

6.2 EFPC may not offer or provide a sign-on bonus to any person, other than a new entrant, as an incentive for that person to become a Category I FSP representative.

6.3 Employees who are in a situation of a conflict of interest must recuse themselves from the decision-making process related to the conflict of interest.

6.4 All EFPC representatives and key individuals are required to annually declare their awareness of this Conflict of Interest Management Policy as well as their fit and proper status via the Efficient Group Fit and Proper Declaration. This declaration also contains conflict of interest questions that must be completed in full and truthfully.

6.5 When conducting performance appraisals of representatives, key individuals and/or line managers must take into account measurable indicators relating to:

6.5.1 the achievement of minimum service level standards in respect of clients;

6.5.2 the delivery of fair outcomes for clients; and

6.5.3 the quality of the representative's compliance with the FAIS Act.

6.6 EFPC may only receive fees:

6.6.1 that are specifically agreed to by a client in writing, and that may be stopped at the discretion of that client; and

6.6.2 for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered.

6.7 The fee disclosure must include the amount, frequency, payment method, and recipient of those fees and the details of the services that are to be provided by EFPC and its representatives in exchange for those fees.

6.8 Employees may not avoid, limit, or circumvent or attempt to avoid, limit, or circumvent compliance with this policy through an associate or an arrangement involving an associate. The Efficient Group legal structure that sets out the associates of EFPC and the ownership structure of EFPC is attached hereto, marked as **ANNEXURE A**.

## 7. DISCLOSING CONFLICTS OF INTEREST

7.1 All employees must declare any conflict of interest or any potential conflict of interest, including outside business interests, on the Efficient Group Conflict of Interest Register on the intranet.

7.2 Representatives must provide clients with the EFPC FAIS disclosure documents in accordance with the FAIS Act, containing the general EFPC conflict of interest disclosures.

7.3 Representatives must disclose any specific conflict of interest impacting a client to such client. The disclosures must:

7.3.1 Disclose the nature and extent of the conflict to the client in writing;

7.3.2 Explain the possible risks that the conflict of interest poses to the client; and

7.3.3 Obtain the client's consent to proceed with the service despite the conflict of interest.

7.4 All employees at EFPC, except independent consultants and juristic representatives, receive a fixed monthly salary.

## 8. ROLES AND RESPONSIBILITIES

8.1 **Key Individuals**

Key Individuals of EFPC are responsible for the following:

8.1.1 Enforcing the standards and rules of this policy;

8.1.2 Ensuring that the necessary controls are in place to identify and prevent conflicts of interest. Where prevention is not possible, they must implement mitigatory measures and oversee the necessary disclosure thereof;

8.1.3 Ensuring that the remuneration structures of representatives are not in conflict with the principles of this policy;

8.1.4 Continuously identifying any actual or potential conflict of interest in the rendering of financial services; and

8.1.5 Reviewing conflict of interest declarations by employees and either approving such conflicts where sufficient mitigatory controls are in place or rejecting them where appropriate.

8.2 **Representatives**

EFPC's representatives are responsible for the following:

8.2.1 Ensuring that the financial services rendered are in the best interest of the client and not for personal gain;

8.2.2 Disclosing any conflict of interest or potential conflict of interest on the Conflict of Interest Register if and when it arises;

8.2.3 Disclosing any unavoidable conflict of interest to the client in writing at the earliest reasonable opportunity, and ensuring that the client is able to make an informed decision about whether to proceed with the financial service despite the conflict of interest;

8.2.4 Familiarising themselves with this policy and participating in any required training or declarations, such as the annual Fit and Proper Declaration; and

8.2.5 Refraining from accepting any inappropriate incentives, gifts, or benefits that could influence the impartiality of their advice as required by the Efficient Group Gifts Policy.

