Impact Settlement Capital – Conflict of Interest Management Policy

Contents

POLICY ADOPTION

By signing this document, I authorise the organisation's approval and adoption of the processes and procedures outlined herein.

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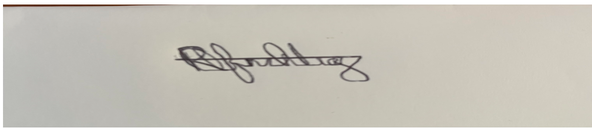
Responsible Person Signature	
Responsible Person Signature	

1. Definitions

1.1	**Associate:**	Means any natural or juristic person who has a relationship with another person or entity through family, partnership, ownership, control, or management, including spouses, life partners, children, parents, commercial partners, related companies, members of close corporations, controlled trusts, and other persons or entities regarded as associates, in accordance with the BN 80 of 8 August 2003: General Code of Conduct for Authorised Financial Services Providers and representatives
1.2	**Clients:**	means institutions or individuals which have a signed Mandate with Impact Settlement Capital to provide financial services.
1.3	**Conflict of Interest:**	Means any actual or potential situation in which a Provider or representative has a personal, financial, ownership, or other interest, or a relationship with a third party, that may influence the objective performance of their obligations, prevent the rendering of unbiased and fair financial services, or impair their ability to act in the best interests of a client, in accordance with the BN 80 of 8 August 2003: General Code of Conduct for Authorised Financial Services Providers and representatives
1.4	**compliance department:**	means the Impact Settlement Capital' compliance personnel that works with the compliance officer (external or internal).
1.5	**Consultant:**	means an individual or expert providing services to Impact Settlement Capital on a temporary or contractual basis.
1.6	**Traders:**	means representatives or key individuals employed by Impact Settlement Capital that provide financial services to or on behalf of clients.
1.7	**FSP**	means Financial Services Provider

1.8	**Human resources department:**	means the Impact Settlement Capital's department responsible for human resources
1.9	**Key Individual:**	means the individual appointed as Impact Settlement Capital' Key Individual in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002
1.10	**Mandate:**	means the agreement entered into between Impact Settlement Capital and a Client
1.11	**Staff:**	means the individuals that have entered into an employment contract with Impact Settlement Capital.

2. Introduction

Impact Settlement Capital Proprietary Limited (hereinafter the "**Company**") is aware that compliance and regulation is critically important to the integrity of the Company. As such the Company is required to manage its conflicts of interest in accordance with the following:

2.1 Section 3A(2)(b) of the General Code of Conduct (Board Notice 80 of 2003) issued under the Financial Advisory and Intermediary Services Act 37 of 2002.

The Company is aware of its responsibility as an FSP to avoid conflicts where avoidable, or where unavoidable, mitigated at all costs. Certain potential conflicts are, however, unavoidable due to the nature of the service provided.

3. Mechanisms for Identifying conflict of interest

3.1 Introduction

The mechanisms for identifying conflicts are formal in the Company. Additionally the Identification of conflict will be done informally as part of an ongoing assessment and communication between the directors, traders and compliance department.

3.2 Mechanisms

The Company in addition to ongoing assessments and communication between the directors, traders and Compliance department, will implement the following mechanisms in an effort to identify actual or potential conflicts of interests:

3.2.1 management and internal, together with external compliance, legal, and audit where required will conduct bi-annual reviews on:

a) all contracts held with Third parties and re-examines whether this relationship influences the Company's:

   i) objective performance towards its clients,
   ii) ability to render fair and unbiased financial services towards its clients
   iii) ability to act in the interest of the client

3.2.2 declarations signed by all Key Individuals, and representatives confirming the presence or absence of any actual or potential conflict of interest and updated accordingly.

3.2.3 the list of identified actual or potential conflict of interests, as discussed in clause 3.3 below and update accordingly.

3.3 Identification Conflict of Interest

The management and internal compliance of the Company have identified the following activities as potential conflict of interest:

3.3.1 Giving and Receiving of Gifts,
3.3.2 Key Individual and shareholder conflict of interest
3.3.3 Employee with dual employment.

Identification of conflict as stated in clause 3.1 above, will continuously be done as part of an ongoing assessment and communication between the directors, traders and compliance department.

The above potential conflict of interest list is not exhaustive and will be amended from time to time as mentioned in clause 3.2.1.3 above.

The staff of the Company are to adhere to the policies outlined in clauses 3.3.1 – 3.3.3 below in order to mitigate against the potential conflict of interest listed above.

