



CONFLICT OF INTEREST POLICY

Cape Capital Group (Pty) Ltd.

FSP: 50206



This is the corporate website of the Cape Capital Group (Pty) Limited ("the Company").

The Company is an authorized Financial Service Provider by the Financial Sector Conduct Authority (FSCA) in South Africa. The Company is listed under the FSP No. 50206 and under the Registration No. 2019/142922/07.

The General Code of Conduct for Authorised Financial Services Providers and Representatives, as amended, or Notice 80 of 2003 provides that when a provider renders a financial service, the provider must disclose to the client the existence of any personal interest in the relevant service, or of any circumstance which give rise to an actual or potential conflict of interest in relation to such service, and take all reasonable steps to ensure fair treatment of the client.

In order to maintain the integrity, impartiality and diligence in the provision of financial services and to protect the interests of the clients and the integrity of the financial service industry, a conflict of interest policy is adopted and implemented by the Company. This policy aims to oversee and manage any bias towards clients that may occur due to a conflict of interest, specifically in situations where non-monetary incentives or benefits are provided by a third-party such as another provider or product supplier to anyone offering financial services.

Conflict of Interest

A conflict of interest occurs when professionals abuse the trust placed in them by the people. A conflict of interest refers to a situation where considerations, whether personal, financial, or otherwise, have the potential to undermine or influence professional judgment and objectivity.

A conflict of interest occurs when a rational individual would believe that the professional's ability to make impartial judgments is at risk of being compromised. A potential conflict of interest refers to a scenario that has the possibility of turning into an actual conflict of interest.

It is important to remember that a conflict of interest occurs regardless of whether personal interests affect decisions and a conflict of interest only suggests the possibility of bias and not the likelihood.

It is important to remember to avoid as soon as practicable all direct and probable conflict of interest that may be encountered thereof.

In order for the Company to determine whether a conflict of interest exists, the Company will assess whether there is a potential for harm to any client, taking into consideration whether the company, its representatives, associates, or employees:

(1) to assess whether there is a potential for harm to any client, taking into consideration whether the company, its representatives, associates, or employees



- (2) If it has a separate or distinct interest in the outcome of a service provided to the client or a transaction conducted on behalf of the client
- (3) if it has a financial or other reason to favour the interest of another client, group of clients or any other third party instead of the interests of the client
- (4) if it obtains or will obtain an inducement in the form of money, goods, or services from a person other than the client which are not the authorized reasonable fee or commission for the service provided to the client.

Measures for Disclosing Conflict of Interest

The Company shall take appropriate action or measures as may deem necessary to alleviate the prejudice to the client when the Company has taken into account the situation related to a potential conflict of interest and the Company has concluded that based on the factors at that time, avoiding the conflict is not feasible, then the company should implement appropriate measures at that point in time. Further, the Company shall inform in writing and disclose in full detail to the client of the potential conflict of interest and the potential prejudice that he or she may suffer from such conflict of interest. The information shall include as well the reasons whereby the conflict of interest is impossible to alleviate. Provided, further, the client shall communicate in writing his or her confirmation on the action or measure adopted by the Company whether the Company shall proceed or continue thereof.

Supervision

The Company shall ensure that all its employees are knowledgeable of the conflict of interest concept and the Company shall implement adequate training in order to ensure that the Conflict of Interest Policy is effectively realized.

The Conflict of Interest Policy shall be reviewed annually at the beginning of the year or during the year at any time by the Company and to introduce changes when necessary. Further, the Conflict of Interest Policy shall not only prioritize on issues regarding remuneration whereby the purpose is to render diligence, integrity, and fairness and in the best interest of the clients and the veracity of the financial service industry.

The Company shall adequately and from time to time review the terms and conditions of the business with its suppliers and other financial service providers for the purpose of determining probable, real or apparent existence of conflict of interest in consonance with the Conflict of Interest Policy.

The compliance officer is responsible for identifying and managing such conflicts. It is important to note that the decision of the on such matters is considered final and



binding. If any employee of the provider has questions about possible, real, or apparent conflict of interest, they should direct their queries to the compliance officer.

Irrelevant financial interests shall be documented in the Register by every representative in order to make sure the compliance with the limitations provided for the record keeping system established for irrelevant financial interests.

Consequence of Non-compliance

If a reasonable cause exists to conclude that any employee, important person, or representative failed to disclose real or potential conflict of interest, the Board of Directors of the Company shall advise the said persons abovementioned of the basis for such belief. The Board of Directors of the Company is given an opportunity to explain the apparent failure of disclosure on their part. Thereafter, it shall be the board or the committee who have the power to determine the existence of such real or potential conflict of interest and the failure to disclose thereof. In case of existence thereof, the board or the committee shall apply adequate and proper measure or action.

