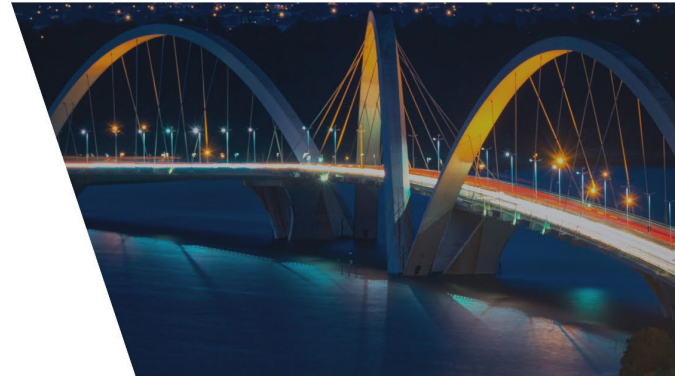


## CONFLICT OF INTEREST MANAGEMENT POLICY

Effective date: 1 February 2019 | Version 4 | Review date: 19 July 2024



### 1. PURPOSE

Select Manager (Pty) Ltd (“SELECT MANAGER”), a subsidiary of Efficient Group (Pty) Ltd (“Efficient Group”), and a registered discretionary financial services provider (“FSP”) No. 928, is committed to avoiding, and where this is not possible, to mitigating and disclosing any conflict of interest that may arise between SELECT MANAGER, its employees, associates, and/or its clients when rendering financial services.

The objective of this policy is to:

- manage conflict of interest within SELECT MANAGER;
- assist employees to identify potential and actual conflict of interest; and
- set standards to disclose conflicts of interest.

This policy has been developed in line with the requirements of the provisions of the General Code of Conduct for Authorised Financial Service Providers and Representatives. These provisions were issued under the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (“FAIS”).

### 2. SCOPE

All employees assigned to SELECT MANAGER are bound by this policy. This policy should be read in conjunction with the following Efficient Group policies:

- Conflict of Interest Management Policy;
- Gifts Policy;
- Anti-bribery and Corruption Policy;
- Data Classification and Retention Policy;
- Treating Customers Fairly (“TCF”) Policy; and
- Code of Conduct and Ethics Policy.

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### 3. DEFINITIONS

In this policy, unless the context otherwise indicates:

<b>Associate</b>	<p>means:</p> <ul style="list-style-type: none"> <li>a. subsidiary or holding company of SELECT MANAGER;</li> <li>b. another subsidiary of Efficient Group;</li> <li>c. any person from whom the Board of Directors of SELECT MANAGER is accustomed to take instructions or directions;</li> <li>d. any juristic person who is accustomed to taking instructions or directions from the Board of Directors of SELECT MANAGER and acting in accordance with these; or</li> <li>e. any trust controlled or administered by SELECT MANAGER.</li> </ul>
<b>Conflict of interest</b>	<p>means any situation in which SELECT MANAGER, or a representative of SELECT MANAGER, has an actual or potential interest in rendering a financial service to a client that may:</p> <ul style="list-style-type: none"> <li>a. influence the performance objective of his/her obligations to that client; or</li> <li>b. prevent SELECT MANAGER or a representative from rendering an unbiased and fair financial service to that client or from acting in the interest of that client, including but not limited to: <ul style="list-style-type: none"> <li>i. a financial interest;</li> <li>ii. an ownership interest; or</li> <li>iii. any relationship with a third party.</li> </ul> </li> </ul>
<b>Employee</b>	<p>means full-time and part-time staff members of Efficient Group, whether temporary or permanent, and includes directors and other contract workers.</p>
<b>Financial interest</b>	<p>means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentives, or valuable consideration, other than:</p> <ul style="list-style-type: none"> <li>a. an ownership interest;</li> <li>b. training that is not exclusively available to selected group FSPs or representatives on: <ul style="list-style-type: none"> <li>i. products and legal matters relating to those products;</li> <li>ii. general financial and industry information; and</li> <li>iii. specialised technology systems of a third party necessary for</li> </ul> </li> </ul>

