



**CONFLICT OF INTEREST MANAGEMENT POLICY**  
**BRENTHURST WEALTH MANAGEMENT (PTY) LTD**

**FSP NO: 7833**

THIS POLICY IS OWNED BY BRENTHURST WEALTH MANAGEMENT (PTY) LTD, AN AUTHORISED FINANCIAL SERVICES PROVIDER REG No 2004/012998/07 (HEREINUNDER REFERED TO AS "BRENTHURST WEALTH" OR FSP")

## **INTRODUCTION**

The document embodies the Conflict of Interests Management Policy (herein under referred to as “COIMP”) for Brenthurst Wealth and is aimed at giving effect to the requirements as set out in the General Code of Conduct BN 80 of 2004 as amended by BN 58 of 2010 and BN 706 of 2020, whereby Brenthurst Wealth as an FSP is required to maintain and operate effective controls and measurements, taking reasonable steps to identify, monitor and manage conflicts of interest to safeguard its clients’ interest and ensure fair treatment of clients.

## **SCOPE**

The objective of this policy is to provide adequate conflict of interest management where all providers, Key Individuals, Representatives, associates and administrative processes, will ensure that the quality of financial services is not compromised, professionalism levels will be maintained and client will receive best advice. It addresses mechanisms for the identification of conflict of interest, avoidance of conflict of interest or mitigation where avoidance is not possible and disclosure of conflict of interest, and to ensure that full disclosures are made to the client where a conflict of interest exists.

All staff are required to make a declaration as to whether a conflict of interest exist between themselves, the FSP, a client or a supplier of the FSP.

## **COMMITMENT**

The Brenthurst Wealth commits itself to conducting its business honestly, fairly and ethically wherever we operate in the world. We constantly improve the quality of our services, products and operations and strive to create and maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgment. No illegal or unethical conduct in respect to officers, directors, employees or affiliates, is in the business’s best interest.

The business 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 who are all expected to adhere to high standards of personal integrity.

We acknowledge that operating a business naturally creates conflicts which might increase reputational risk; it is further for this reason that a Conflict of Interest Policy is fully subscribed to by all stakeholders.

### **DEFINITIONS**

The terms in the COIMP are as defined in BN 58 of 2010, read together with the Financial Advisory and Intermediary Services Act, 2002, and regulations thereto, as amended from time to time:

**Conflict of interest (“COI”):** means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client: -

- Influence the objective performance of his/her/its obligations to the client; or
- Prevent a provider/representative from rendering an unbiased and fair financial service, or from acting in the interest of that client,

Including, but not limited to: -

- A financial interest;
- An ownership interest;
- Any relationship with a third party

**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: -

- An ownership interest;

- Training, that is not exclusively available to a selected group of providers or representatives, on: -
  - products and legal matters relating to those products;
  - general financial and industry information;
  - specialised technological systems of a third-party necessary for the rendering of a financial service, but excluding travel and accommodations associated with that training.

**Immaterial financial interest:** means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000.00 in any calendar year from the same third party in that calendar year received by: -

- A provider who is a sole proprietor; or
- A representative for that representative's direct benefit; or
- A provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

**Ownership interest:** means: -

- Any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than the equity or a proprietary interest held as an approved nominee on behalf of another person; and
- Includes, any dividend, profit share or similar benefit derived from that equity or ownership interest.

**Associate:** means and includes: -

- In relation to a natural person, means: -
  - A person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
  - A child of that person, including a step child, adopted child and a child born out of wedlock;

- A parent or step parent of that person;
- A person in respect of which that person is recognised in law or appointed by a court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
- A person who is the spouse, life partner or civil union partner of any persons mentioned in points 2,3 and 4;
- A person who is in commercial partnership with that person.
- In relation to a juristic person, means: -
  - A company, which includes any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
  - A close corporation registered under the Close Corporations Act, which includes any member thereof as defined in Section 1 of the Act;
  - Another juristic person that is neither a company nor a close corporation, which would have been a subsidiary or a holding company of the first-mentioned juristic person; or
    - Had such first-mentioned juristic person been a company;
    - In the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
  - Any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.
- In relation to any person, means: -
  - Any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
  - Includes any trust controlled or administered by that person.