Financial Interests that are Allowed

The enumeration below are the financial interests that are allowed and shall not be constituted as actual or probable conflict of interest:

Fees authorized under Long-term Insurance Act of 1998 or Act No. 52 of 1998 if the fees are proportionate in consonance with the service provided or rendered;

Fees charged for providing a financial service where no commission or authorized fees are paid under the Act No. 52 of 1998, the aforementioned fees may only be charged if the client agrees to them in writing, and the client has the option to terminate such fees at their discretion;

Fees authorized under Short-term Insurance Act of 1998 or Act No. 53 of 1998 if the fees are proportionate in consonance with the service provided or rendered;

Fees charged for providing a financial service where no commission or authorized fees are paid under the Act No. 53 of 1998, the aforementioned fees may only be charged if the client agrees to them in writing, and the client has the option to terminate such fees at their discretion;

Fees authorized under Medical Schemes Act of 1998 or Act No. 131 of 1998 if the fees are proportionate in consonance with the service provided or rendered;

Fees charged for providing a financial service where no commission or authorized fees are paid under the Act No. 131 of 1998, the aforementioned fees may only be charged



if the client agrees to them in writing, and the client has the option to terminate such fees at their discretion;

Fees or compensation for providing a service to a third party which are reasonably proportionate to the service being offered to a third party;

Commission that is authorized under the Long-term Insurance Act of 1998 or Act No. 52 of 1998;

Commission that is authorized under the Short-term Insurance Act of 1998 or Act No. 53 of 1998;

Commission that is authorized under the Medical Schemes Act of 1998 or Act No. 131 of 1998;

Any financial interest, including but not limited to cash, vouchers, gifts, services, advantages, benefits, discounts, domestic or foreign travel, hospitality, accommodation, sponsorship, or any other kind of incentive or valuable compensation that has not been explicitly specified above and is deemed valuable. At the time of receiving any financial interest, the provider or representative must pay an amount of remuneration that is reasonably commensurate with the value of the benefit;

Any immaterial financial interest;

To a training that is not accessible exclusively to a specific set of providers or representatives, specialized technological systems from a third-party which are required for providing a financial service but not including the expenses related to travel and accommodation for that training;

To a training that is not accessible exclusively to a specific set of providers or representatives, overall information associated to the financial industry but not including the expenses related to travel and accommodation for any training;

To a training that is not accessible exclusively to a specific set of providers or representatives, the products and the legal qualities in accordance with those products but not including the expenses related to travel and accommodation for any training.

Financial Interests that are Not Allowed

The following financial interests enumerated below that are received from any third party are prohibited in any or whatever form:

1. Advantage
2. Accommodation
3. Benefit
4. Cash Payment



5. Cash Equivalent
6. Discount
7. Domestic or Foreign Travel
8. Gift
9. Hospitality
10. Service
11. Sponsorship
12. Voucher
13. Other incentive or valuable consideration

Pronouncement of Ownership Interest by the Provider

The provider or representative must not have any direct or probable equity or proprietary interest in any third party that could potentially affect their ability to perform their obligations to their clients objectively or prevent the provider or any representative from providing impartial and equitable financial services, or from acting for the best interests of the client in the rendering of a financial service thereof.

The provider or representative must not receive any direct or probable dividend, profit share or similar benefit that is obtained from any ownership interest or equity of any third party that could potentially affect their ability to perform their obligations to their clients objectively or prevent the provider or any representative from providing impartial and equitable financial services, or from acting for the best interests of the client in the rendering of a financial service thereof.

Pronouncement of Ownership Interest in the Provider

There must be no third party of any kind that may have any direct or probable equity or proprietary interest in the business of the provider that could potentially affect their ability to perform their obligations to their clients objectively or prevent the provider or any representative from providing impartial and equitable financial services, or from acting for the best interests of the client in the rendering of a financial service to a client thereof.

There must be no third party of any kind that may receive any direct or probable dividend, profit share or similar benefit that is obtained from any ownership interest or equity of any third party that could potentially affect their ability to perform their obligations to their clients objectively or prevent the provider or any representative from providing impartial and equitable financial services, or from acting for the best interests of the client in the rendering of a financial service to a client thereof.



Third Party Dealings

The provider or representative must not have any direct or probable relationship with any third party that could potentially affect their ability to perform their obligations to their clients objectively or prevent the provider or any representative from providing impartial and equitable financial services, or from acting for the best interests of the client in the rendering of a financial service thereof.

Associates

The provider does not have any associate who is a third party that may pose a conflict of interest or potential conflict of interest.

"*Associate*" is a term defined under the Companies Act No. 61 of 1973. It means any entity referred to under subparagraphs (i) to (vii) below who is also a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel or any person who in terms of an agreement or arrangement with any product supplier, another provider, an associate of a product supplier or a provider, a distribution channel above provides a financial interest to the Provider or its representatives such an associate being: (i) any subsidiary company of the Provider; (ii) any holding company of the Provider; (iii) any other subsidiary of any holding company of the Provider; (iv) any other company of which that holding company of the Provider; (v) any person in accordance with whose directions or instructions the board of directors of the Provider is accustomed to act; (vi) 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 Provider.

"*Third Party*" is a term defined under the Companies Act No. 61 of 1973. It means (a) a product supplier; (b) another provider; (c) an associate of a product supplier or provider; (d) a distribution channel; (e) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

Compensation of a Representative

The remuneration of each and every representative shall be based on their performance thereof. It is important to remember that a representative shall not be remunerated, rewarded, commissioned or of the same kind based on any of the following instances: (1) if the representative gives preference to a particular product supplier when in fact the representative may conduct recommendations of more than a single product supplier to a client; (2) if the representative gives preference to a particular product of a product supplier where in fact the representative may conduct



recommendations of more than one product to the client; or (3) if the representative gives preference to the extent or quantity of business to the omission of the standard or quality of the service to be given to the clients of the Company.

Queries

Any question, query or concern in the Conflict of Interest Policy shall be submitted to info@capecapitalgroup.co.za

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Country of registration: South Africa

FSP No.: 50206

Registration Number: 2019/142922/07

Category License: Category 1

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