

CONFLICT OF INTEREST MANAGEMENT POLICY

FSP NAME:	Cornelia Dry Carmen Brokers CC
FSP NUMBER:	46456
KEY INDIVIDUAL/S:	Cornelia Dry

To be held in hard copy and kept available/visible for perusal of clients.

BACKGROUND:

Section 3A(2)(a) of the General Code of Conduct stipulates that every provider, other than a representative, must adopt, maintain, and implement a conflict-of-interest management policy that complies with provisions of the Act. The policy is to provide for mechanisms in place at **Cornelia Dry Carmen Brokers CC** to identify, mitigate and manage the conflicts of interest, which applies to **Cornelia Dry Carmen Brokers CC**. This Conflict-of-interest Management Policy is designed as prescribed in Board Notice 80 of 2003, as amended by Board Notice 43 of 2008.

OBJECTIVE OF THE POLICY:

This Conflict-of-Interest Management Policy does not change our existing conflict of management procedures but intends to document them in simple form as required by the Financial Sector Conduct Authority.

In terms of the Financial Advisory and Intermediary Services Act, 2002, **Cornelia Dry Carmen Brokers CC** is required to maintain and operate effective organizational and administrative arrangements by taking all reasonable steps to identify, monitor and manage conflict(s) of interest. **Cornelia Dry Carmen Brokers CC** has put in place a policy to safeguard its client's interests and ensure fair treatment.

All providers, key individuals, representative associates, and administrative personnel will commit to such policy, and the processes will be monitored on an ongoing basis.

Cornelia Dry Carmen Brokers CC keeps and maintains a register in which all actual or potential conflicts are recorded.

MISSION STATEMENT ON CONFLICT OF INTEREST:

Cornelia Dry Carmen Brokers CC is committed to ensuring that all business is conducted in accordance with good business practice. To this end **Cornelia Dry Carmen Brokers CC** conducts business in an ethical and equitable manner and in a way that safeguards the interest of all stakeholders, to minimize and manage all real and potential conflicts of interest. Like any financial services provider, **Cornelia Dry Carmen Brokers CC** is potentially exposed

to conflicts of interest in relation to various activities. However, the protection of our client's interests is our primary concern and so our policy sets out how we will protect them:

- We will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our client's interests.
- We have established appropriate structures and systems to manage those conflicts; and
- We will maintain systems to prevent damage to our client's interests through identified conflict of interest.

UNDERSTANDING THE DEFINITIONS:

Conflict of Interest:

A conflict of interest may occur when our loyalty to a client is, or appears to be, compromised by personal gain or another party's interests. It is important that we act objectively, unbiased and fairly, in the client's best interests.

These interests include:

- a) a financial interest,
- b) an ownership interest,
- c) any relationship with a third party.

Financial Interest:

Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic, or foreign travel, hospitality, accommodation, sponsorship, valuable consideration (exceeding R1 000.00 per annum) other than-

- An ownership
 - Training, that is not exclusively available to a selected group of providers or representatives on-
- i. Products and legal matters relating to those products.
 - ii. General financial and industry information.
 - iii. Specialized technological system of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.

Ownership interest:

- Any equity or proprietary interest for which fair value was paid on acquisition, other than such an interest held by a nominee.
- Includes any dividend, profit share or similar benefit derived from such interest.

Fair value:

Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 61 of 1973.

WHAT MAY WE GIVE AND RECEIVE?

We confirm that we will only accept financial interest from the aforesaid providers in the form of:

- Commission authorized under the short-term insurance Act 53 of 1998,
- Fees for rendering a financial service in respect of which no commission is paid, provided those fees are specifically agreed to by the client in writing and may be stopped at the client's discretion.

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

REMUNERATION POLICY:

Our remuneration policy is described in the Disclosure letter and Broker Fee Consent Form.