**Third Party:** means: -

- A product supplier;
- Another provider;
- An associate of a product supplier or a provider;
- A distribution channel;
- Any person who in terms of an agreement or arrangement with a person referred to in points 1 to 4 above provides a financial interest to a provider or its representatives.

**Distribution Channel:** means: -

- Any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client;
- Any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier;
- Any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

### **CONFLICT OF INTEREST**

A **conflict of interest** may exist when a 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 favoritism or otherwise damage the reputation of the business 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 the business and its employees are not harmed.

Personal interests of employees must not influence or appear to influence business transactions. This procedure provides the requirements for managing, avoiding and disclosing potential conflicts of interest and the process for obtaining a conflict of interest review.

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

Where a conflict of interest exists, disclosures are made to the FSP and interested parties and a management program is launched.

### **REPRESENTATIVES INCENTIVES AND REMUNERATION**

Our representatives are remunerated in accordance with a percentage of our ongoing fees in respect to their total Assets Under Management. Representatives under supervision are remunerated with a basic remuneration which falls away on reaching break even. Any fees received are only where the client has agreed to it in writing and such fees terminate on termination of the business relationship.

No representative shall be remunerated or receive a financial interest as part of an incentive structure with its main or sole aim to increase production.

#### **Incentives and production bonuses must take into account: -**

- A combination of quantitative and qualitative criteria.
- Not be limited to a specific product supplier; and
- Not be limited to a specific product.

Any incentive or bonus scheme must be approved by the directors of Brenthurst Wealth in writing prior to being implemented. All incentive projects must be disclosed to clients of the business and must be attached to this policy, together with a description of the nature and basis of participation and any other rules as well as the duration of the incentive project.

**Brenthurst Wealth, nor its representatives do not tolerate or accept any financial interest from a provider: -**

- (i) that is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or*
- (ii) for giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or*
- (ii) for giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client*

**Brenthurst Wealth ensures that all monies paid to a representative takes into account: -**

- (i) achievement of minimum service level standards in respect of clients.*
- (ii) delivery of fair outcomes for clients; and*
- (iii) quality of the representative's compliance with this Act.*

with sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.



## **IDENTIFYING CONFLICT OF INTEREST**

To adequately manage conflicts of interest, the business must identify all relevant conflicts timeously.

### **Two levels of identification are employed:**

***Business level:*** The managing body will annually identify an index of potential conflict risks. The index is updated with all new conflicts identified, and to ensure completeness is reviewed on an annual basis.

***Employee level:*** All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify their manager of any conflicts they become aware of. They are further required to disclose all conflict of interest as they may arise and where there is no conflict of interest attest to the fact.

## **MANAGEMENT OF POTENTIAL OR ACTUAL CONFLICT OF INTEREST**

**In managing conflicts of interest, our procedure is to: -**

- *identify the conflicts of interest.*
- *assess and evaluate those conflicts; and*
- *decide and implement an appropriate response to those conflicts.*

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

- *Avoid the conflict of interest*
- *Mitigate the impact*

- *Where this is not possible, full disclosure of the Conflict of interest (COI)*
- *Implement a strategy to manage the conflict of interest where it cannot be avoided*

### **Material conflicts**

Where a conflict has a serious potential impact on our clients or our business, it must be avoided. Only Brian Butchart and Magnus Heystek or person authorised by them may make the final decision regarding a material conflict and whether the management process must be followed. Officers, directors and employees must avoid representing the business 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 the business, its clients, or affiliates. Officers, directors, and employees of the business must never permit their personal interests to conflict, or appear to conflict, with the interests of the business, its clients, or affiliates.

This may include, *inter alia*, but is not limited 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 the business from affecting any transaction and / or product.*
- *Effecting a transaction and / or product that may result in a benefit to another party other than the client.*

### **DISCLOSURE AND RECORD KEEPING**

It is our business policy 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.

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 the business, 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 5 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).

