

**CONFLICTS OF INTEREST MANAGEMENT POLICY**

**1. PURPOSE**

The purpose of this Policy is to assist Boutique Collective Investments (RF) (Pty) Ltd (hereinafter referred to as “BCI”) and its employees to:

- + identify potential and actual conflict of interest;
- + avoid conflicts of interests; and
- + if the conflicts are not avoidable to manage and disclose it appropriately.

This Policy is also intended to assist employees in making the right decisions when confronted with a potential conflict of interest issue and it also aims to provide clients with appropriate information in relation to the controls BCI has in place to manage conflicts of interest.

**2. SCOPE**

All employees of BCI are bound by this Policy. BCI is a subsidiary of Efficient Group Limited (“Efficient Group”) and 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;
  - Personal Relationship Policy;
  - Treating Customers Fairly policy; and
  - Whistleblowing Policy.
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### 3. DEFINITIONS

<b>Associate</b>	<p>An associate for a company means:</p> <ol style="list-style-type: none"><li>a. Subsidiary or holding company of that company;</li><li>b. Another subsidiary of the holding company;</li><li>c. The holding company of the holding company;</li><li>d. Any person from whom the Board of Directors or governing body is accustomed to take instructions/directions; or</li><li>e. Any juristic person who is accustomed to taking instructions/directions from the Board of Directors or governing body and acting in accordance with these;</li><li>f. Any trust controlled or administered by the Company.</li></ol>
<b>Clients</b>	<p>New and potential investors in BCI's portfolios.</p>
<b>Conflict of interest</b>	<p>Means any situation in which a BCI and/or its employees has an actual or potential interest that may result in rendering a financial service to a client:</p> <ol style="list-style-type: none"><li>a. Influence the objective performance of BCI's service obligations to that client; or</li><li>b. Prevent BCI or a BCI employee from rendering a fair financial service to that client or from acting in the interest of that client, including but not limited to:<ol style="list-style-type: none"><li>i. a financial interest; or</li><li>ii. an ownership interest;</li></ol></li><li>c. Any relationship with a third party.</li></ol>
<b>Employees</b>	<p>Employees include full-time and part-time employees, whether temporary or permanent and includes directors, interns and secondees, agents, or independent contractors.</p>
<b>Gifts</b>	<p>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:</p> <ol style="list-style-type: none"><li>a. An Ownership Interest;</li><li>b. Training, that is not exclusively available to a selected group of Providers or Representatives on:<ol style="list-style-type: none"><li>i. products and legal matters relating to those products,</li><li>ii. general financial and industry information,</li></ol></li></ol>

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	iii. specialised technology systems of a Third Party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
<b>Ownership Interest</b>	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>Senior Management</b>	Means people, so appointed, who are individually or jointly responsible for managing or overseeing the business activities of BCI on a day-to-day basis.
<b>Third Party</b>	Means: <ul style="list-style-type: none"> <li>a. A product supplier;</li> <li>b. Another financial services provider (“FSP”) or it’s associate;</li> <li>c. An associate of BCI;</li> </ul>

#### **4. MECHANISMS FOR IDENTIFYING, MANAGING AND DISCLOSING CONFLICTS OF INTEREST**

- 4.1 All employees are required to report any potential or actual conflicts of interest to the BCI Compliance department (“Compliance”). Should any individual be uncertain as to whether they are in a conflicted situation e.g. whether the offer they wish to make or the offer which has been made to him/her, or whether a particular action or omission amounts to a conflict of interest, then he/she should contact Compliance immediately.
- 4.2 Compliance, in conjunction with Senior Management, will determine whether such conflicts of interest are avoidable or unavoidable conflicts. If a conflict of interest is identified as being avoidable, then BCI will adopt the necessary internal procedures to ensure that the activity that gives rise to the avoidable conflict is avoided. If a conflict of interest is identified as being unavoidable, the Compliance Department, in conjunction with Senior Management, will establish a strategy to mitigate the risk of such conflict of interest impacting negatively on BCI’s ability to render fair services to affected clients. BCI must disclose any specific conflict of interest impacting a client to such impacted client, together with the mitigation strategy employed.
- 4.4 To manage conflicts of interest, Compliance must maintain a conflict of interest register where all conflicts of interest identified are recorded (excluding gifts received under the Efficient Group
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Gifts policy) which is reviewed monthly to determine whether conflicts already identified are still valid, whether the mitigation strategies in place operate effectively and whether there are any new or potential conflicts that may have arisen since the last review. The conflict of interest register must be accessible by the Managing Director of BCI.