3.3.1 **Gift Policy**

a) Gifts from the Company (and any employees) to clients:

   Gifts are permitted from the Company to clients as an expression of appreciation. While there is no limitation on the value of gifts that may be given to a client, the onus is on the Company and every staff involved to ensure that the gift does not give rise to any conflict of interest.

b) Gifts from clients to the Company (and any employees)

   There is no limit to the monetary number of gifts received by or given to Company staff from clients. However, all staff are required to register gifts over the value of one thousand Rand (R1000) in the Gift Register (Annexure A). The register will be held and monitored by management and the compliance department.

Staff are expected to use their discretion and ensure that no gifts received will have the effect of creating a conflict of interest.

3.3.2 **Key Individual and Shareholder Conflict**

a) The Company's Key Individuals and Shareholders with ownership interests, or who have associates with ownership interests, in clients or issuer companies are to complete the declaration of interests register in Annexure B.

b) The register will be monitored by management and the compliance department.

3.3.3 **Employee dual employment**

a) The Compliance department shall request confirmations from the Human Resources department. Any employee in breach of dual employment clauses in terms his/her employment contract, the consequences of such breach shall be in terms of the employment contract.

b) The above dual employment declarations shall not apply to Consultants of the Company.

c) Human resources department shall keep records of any declarations of dual employment made by staff of the Company.

4. Measures to avoid conflict of interest

Upon identification of the conflict of interests listed in clauses 3.3.1 to 3.3.3 above, the following measures will be followed in order to determine whether the conflict of interest is avoidable:

4.1 Measures

The management, compliance department, legal, and audit where required will either during its bi-annual reviews or during its informal ongoing assessment and communication between the directors, compliance and traders will conduct a review on whether the conflicts mentioned in clauses 3.3.1 to 3.3.3 are avoidable or unavoidable.

The review must include questions such as:

4.1.1 "Is there any situation that exists that influences the objective performance of the representative/employee's obligations to his or her client"?

4.1.2 "Is there any situation that exists that prevents the representative/employee from rendering an unbiased and fair financial service to his or her client"?

4.1.3 "Is there any situation that exists that prevents my representative/employee from acting in the interest of his or her client"?

All information surrounding the conflict of interests identified must be disclosed to all interested parties.

4.2 Avoidable Conflict of interest

If the management, compliance department, legal, and audit where required of the Company has determined that the actual or potential conflict of interest is avoidable, the following processes must be adhered to:

4.2.1 The management and compliance department must approve, the removal of the underlying cause of the actual or potential conflict of interest,

4.2.2 the underlying cause of the actual or potential conflict of interest must be removed as soon as reasonably possible,

4.2.3 Any negative impact on clients owing to the removal of the actual or potential conflict of interest must be kept to a minimum,

4.2.4 The reason(s) why the actual or potential conflict of interest was determined to be avoidable must be recorded,

4.2.5 All determinations and interventions as it pertain to the avoidance of the conflict of interest must be documented and kept on the compliance file and,

4.2.6 Similar situations that give rise to actual or potential conflicts of interests must be avoided in the future.

4.3 Unavoidable Conflict of interest

4.3.1 the reasons for the conflict being determined unavoidable are recorded;

4.3.2 measures are put in place to mitigate the conflict as far as reasonably possible, which may include restricting access to information, recusal of the affected representative, or independent review of the transaction concerned;

4.3.3 affected representatives are notified of the conflict and the basis for its unavoidability;

4.3.4 the conflict is disclosed to the affected Client in writing at the earliest reasonable opportunity; and

4.3.5 the status of the conflict is reassessed on an ongoing basis and avoided immediately should it become avoidable.

5 Disclosure of Conflict of interest

At the earliest reasonable opportunity, the Company and its traders must, in writing, disclose to a client any Conflict of interest policy in respect of that client.

5.1 Disclosures

General Conflicts will be captured in this Conflict-of-Interest Management Policy which will be available for inspection upon request by the client.

Client-specific conflicts will be disclosed to the client in writing at the earliest possible opportunity.

The conflict of interest of the Company shall be available for Client perusal on it's website.

5.2 Declaration of conflict of interest

Any Director/s and Staff with ownership interests, or who have associates with ownership interests, in clients or issuer companies are to complete the declaration of interests register in Annexure B.

All other staff to complete the declaration in Annexure C**.**

5.3 High level conflicts

High level conflict of interest of the Company shall be disclosed.

Additionally, the compliance department shall maintain a traders disclosure document (Annexure C) which shall be available at client request**.**

5.4 Internal risk register

The compliance department must maintain an internal risk register.

The risk register shall include high level conflict of interest, general conflicts, and declaration of interest register.

6 Conflict of interest procedures and internal controls

The monitoring of the identified conflicts will be done on an ongoing basis and communicated between the departmental heads, compliance officer, and the board of directors.