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	the rendering of a financial service, excluding travel and accommodation associated with such training.
<b>Gift</b>	means any financial interest (defined above) with determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year received from the same third party and in that calendar year, by: <ul style="list-style-type: none"> <li>a. an FSP who is a sole proprietor;</li> <li>b. a representative for the representative's direct benefit; or</li> <li>c. an FSP, who for its benefit, or some or all of its representatives aggregates the financial interest paid to its representatives.</li> </ul>
<b>Key Individuals</b>	means the individuals responsible (individually and jointly) for managing and overseeing the financial business activities of SELECT MANAGER on a daily basis and who are registered as key individuals for this FSP.
<b>Ownership interest</b>	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.
<b>Representative</b>	means any person, who renders a financial service to a client for or on behalf of SELECT MANAGER, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting, or other service which service: <ul style="list-style-type: none"> <li>a. does not require judgement on the part of the latter person; or</li> <li>b. does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.</li> </ul>
<b>Intranet</b>	means a web-based collaborative platform used by Efficient Group for various purposes, including document management and employee engagement. This is also referred to as Efficient Pulse.
<b>Third party</b>	means: <ul style="list-style-type: none"> <li>a. a product supplier;</li> <li>b. another FSP or its associate;</li> <li>c. an associate of SELECT MANAGER; and</li> <li>d. any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to SELECT MANAGER or its representatives.</li> </ul>

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The Efficient Group legal structure that sets out the associates of SELECT MANAGER and the ownership structure of SELECT MANAGER is attached hereto marked as **ANNEXURE A**.

#### 4. IDENTIFYING CONFLICTS OF INTEREST

- 4.1 Receiving and offering of gifts by employees must comply with the Efficient Group Gifts Policy and be registered for approval on the Efficient Group [gifts register](#) on the intranet.
- 4.2 All employees are required to report any potential or actual conflicts of interest, which includes any outside business interest via the online [conflict of interest register](#) available on the intranet. The key individuals (“KIs”) and/or the compliance team must investigate declared conflicts of interest and ensure that necessary controls are implemented to mitigate the associated risks.
- 4.3 All KIs and representatives are required to attest to any potential or actual conflict of interest by completing a Fit and Proper Declaration on an annual basis. They must also attest to their awareness of this policy and the requirements of this policy in this declaration.
- 4.4 The Efficient Group provides an anonymous tip-off feature on its website, allowing stakeholders to report concerns regarding any unethical behaviour within the Efficient Group and its subsidiaries.

#### 5. MANAGING CONFLICTS OF INTERESTS

- 5.1 Representatives of SELECT MANAGER are salaried employees of the Efficient Group. SELECT MANAGER may not offer any financial interest to its representatives for giving preference to the quantity of business secured by SELECT MANAGER to the exclusion of the quality of the service rendered to clients.
- 5.2 Gifts offered and received by representatives of SELECT MANAGER for their own direct benefit are limited to a value of R1000 (one thousand rand) from the same third party in a calendar year.
- 5.3 SELECT MANAGER may not enter into an arrangement with an associate or involving an associate in the Efficient Group to avoid, limit, or circumvent or attempt to avoid, limit, or circumvent compliance with this policy. The Efficient Group legal structure that sets out the associates of SELECT MANAGER and the ownership structure of SELECT MANAGER is attached hereto marked as **ANNEXURE A**.
- 5.4 SELECT MANAGER receives a management fee from a third party for providing discretionary portfolio management services for collective investment scheme portfolios. This fee is deemed reasonable in accordance with the services rendered. This management does not result in SELECT MANAGER being

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remunerated more than once for performing a similar service and does not impede the delivery of fair outcomes to clients.

5.5 SELECT MANAGER may share a percentage of its management fee with a third party FSP for portfolio management services rendered.