8.3 **Compliance**

The Compliance team is responsible for:

8.3.1 Developing and maintaining a conflict of interest management policy;

8.3.2 Assisting key individuals to implement and to enforce this policy;

8.3.3 Monitoring that this policy is made available to all employees and overseeing that it is published on the EFPC website;

8.3.4 Monitoring adherence to this policy, and reporting any potential regulatory risk to the key individuals and the key individuals of EFPC and the Group Chief Compliance Officer in accordance with the Efficient Group Compliance Manual;

8.3.5 Maintaining and monitoring the Efficient Group Conflict of Interest Register and that conflicts are considered by line management for approval or rejection;

8.3.6 Ensuring that all representatives, key individuals, and relevant staff receive training on this policy;

8.3.7 Monitoring annual Fit and Proper Declarations to ensure that all key individuals and representatives fully complete them;

8.3.8 Providing guidance to key individuals on:

i. whether a particular situation constitutes a conflict of interest;

ii. how to manage or disclose a conflict of interest;

iii. Appropriate steps to take when conflicts of interest arise; and

8.3.9 Proper recordkeeping of all monitoring activities relating to this policy.

8.4 **Employees**

Employees are responsible for the following:

8.4.1 Logging any conflicts of interest on the Conflict of Interest Register on the intranet; and

8.4.2 Reporting any suspected non-compliance with this policy to the Compliance Department, or by making use of the anonymous tip-off facility on the Efficient Group website

## 9. CONSEQUENCES OF NON-COMPLIANCE

Any breach of this policy by an employee may result in disciplinary action in terms of the Efficient Group's Disciplinary Policy, as amended from time to time. In the case of representatives, misconduct may result in debarment in accordance with the provisions of the FAIS Act. Providing false or misleading information, or concealing material facts relating to activities that are recorded or required to be recorded in the Conflict of Interest Register, constitutes serious misconduct. In addition to disciplinary consequences, such conduct may constitute a criminal offence. Upon conviction, it may result in a fine of up to R1 million or imprisonment for a period of up to 10 years.

## 10. RECORDKEEPING

Records pertaining to identified or potential conflicts of interests (e.g., the Gift Register, the Conflict of Interest Register, FAIS disclosures, and any other applicable records), and mitigatory action taken, must be kept for a period of at least five years from date of identification.

## 11. IMPLEMENTATION

This policy will be made available to all employees on the Efficient Group intranet platform. This policy must be easily accessible on the EFPC website and available to all clients upon request.

## 12. POLICY MAINTENANCE AND APPROVAL

The EFPC Compliance team is the owner of this policy and will review it at least annually to ensure it remains

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| Prepared by | Chief Compliance Officer | Date: | 2 May 2025 |
| Approved by | Board of Directors | Date: | 2 May 2025 |

relevant and compliant. This policy has been approved by the Board of Directors of EFPC through a formal resolution, and any changes thereto are subject to the Board's approval.

