

CONFLICT OF INTEREST POLICY

Purpose/Summary

Serala Wealth Managers (Pty) Ltd conducts its business honestly and ethically wherever we operate in the world. We constantly improve the quality of our services, products and operations and strive to maintain our reputation for honesty, fairness, responsibility, integrity, trust and sound business judgment. We always treat our customers with respect and do not tolerate illegal or unethical conduct on the part of officers, directors, employees or affiliates of Serala Wealth Managers (Pty) Ltd.

Serala Wealth Managers (Pty) Ltd will not compromise its principles for short-term advantage. The ethical performance of this business is the sum of the ethics of the men and women who work here and are all expected to adhere to high standards of personal integrity. Therefore, each employee is required to examine this Conflict of Interest Policy and ensure that their work reflects the standards herein.

Version	2017-1.0
Applies To	This procedure applies to all employees and mandated representatives of Serala Wealth Managers (Pty) Ltd.
Maintained By	TCF (The Compliance Fairies)
Approved By	The Governing Authority

Summary of Changes | First version, no changes

DEFINITIONS

Conflict of interest

This occurs when we render a financial service to our clients where we (provider or representative) have an actual or potential interest that may:

- influence the objective performance of obligations to our client;
- prevent us from rendering an unbiased and fair financial service to our client; or
- prevent us from acting in the interests of our client.

This includes, but is not limited to:

- **A FINANCIAL INTEREST:** Cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, and includes travel and accommodation in respect of training.
- **AN OWNERSHIP INTEREST:** Any ownership interest which was bought for fair value, and any dividend, profit share or similar benefit derived from this.
- **ANY RELATIONSHIP WITH A THIRD PARTY:** A third party is:
 - o a product supplier or its associate.
 - o another financial services provider or its associate.
 - o a distribution channel.
 - o any person who provides a financial interest to a provider/representative as result of an agreement with a product supplier or its associate.
 - o any person who provides a financial interest to a provider/representative as result of an agreement with another FSP or its associate.

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INTRODUCTION

A conflict of interest may exist when a member, officer, director or employee is involved in an activity or has a personal interest that might interfere with his or her objectivity in performing business duties and responsibilities. Such conflicts may appear as favouritism or otherwise damage the reputation of Serala Wealth Managers (Pty) Ltd or its employees.

An actual conflict of interest does not need to be present to constitute a violation of this procedure.

Activities that create the appearance of a conflict of interest must also be avoided to ensure that the reputation of Serala Wealth Managers (Pty) Ltd and its employees are not harmed. Personal interests of employees must not influence or appear to influence business transactions.

The procedure in this document provides the requirements for managing, avoiding and disclosing potential conflicts of interest and the process for obtaining a conflict of interest review.

The purpose of this document is to provide our clients with appropriate information in relation to the policies we have in place to manage conflicts of interest.

Below you will find a summary of the principal conflicts that may exist in our business and the steps we take to manage them.

Associates and third parties in which Serala Wealth Managers (Pty) Ltd holds an interest

None

Representative incentives and remuneration

Serala Wealth Managers (Pty) Ltd.'s representatives are remunerated as follows:

PURELY COMMISSION

Identifying conflicts of interest

To adequately manage conflicts of interest, Serala Wealth Managers (Pty) Ltd must identify all relevant conflicts timeously.

In managing conflicts of interest, our procedure is to:

- Identify the conflict of interest;
- Assess and evaluate the conflicts; and • Devise and implement an appropriate response to the conflict.

The following is a list of possible management strategies to manage the potential or actual conflict of interest:

- Avoidance of any conflict of interest.
- Mitigation of the impact of the conflict of interest.
- Full disclosure of the conflict of interest.

Material conflicts

Officers, directors and employees must avoid representing Serala Wealth Managers (Pty) Ltd in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, and employees must avoid using their business contacts to advance their private business or personal interests at the expense of Serala Wealth Managers (Pty) Ltd, its clients or affiliates.

Officers, directors, and employees of Serala Wealth Managers (Pty) Ltd must never permit their personal interests to conflict, or appear to conflict, with the interests of Serala Wealth Managers (Pty) Ltd, its clients or affiliates. This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients at a cost to the client.
- An outcome in service delivery or a transaction that may differ from the real interest of the client.
- Any non-cash incentives that may be received by Serala Wealth Managers (Pty) Ltd from effecting any transaction and/or product.
- Effecting a transaction and/or product that may result in a benefit to a party other than the client.

Lesser conflicts

When any staff member of Serala Wealth Managers (Pty) Ltd suspects a potential conflict of interest, that person must discuss the matter with his/her immediate superior. The content of the discussion as well as any decision made must be recorded on the appropriate form. The superior and staff member will accept joint responsibility for the decision taken unless the decision is put forward for ratification to a more senior person in Serala Wealth Managers (Pty) Ltd. In assessing whether a conflict is material or of a lesser nature, consideration must be given to the impact that such a conflict will have on Serala Wealth Managers (Pty) Ltd.'s reputation, financial loss and internal erosion of ethical standards.

All decisions made must be reported monthly to: Adrienne Hotz

Disclosure and recordkeeping

It is the business policy of Serala Wealth Managers (Pty) Ltd to avoid all possible conflicts of interest, but if this is not possible, then full disclosure of this conflict must be made in writing to our clients. Part of managing conflicts of interest is making appropriate disclosures.