5.6 Offering or receiving any form of inducement by any employee that could result in a conflict of interest is strictly prohibited.

## 6. DISCLOSING CONFLICT OF INTERESTS

6.1 This policy must be easily accessible by all clients and other third parties and must be published on the SELECT MANAGER website and on the Efficient Group intranet for all employees.

6.2 SELECT MANAGER may invest in financial products that are issued, managed, or underwritten by associate companies in Efficient Group listed in **ANNEXURE A**.

## 7. ROLES AND RESPONSIBILITIES

### 7.1 KIs

The KIs of SELECT MANAGER is responsible for:

7.1.1 enforcing the standards and rules of this policy;

7.1.2 ensuring that the necessary controls are in place within SELECT MANAGER to identify and to prevent conflicts of interest. If prevention of a conflict is not possible, the KIs are responsible for implementing controls to mitigate the risk of such a conflict of interest and to inform the Compliance team accordingly;

7.1.3 ensuring that the basis upon which a representative is remunerated is not contrary to the requirements of the FAIS General Code of Conduct;

7.1.4 identifying any actual or potential conflicts of interest in financial service offerings and receiving on an ongoing basis; and

7.1.5 considering declarations of conflict of interest from employees and to either approve such conflicts if the necessary mitigating controls are in place or to reject such conflicts; and

7.1.6 annually reviewing the controls included in this policy.

### 7.2 Representatives

The representatives are responsible for:

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- 7.2.1 ensuring that the financial services rendered are in the best interest of the client in accordance with the Efficient Group TCF Policy, and not for their own personal gain;
- 7.2.2 immediately disclosing any conflict of interest, or potential conflict of interest on the [conflict of interest register](#) on Intranet, if and when it arises.

### 7.3 The Compliance Department

The Compliance Department is responsible for:

- 7.3.1 creating conflict of interest awareness amongst all employees;
- 7.3.2 assisting KIs with the implementation and the enforcement this policy;
- 7.3.3 monitoring that the Conflict of Interest Management Policy is made available to all employees and overseeing that it is readily available to all clients of SELECT MANAGER;
- 7.3.4 monitoring compliance with this Policy and the Efficient Group Conflict of Interest Management Policy and reporting any potential regulatory risk in accordance with the Compliance Manual.
- 7.3.5 monitoring the Efficient Group conflict of interest register and ensuring that conflicts are considered by the MD for approval or rejection;
- 7.3.6 annually reviewing this policy; and
- 7.3.7 monitoring the annual fit and proper declarations of KIs and representatives to ensure that they are fully completed and to identify any declarations of conflicts of interest.

### 7.4 Employees

Employees must:

- 7.4.1 record gifts offered or received in their capacity as employees of Efficient Group on the [gifts register](#) on Intranet in accordance with the Efficient Group's Gifts Policy;
- 7.4.2 report any potential or actual conflicts of interest including outside business interests via the online [conflict of interest register](#) that is available on the intranet.

## 8. RECORDKEEPING

Records pertaining to identified or potential conflicts of interests, e.g., the gift register, the conflicts of interest register, the FAIS disclosures, and any other applicable records, and mitigation action must be retained in accordance with the Efficient Group Data Classification and Retention Policy.

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**9. NON-COMPLIANCE**

Violation of this policy by any employee may result in disciplinary action being taken against the employee, in accordance with the Efficient Group Disciplinary Policy. Providing false or misleading information, or concealing material facts relating to activities logged, that must be logged in the conflicts of interest register is, in addition to being a disciplinary action, a punishable offence.