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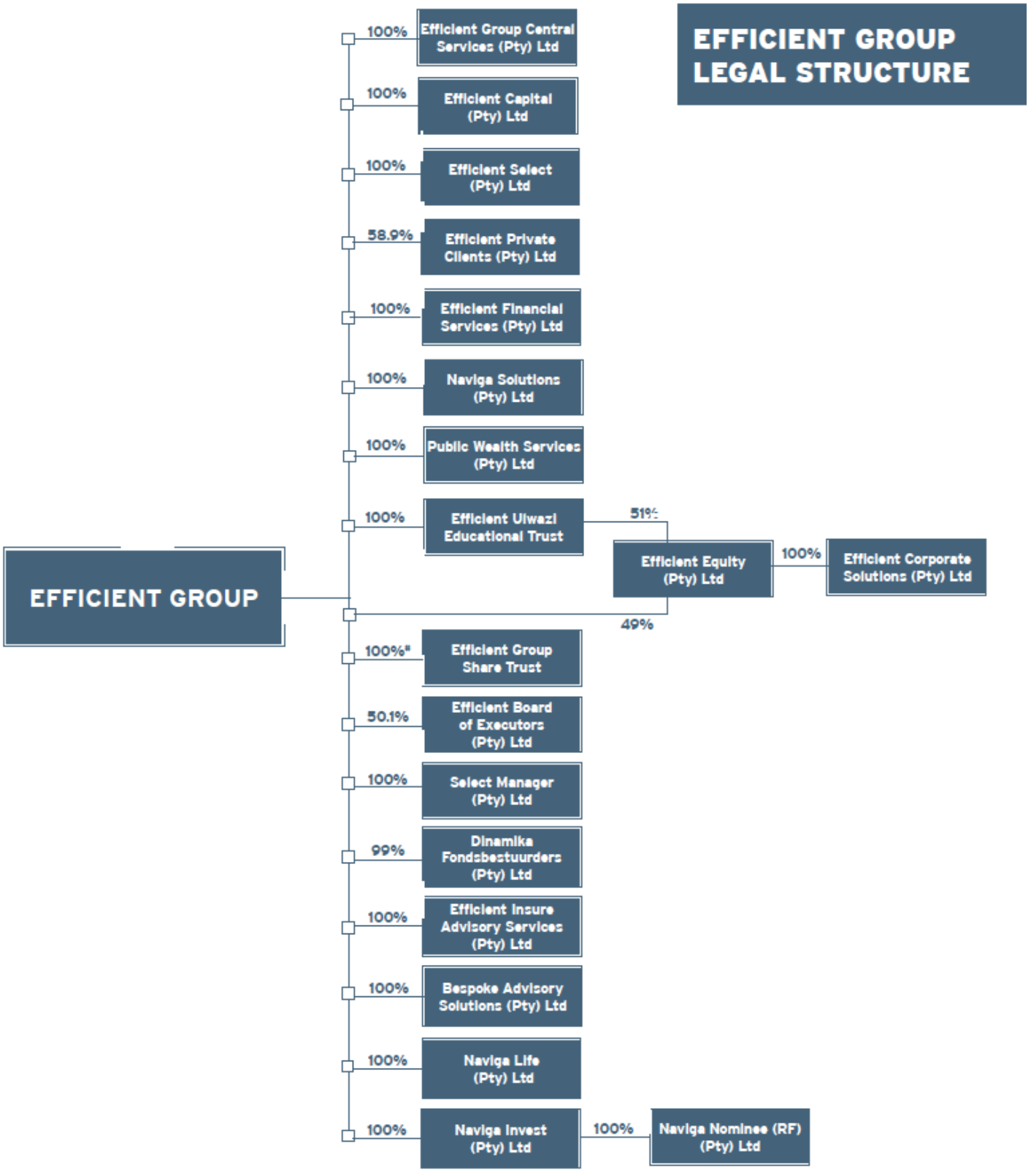
| Prepared by | Chief Compliance Officer | Date: | 2 May 2025 |
| Approved by | Board of Directors | Date: | 2 May 2025 |

**ANNEXURE A**


EFFICIENT GROUP LEGAL STRUCTURE
EFFICIENT GROUP
100%
Efficient Group Central Services (Pty) Ltd
100%
Efficient Capital (Pty) Ltd
100%
Efficient Select (Pty) Ltd
58.9%
Efficient Private Clients (Pty) Ltd
100%
Efficient Financial Services (Pty) Ltd
100%
Naviga Solutions (Pty) Ltd
100%
Public Wealth Services (Pty) Ltd
100%
Efficient Uiwazi Educational Trust
51%
Efficient Equity (Pty) Ltd
100%
Efficient Corporate Solutions (Pty) Ltd
49%
100%#
Efficient Group Share Trust
50.1%
Efficient Board of Executors (Pty) Ltd
100%
Select Manager (Pty) Ltd
99%
Dinamika Fondsbestuurders (Pty) Ltd
100%
Efficient Insure Advisory Services (Pty) Ltd
100%
Bespoke Advisory Solutions (Pty) Ltd
100%
Naviga Life (Pty) Ltd
100%
Naviga Invest (Pty) Ltd
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Naviga Nominee (RF) (Pty) Ltd