### **MANAGEMENT AND MITIGATION**

Before entering into any third party agreement, the FSP will conduct a due diligence to satisfy itself that no conflict of interest exists between the parties or where there is a conflict of interest, that such conflict of interest is properly managed, TCF principles are adhered to and that the product and/or service levels to the clients are what clients may expect and that a conflict of interest that exists does not compromise the level of service.

The executive committee of Brenthurst Wealth or any other appropriate forum or person will review all conflicts every quarter and make recommendations regarding steps to avoid a recurrence of those aspects.

We regularly monitor the third party's customer treatment standards, including how the third party meets customer expectations

Brian Butchart and the Internal Compliance Department will accept responsibility for the implementation of all steps necessary. Notice of the attention paid to conflict of interest must be contained in the minutes of the meetings of the Executive/Key Individuals and the relevant extracts of the minutes must be made available to the business's compliance officer on request, to enable our compliance officers to report on compliance with this policy.

### **GIFTS AND INDUCEMENTS**

The official policy of the business is as follows: -

- No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organisation in order to attract or influence business activity.
- Officers, directors and employees shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.

Any gifts or gratuities over the value of **R 1 000.00 (ONE THOUSAND RAND)** (annual calendar year total) from any other person or their associate as defined in Financial Services Board Notice 58 of 2010 may not be accepted by any person in the organization nor may such gifts or incentives be given by any person in the business, to any third party. No gifts or gratuities may be accepted or given without written consent from Brian Butchart and the Internal Compliance Department.

In exercising discretion, Brian Butchart and the Internal Compliance Department must have regard to any commission regulations or other laws which may be breached by the receipt of

such gift. A written statement from the giver explaining the reason for and purpose of the gift must accompany any request for authorisation. This provision also applies to invitations to any functions, including lunches, dinners, training interventions and prize-giving. The Gifts register may be an electronic register and care must be taken to mitigate the risk of tampering.

The gifts register shall be audited by the Compliance Practice regularly to ensure that incentives did not exceed the aggregate value of **R 1 000.00 (ONE THOUSAND RAND)**. The results of the audit shall be communicated to Brian Butchart. In determining whether any gift or incentive is to be allowed, Brian Butchart shall have regard to this report.

### **EXAMPLES OF CONFLICT OF INTEREST**

Personal interests may include working relationships and/or financial interests with immediate family members or relatives.

Activities include outside employment in areas similar to those in which the Business is involved: -

- *Outside work for clients, suppliers, vendors, or competitors of the business.*
- *Operating as a supplier to the business.*
- *Activities that have the potential to affect the staff member's objectivity.*
- *Activities that could reflect negatively on the reputation of the business and its employees.*

- *Holding a financial interest in a business concern that is a supplier, client, partner, subcontractor, or competitor of the business constitutes a conflict of interest under certain conditions.*
- *Incentive remuneration for placing a quantity of business with only 1 supplier, or for only 1 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 the business' 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 the business.*

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 the business.

#### **ACTIVITIES REQUIRING FULL DISCLOSURE**

We, or some other 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.*

- *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 The Business for impartiality and fair dealing.*

## **INSIDER TRADING**

Officers, directors and employees of the business 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 the business'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 the business 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, the business'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 the business, an employee must not disclose it to anyone except those within the business whose positions require use of the information.*
- *Employees must not buy or sell the business's securities when they have knowledge of material information concerning the business 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 the business 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 the business will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

**STAFF TRAINING AND GENERAL AWARENESS**

All Brenthurst Wealth's staff are to be aware of this policy and receive training 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.



All staff will sign a declaration (on an annual basis) declaring that no conflict of interest exists between themselves and the FSP and where there is a conflict of interest, such conflict is declared to ensure the proper management thereof.

It is the responsibility of Malissa Anthony to ensure that the provisions of the above paragraph are complied with.

**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: -**

- *Posting on website*
- *Sent to client on request*

#### **CONSEQUENCES OF NON-COMPLIANCE**

If there is reason to believe that an employee or a representative has failed to disclose actual or possible conflicts of interest, the key individual(s) and compliance officer of Brenthurst Wealth Management shall afford that person the opportunity to explain the alleged failure to disclose.