**10. POLICY MAINTENANCE**

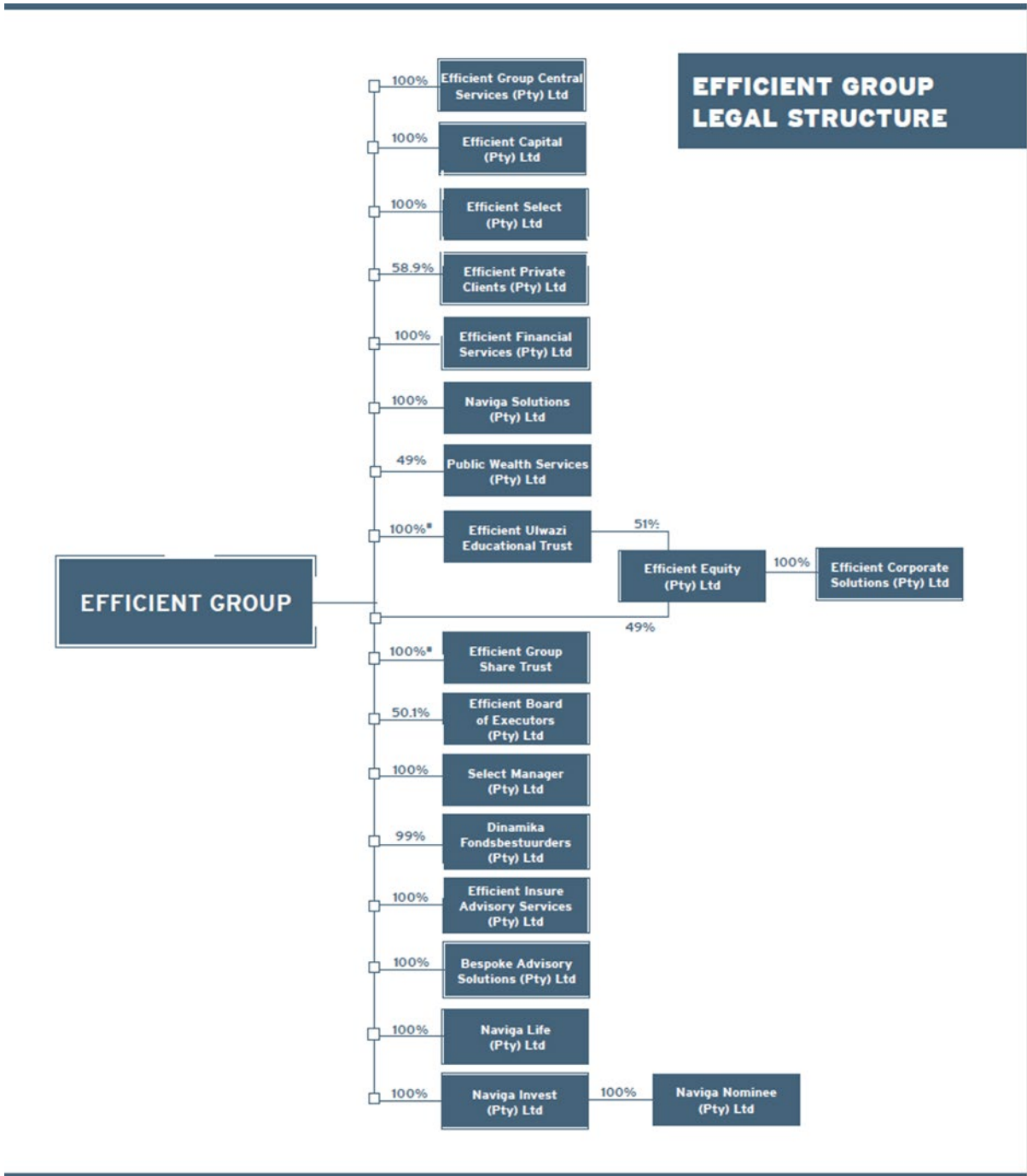
The Group Compliance Officer will review this policy annually and any changes thereto are subject to the approval of the SELECT MANAGER Board of Directors.

**11. POLICY APPROVAL**

This policy is approved by the SELECT MANAGER Board of Directors.

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**ANNEXURE A: EFFICIENT GROUP LEGAL STRUCTURE**



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