Monitoring processes:

6.1 The Company maintains a gift register recording all gifts given or received above a value the Company considers material, which is reviewed by the Compliance Officer.

6.2 Key Individuals and representatives complete a conflict of interest declaration (quarterly), which is retained by the Compliance Officer.

6.3 The registers at Annexures A to D are reviewed and updated at least annually, or sooner if a relevant change occurs.

6.4 Any employee or representative uncertain whether a situation gives rise to a conflict of interest must refer the matter to the Compliance Officer before proceeding.

6.5 This Policy is reviewed at least annually by the Compliance Officer and updated where necessary to remain effective.

7 Acceptable Financial Interests and Remuneration

The Company will determine performance-based financial interests using measurable indicators, including service standards, fair client outcomes, and regulatory compliance, with appropriate weighting to ensure the fair treatment of clients is prioritised over the volume of business generated. This is in accordance with the considerations outlined in S3A (bA) of the FAIS General Code of Conduct

The Company may only receive or offer the following financial interest from or to a third party

7.1 **Fees** for the rendering of financial services provided that the client agreed to such fees in writing and may be stopped at the discretion of the client.

7.2 **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

7.3 **An immaterial financial interest** (i.e. a financial interest with a determinable monetary value, the aggregate of which does not exceed one thousand Rand (R1000) 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/employee for that representative/employee's direct benefit, or a provider who for its benefit or that of some or all of its representative/employees, aggregates the immaterial financial interest paid to its representative/employees.)

7.4 **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 that provider or representative/employee at the time of receipt thereof.

Such financial interest shall be disclosed to the Client through the signed Mandate and shall be limited to commission or brokerage fees on the instruments involved.

8 Non-Compliance with The Conflicts of Interest Policy

8.1 Non-compliance with any internal policy will be taken extremely seriously and dealt with in accordance with the breach clauses of the employment agreement and Key Individual agreement.

8.2 If an employee or a representative takes any deliberate action to contravene this policy or to breach Impact Settlement Capital's legal obligations, the employee or representative will be subject to disciplinary action.

8.3 Necessary actions will be taken at management discretion as and when any non-compliance is identified. All instances of non-compliance with this policy will be included in the regular compliance reporting processes.

8.4 The actions that may be taken range from a written warning to debarment or dismissal, depending on the severity of the offence in terms of the HR Policy / breach clauses of the employment agreement and Key Individual agreement between Impact Settlement Capital and its employees or Key Individual respectively. This will be dealt with on a case-by-case basis.

ANNEXURE A: LIST OF ASSOCIATES

In terms of section 3A(2)(b)(iii) of the General Code of Conduct, this Policy must include a list of all Associates of the Company.

Name of Associate	Nature of Association
None	None

ANNEXURE B: THIRD PARTIES IN WHICH THE COMPANY HOLDS AN OWNERSHIP INTEREST

In terms of section 3A(2)(b)(v) and (vii) of the General Code of Conduct, this Policy must include the names of any Third Parties in which the Company holds an Ownership Interest, together with the nature and extent of that interest.

Name of Third Party	Nature and Extent of Ownership Interest
None	*None*

ANNEXURE C: THIRD PARTIES THAT HOLD AN OWNERSHIP INTEREST IN THE COMPANY

In terms of section 3A(2)(b)(vi) and (vii) of the General Code of Conduct, this Policy must include the names of any Third Parties that hold an Ownership Interest in the Company, together with the nature and extent of that interest.

Name of Third Party	Nature and Extent of Ownership Interest
Nyosi Tshabalala	50% ownership
Kagiso Mokgatlhe	50% ownership

ANNEXURE D: TYPE OF FINANCIAL INTEREST AND BASIS FOR ENTITLEMENT

In terms of section 3A(2)(b)(ii) of the General Code of Conduct, this Policy must specify the type of Financial Interest the Company will offer a representative, the basis on which a representative is entitled to it, and a motivation as to how it complies with sections 3A(1)(b) and 3A(1)(bA).

Form of Financial Interest	**Offered by Company**	**Basis for Entitlement**	**Compliance Motivation (s3A(1)(b) / (bA))**
Commission authorised under applicable financial services legislation	Non-applicable	Non-applicable	Non-applicable
Fees agreed in writing by the Client, stoppable at the Client's discretion	Non-applicable	Non-applicable	Non-applicable
Fees or remuneration for a service rendered to a Third Party	Non-applicable	Non-applicable	Non-applicable
Immaterial Financial Interest	Non-applicable	Non-applicable	Non-applicable
Financial Interest for which fair value / commensurate consideration is paid	Non-applicable	Non-applicable	Non-applicable