PROCESSES AND INTERNAL CONTROLS:

Identification of Conflict of Interest:

To adequately manage conflicts of interest we must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which the policy applies, **Cornelia Dry Carmen Brokers CC** considers whether there is a material risk of damage to the client, considering whether **Cornelia Dry Carmen Brokers CC** or its representatives, key individual, or directors:

- Are likely to make a financial gain or avoid a financial loss at the expense of the client.
- Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
- Has a financial or other incentive to favor the interest of another client, group of clients or any other third party over the interests of the client.
- Receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of money, goods, or services, other than the legislated commission or reasonable fee for that service.

Our policy defines possible conflict of Interest as, inter alia:

- Conflict of interest between **Cornelia Dry Carmen Brokers CC** and the client.
- Conflicts of interest between our clients if we are acting for different clients and the different interests materially.
- Conflicts of interest where associates, product suppliers, distribution channels or any other third party is 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 our clients. We may only receive commissions authorized in terms of applicable legislation.

Cornelia Dry Carmen Brokers CC maintains an index of potential conflict risks, taking into consideration all business areas and income streams. The index is updated with all new conflicts identified, and to ensure completeness is reviewed on an annual basis. All employees, including internal compliance officers and management are responsible in identifying specific instances of conflict and they are required to notify the key individual of any conflicts they become aware of. The key individual will assess the implications of the conflict and how it should be managed, and how to act impartially to avoid a material risk of harming a client's interests.

MEASUREMENT FOR AVOIDANCE AND MITIGATION OF CONFLICT OF INTERESTS:

1. Create awareness and knowledge of applicable stipulations of the general Code of Conduct and the relevant legislation relating to conflict of interest, through training and educational material.

2. Ensure understanding and adoption of conflict-of-interest policy and management measures by all representatives, key individuals and directors.
3. Regular inspections on all commissions, fees, and financial interests proposed or received to avoid non-compliance.
4. Keep a register of conflict of interest.
5. Once a conflict of interest has been identified it needs to be managed appropriately and adequately.
6. The Key individual will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. Compliance and management must then agree on the controls that need to be put in place to manage the conflict.
 - Disclosure - Where there is no other way of managing a conflict, or where the measures in place does not sufficiently protect the client's interests, the conflict must be disclosed to allow the clients to make an informed decision on whether to continue using our services with regards to the situation concerned.
 - Publication - We will publish our conflict-of-interest management policy in appropriate media to ensure that it is easily accessible for public inspection at all reasonable times.
 - Declining to Act - We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

ONGOING MONITORING OF CONFLICT-OF-INTEREST MANAGEMENT:

This policy will be viewed annually and must be included in the annual FSCA compliance report, containing details on at least the implementation, monitoring, and compliance with, and accessibility of the conflict-of-interest management policy.

The key individual or staff member in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters.

TRAINING AND STAFF:

All representatives are required to read Board notice 58 of 2010, as well as this policy and to sign a statement to the effect that they have done so and that they fully understand the provisions of both documents, as well as the application thereof.

Comprehensive training on the conflict-of-interest policy will be provided to all representatives as part of the general FAIS training.

Training will be incorporated as part of all new appointee's induction and refresher training provided on an annual basis.

The key individual will conduct ad hoc checks on business traditions to ensure the policy has been complied with.

The Compliance Officer will include monitoring of the conflict-of-interest policy as part of her general monitoring duties and will report thereon in the annual compliance report.

Non-Compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.

Avoidance, limitation, or circumvention of this policy via an associate will be deemed non-compliance.

REPRESENTATIVE INCENTIVES:

We confirm that we will not give any financial interest to our representatives for-

- i. favoring quantity of business over quality of service; or
- ii. giving preference to a specific product supplier where more than one supplier can be recommended to a client: or
- iii. giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

REGISTERS:

With regards to existing third-party relationships, being the product suppliers listed in our Disclosure Notice, we confirm that we do not have an ownership interest or are subject to exclusive training nor are there any circumstances which could lead to a potential conflict of interest. Should any conflicts arise regarding any of these, prior to entering any business transaction with you, we undertake to disclose this.

Cornelia Dry Carmen Brokers CC has implemented the registers below:

1. Nature and Extent of Ownership Interest
2. Financial Interest Received
3. Nature and Extent of Business Relationships
4. Associations

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