- 4.5 Clients must be made aware of the existence of this Policy by making it available to clients on the BCI website ([www.bcis.co.za](http://www.bcis.co.za)).
- 4.6 Employees wishing to make an anonymous “tip-off” regarding any arrangement that is not in accordance with this policy may also make use of the anonymous tip-off facility on the Efficient Group website: <https://www.efgroup.co.za/contact-us/whistleblowing>.
- 4.7 Employees may not receive any fees nor commission nor any other financial benefit from clients and/or service providers for any direct or indirect service rendered to such party relating to any of BCI’s business activities where such party can benefit from such arrangement, unless disclosed to and approved by Compliance..
- 4.8 All gifts received or offered by employees of BCI in their capacity as employees must be logged on the gift register on SharePoint for approval by the Managing Director of BCI in accordance with the Efficient Group Gifts Policy.

## **5. ARRANGEMENTS WITH ASSOCIATES**

BCI employees may not avoid, limit or circumvent or attempt to avoid, limit or circumvent compliance with the conflict of interest through an associate or an arrangement involving an associate. The Efficient Group legal structure, in which BCI and its associates are listed, is attached as **Annexure “A”**.

## **6. DISTRIBUTUION AGREEMENTS**

BCI has entered into various distribution agreements with third parties that may potentially result in a conflict of interest between the third party and its clients. Details will be made available on request. Refer **Annexure “B”**.

## **7. GIFTS**

- 7.1 The receipt and offering of gifts are subject to the standards and rules of the Efficient Group Gifts Policy.
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## **8. MONITORING AND REPORTING**

8.1 The Compliance department is responsible for monitoring the adherence to this Policy and the Efficient Group's Gifts policy. The outcome of the monitoring shall be reported to the Managing Director of BCI and the Group Chief Compliance Officer on a monthly basis.

8.2 All identified conflict of interests and mitigation plans must be discussed at the quarterly Board meetings of BCI and must be recorded in the minutes of such meetings. The relevant extracts of the minutes must be made available to the Compliance Officer, for the purpose of enabling the Compliance Officer to report on compliance with this Policy.

## **9. RECORDKEEPING**

Records pertaining to identified or potential conflicts of interests e.g. gift register, conflicts of interest register, conflict of interest disclosures etc. and mitigation action must be kept for a period of at least five years from date of identification by Compliance.

## **10. CONSEQUENCES OF NOT ADHERING TO THE POLICY**

Violation of this Policy by any employee may result in disciplinary action being taken against the employee, in accordance with Efficient Group's Disciplinary Policy as amended from time to time. Provision of false or misleading information or concealment of material facts relating to activities logged or that must be logged in a conflict of interest register is, in addition to being a disciplinary action, a punishable offence. Such conduct can, on conviction, lead to a fine of up to R1 million or imprisonment for up to 10 years.

## **11. POLICY AVAILABILITY AND STAFF TRAINING**

11.1 This Policy is made available to all employees on SharePoint and Compliance will ensure that all employees undergo the necessary training on this Policy.

11.2 The BCI Board of directors are required to declare on an annual basis that their awareness of the Conflicts of Interests Management Policy and that they are obliged to disclose any potential or actual conflict of interest.

## **12. REVIEW OF THE POLICY**

This Policy and related policies are reviewed annually by Compliance and where necessary, updated to ensure that the provisions remain sufficient to identify, assess, evaluate and mitigate Conflicts of Interest and to comply with legislation.

