

## CONFLICTS OF INTEREST POLICY

### Introduction

IFC Markets SA (Pty) Ltd. (in this policy, “the Company”, also “we”, “us”, “our”) is an authorised Financial Services Provider (FSP) licensed and regulated in the Republic of South Africa by the Financial Sector Conduct Authority (FSCA). We have established this Conflict of Interest Policy as required by the Financial Advisory and Intermediary Services Act (“FAIS”) and it may be changed or amended by us from time to time as appropriate. As a Financial Service Provider we are responsible for taking all appropriate steps to identify and manage any conflicts of interest arising in the course of providing our services; in this policy, potential conflicts of interest are described, and controls implemented by us to manage any such conflicts of interest, are summarised.

### 1. Framework

The BN 80 of 8 August 2003 (i.e., General Code of Conduct for Authorised Financial Services Providers and Representatives (as amended by BN 58 of 2010) requires that when a provider renders a financial service, the provider and any representative must avoid, and where this is not possible, mitigate any conflicts of interest between the provider and a client or the representative and a client.

### 2. Purpose

This policy’s purpose is to set out our approach in identifying the circumstances which may give rise to a conflict of interest, measures for preventing the rise thereof and the means to manage such conflicts of interest whenever they arise in the course of normal business activities.

### 3. Definition and Instances of a Conflict of Interest

A “conflict of interest” means any situation in which a provider or a representative has an actual or potential interest that may, when providing services to a client,

- a) influence the objective performance of lawful duties to that client; or
- b) makes it impossible to provide a fair financial service to that client, or act in the best interests of that client.

The interest referred to above may include, but is not limited to,

- ✓ a financial interest;
- ✓ an ownership interest;
- ✓ any relationship with a third party.

A conflict of interest arises where the Company or a relevant person has an interest of their own that is in conflict with the interest of a client. For example, a conflict of interest may arise where the Company, or one of its employees, is providing a service to its clients or engaging in activities which may entail a material risk of damage to the clients' interests, for example where the Company:

- could make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client which is distinct from client's interest in that outcome;
- has a financial incentive to favour the interest of another client, or group of clients, over the interest of the client;
- receives, will receive or will pay a person other than the client, an inducement in relation to a service provided to the client, in the form of monies or commission, other than the standard fee for that service.

#### 4. Managing Conflicts of Interest

Conflicts of interest frequently arise in the normal course of business, and need to be managed efficiently to always preserve the Company's obligation to act in the best interest of the client. For that purpose, appropriate corporate mechanisms need to be put in place. The entire body of the corporate policies and procedures need to take due regard of the conflict of interest management, and certain mechanisms need to be implemented, as described below.

Corporate policies and procedures:

- Establish proper motivation of personnel while discouraging excessive trading or other acts that may impair the client's best interests;
- Do not permit employees to undertake deals on their own behalf;
- Do not permit staff to accept any employment or business interest outside the Company without the prior approval of the Company;
- Do not allow to accept any gifts or hospitality other than as considered normal and minor in this line of business;
- Ensure a fair, reasonable and transparent fee structure without it being in conflict with the best interests of the client;
- Ensure the segregation of duties that may give rise to conflict of interest if performed by the same person;
- Establish a "need-to-know" procedure governing the handling of confidential or inside information and set up Chinese Walls where appropriate;
- Ensure independent monitoring and reporting by the Compliance Officer;
- Establish disclosure, review, confidential reporting of any conflicts of interest with escalation to the proper level of management with the aim at ethical resolution.

Other measures include:

- a. appoint an Internal Auditor to ensure that appropriate systems and controls are maintained and report to the Board of Directors;
- b. ensure that marketing communication meets the relevant definition of marketing communication as well as having the appropriate disclosure statement;
- c. ensure regular review of the terms and conditions of the relationship between the business and the product supplier in order to identify potential, apparent or actual conflicts of interest and the regular review of the procedures adopted to prevent such conflicts in compliance with this policy;
- d. ensure that all employees are adequately exposed to this policy and concept of conflicts of interest and provide appropriate training to employees;
- e. continuously monitor compliance with and update this policy.

## 5. Record Keeping

Under the FAIS Act, we are required to keep and regularly update a written record of any conflict of interest that has arisen or may arise during the course of conducting our business entailing a material risk of damage to the interests of one or more clients.

## 6. Further Information

For further information regarding our Conflicts of Interest policy, you may contact [compliance@ifcmarkets.co.za](mailto:compliance@ifcmarkets.co.za).

## 7. Notice

Should you wish to open a trading account with the product supplier, the counterparty to your transactions will be the product supplier, therefore, you shall ensure that you carefully read and understand the product supplier's respective Conflicts of Interest Policy which is available on its website.

## 8. Obligatory Policy

The policy applies to all its directors, employees, any persons directly or indirectly linked to IFC Markets SA (Pty) Ltd. and refers to all interactions with all clients. Compliance with this policy is an obligation in the employment contract of every employee and any breach thereof may lead to disciplinary proceedings up to and including termination of employment.