If after the hearing the response of the employee or representative and making such further enquiries as may be warranted in the circumstances, and where the key individual(s) and compliance officer of Brenthurst Wealth Management determines that the employee or representatives has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate disciplinary and corrective action.

Therefore, in the event of non-compliance with this policy, in addition to any civil or criminal consequences, employees will be subject to disciplinary action.

#### **CONSEQUENCES OF WITHOLDING INFORMATION OR INACCURATE INFORMATION**

Provision of false or misleading information or concealment of material facts relating to activities logged or that must be logged in the COI 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 000 000.00 or imprisonment for up to 10 years.

**REVIEW OF THE COIMP**

This policy shall be reviewed on an annual basis by Key Individuals and the FAIS Compliance Officer, and any subsequent changes to the policy shall be communicated to all parties concerned in this policy.

**RESOLUTION**

As key individual of the aforementioned FSP, I Brian Dean Butchart hereby confirms that this policy has been formally adopted.



**BRIAN DEAN BUTCHART**

26 October 2022

**DATE**

**ANNEXURE A**

**BASIS OF REPRESENTATIVES FINANCIAL INTEREST**

<b>BRENTHURST WEALTH MANagements REPRESENTATIVES QUALIFY FOR THE FOLLOWING FINANCIAL INTEREST</b>	<b>DISCLOSURE REQUIRED</b>
Commission, in accordance with the Short and Long-Term Insurance Act (STIA and LTIA) and Medical Schemes Act	Disclosed in initial documentation, quotations and proposals

Fees, in accordance with STIA and LTIA	Disclosed in initial documentation, quotations and proposals
Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered.	Disclosed in initial documentation, quotations and proposals
An immaterial financial interest subject to a determined value that does not exceed R1000.00 in any calendar year from the same third party in that calendar year.	Disclosed in internal gifts register. Any gift that exceeds the allowed threshold must be recorded in the Conflict of Interests register, and such gifts are to be refused, with such refusal placed on record.
A financial interest not referred to above, for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by the provider or representative at the time of receipt thereof.	Disclosed in initial documentation, quotations and proposals

## ANNEXURE B

### LIST OF FINANCIAL INTERESTS PAID BY FSP TO THIRD PARTIES

TYPES OF FINANCIAL INTEREST	NAME OF THIRD PARTY


**ANNEXURE C**

**LIST OF FINANCIAL INTERESTS FSP RECEIVED FROM THIRD PARTIES**

<b>TYPE OF FINANCIAL INTEREST</b>	<b>NAME OF THIRD PARTY</b>
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Distribution fee	Brenthurst Global Balanced Fund / Brenthurst Global Equity Fund
Distribution Fee	Mi-Plan Asset Management
Distribution Fee	Brenthurst BCI Fund of Funds
Distribution Fee	Wealth Foundry – Sygnia
Distribution Fee	Sharenet Investments

**ANNEXURE D**

**LIST OF ASSOCIATES**

<b>ASSOCIATES NAME</b>	<b>TYPE OF RELATIONSHIP</b>

**ANNEXURE E**

**OWNERSHIP INTEREST FSP HOLDS IN THIRD PARTY**

<b>NAME OF THIRD PARTY TO WHICH FSP HOLDS AN OWNERSHIP INTEREST</b>	<b>NATURE AND EXTENT OF OWNERSHIP INTEREST</b>

**ANNEXURE F**

**OWNERSHIP INTERESTS A THIRD PARTY HOLDS IN FSP**

NAME OF THIRD PARTY THAT HOLDS AN OWNERSHIP INTEREST IN FSP	NATURE AND EXTENT OF OWNERSHIP INTEREST
Brian Dean Butchart	25% - Shareholder
Susan Stefanie Heystek	25% - Shareholder
Magnus Renier Heystek	50% - Shareholder



**ANNEXURE G**

**GIFT AND ENTERTAINMENT REGISTER**

<b>NAME OF KEY INDIVIDUAL/REPRESENTATIVE</b>	<b>DATE IN WHICH GIFT RECEIVED</b>	<b>FROM WHOM GIFT WAS RECEIVED</b>	<b>TYPE OF GIFT</b>	<b>VALUE OF GIFT (R)</b>