Our clients will be adequately informed about any conflicts of interest that might affect the provision of financial services to them. This means

providing clear, concise and effective disclosure so that clients can make an informed decision about how the conflict might affect the relevant service.

Where a conflict is identified and a decision made, the nature of the decision must be communicated to the third party in writing as soon as possible. This applies regardless of whether the decision was made to stop doing business or continue with Serala Wealth Managers (Pty) Ltd, despite the existence of the conflict.

Written records of how conflicts of interest are managed, together with all reports referred to, must be kept for a period of five years and be available for inspection by the compliance officer on request.

(For example, records of disclosures made and actions taken over any breaches of policies and procedures should be retained.)

Management and mitigation

The executive committee of Serala Wealth Managers (Pty) Ltd will review all conflicts every quarter and make recommendations regarding steps to avoid a recurrence.

Gifts and Inducements

Examples of conflicts of interest

- Personal interests such as working relationships and/or financial interests with immediate family members or relatives.
- Outside employment in areas similar to those in which Serala Wealth Managers (Pty) Ltd is involved.
- Outside work for clients, suppliers, vendors, or competitors of Serala Wealth Managers (Pty) Ltd.
- Operating as a supplier to Serala Wealth Managers (Pty) Ltd
- Activities that have the potential to affect the staff member's objectivity.
- Activities that could reflect negatively on the reputation of Serala Wealth Managers (Pty) Ltd and its employees.
- Holding a financial interest in a business concern that is a supplier, client, partner, subcontractor, or competitor of Serala Wealth Managers (Pty) Ltd constitutes a conflict of interest under certain conditions.
- Incentive remuneration for placing a quantity of business with only one supplier, or for only one product of a supplier where a choice is available.
- Participating in any activity that might lead to or give the appearance of unapproved disclosures of Serala Wealth Managers (Pty) Ltd.'s confidential information or client confidential information.
- Using an official position to obtain special privileges or advantages from individuals or businesses.
- An employee, officer or director may serve on external non-profit, governmental or for-profit governance boards; however, if such service in any way could create an actual or perceived conflict of interest, the services must be disclosed, and approved by the governing body of Serala Wealth Managers (Pty) Ltd.
- No person may receive or solicit outside employment, including paid service on a governance board, or compensation that would impair the independence of judgment of the individual in performing duties as an employee of Serala Wealth Managers (Pty) Ltd.

Activities Requiring Full Disclosure

We, or some person connected with us may have an interest, relationship or arrangement that is material to the service, or transaction concerned.

To manage such conflicts, we require our staff members to fully disclose, and disregard when dealing with our clients:

- Financial interest in any supplier, client or competitor entity.

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- Acting as an employee, officer, director, consultant, representative, or agent for a supplier, client, partner, subcontractor, or competitor.
- Engaging in any activity that could create the appearance of a conflict of interest, which may impair the reputation of Serala Wealth Managers (Pty) Ltd for impartiality and fair dealing.

Insider trading

Officers, directors and employees of Serala Wealth Managers (Pty) Ltd will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. This information - whether it is on behalf of our business or any of our clients or affiliates - could include strategic business plans, operating results, marketing strategies, client lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about this business, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis. No disclosure of confidential information is permitted without written permission of the client or the most senior manager of this business. Misuse of material inside information in connection with trading in Serala Wealth Managers (Pty) Ltd's securities can expose an individual to civil liability and penalties. Under current legislation, directors, officers, and employees in possession of material information not available to the public are "insiders."

Spouses, friends, suppliers, brokers, and others outside Serala Wealth Managers (Pty) Ltd who may have acquired the information directly or indirectly from a director, officer or employee are also "insiders."

The Act prohibits insiders from trading in, or recommending the sale or purchase of Serala Wealth Managers (Pty) Ltd's securities, while such inside information is regarded as "material", or if it is important enough to influence you or any other person in the purchase or sale of securities of any business with which we do business, which could be affected by the inside information.

The following guidelines should be followed in dealing with inside information:

- Until the material information has been publicly released by Serala Wealth Managers (Pty) Ltd, an employee must not disclose it to anyone except those within Serala Wealth Managers (Pty) Ltd whose positions require use of the information.

- Employees must not buy or sell Serala Wealth Managers (Pty) Ltd's securities when they have knowledge of material information concerning Serala Wealth Managers (Pty) Ltd until it has been disclosed to the public and the public has had sufficient time to absorb the information.
- Employees shall not buy or sell shares of another corporation, the value of which is likely to be affected by an action by Serala Wealth Managers (Pty) Ltd of which the employee is aware and which has not been publicly disclosed.

Officers, directors and employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.

Officers, directors and employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. The officers, directors and employees of Serala Wealth Managers (Pty) Ltd will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

Staff training and general awareness

All Serala Wealth Managers (Pty) Ltd's staff must be trained on this policy. A copy of the policy will be provided to each staff member at inception of that staff member's duties and updated versions must be circulated as and when they are updated.

It is our policy to inform all clients of the existence of this policy, and make it available to such clients in the following manner: By email, should they request it.

Violation of this code can result in disciplinary action being taken against the person, including possible termination of services. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation

This Conflict of Interest Policy is created by FAIS 1 - providing FAIS solutions. www.fais1.co.za

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