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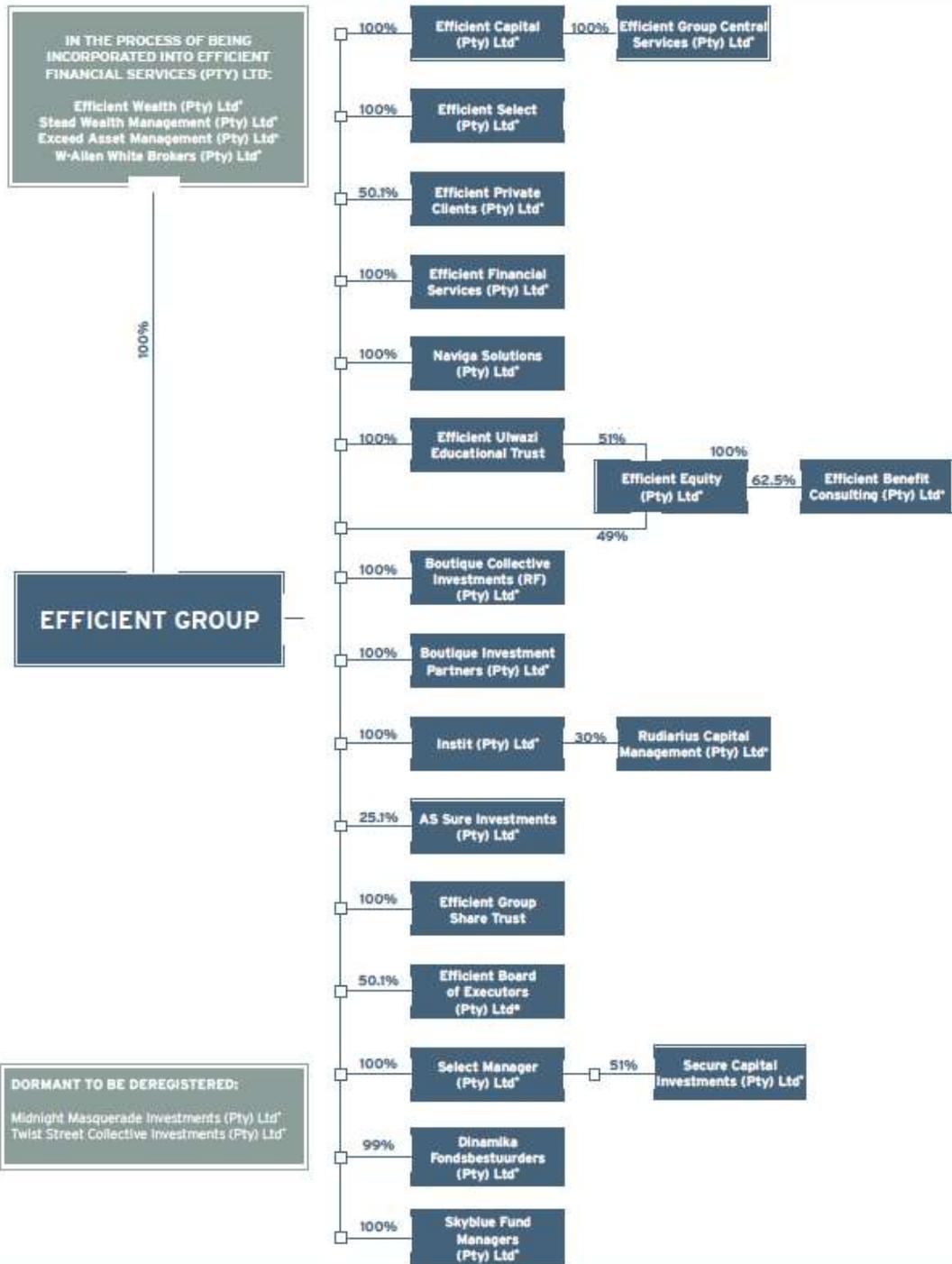
### **13. APPROVAL**

The Board of Directors adopted this policy by means of Board resolution. Any changes to this policy are subject to the approval of the Board.



ANNEXURE A – LIST OF ASSOCIATED COMPANIES OF BCI

**EFFICIENT GROUP LEGAL STRUCTURE**



\*Incorporated in the Republic of South Africa

## **ANNEXURE B DISTRIBUTION AGREEMENTS**

### **1. Distribution Channel**

BCI has entered into distribution agreements with third parties to market its portfolios. Details will be made available on request.

### **2. Fees**

In terms of the distribution agreements BCI is contractually obliged to pay a distribution fee to the third party in the event that a representative of the third party distributes a BCI portfolio and/or an annuity fee based upon the asset or share class size of a specific portfolio.

BCI cobranded partners and underlying investment managers earns conaming and investment management fees from BCI portfolios.

### **3. Mitigating Controls**

- 3.1 The agreements do not grant exclusive rights to the third party to act as marketing and distribution agent on behalf of BCI.
  - 3.2 The relationship between BCI and the third party shall at all times be that of independent contractors. No employment, partnership or joint venture relationship are formed by these agreements.
  - 3.3 In view of this independent relationship the third parties shall not incur any expenses on behalf of the BCI.
  - 3.4 These agreements do not grant the third parties any interest in the BCI's trademarks or any other intellectual property rights.
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