

CONFLICTS OF INTEREST POLICY

Introduction

GNT Capital (hereinafter 'the Company') is a company incorporated in the Republic of South Africa, with registration number 2016/218894/07 and registered address at Unit 7 31 First Avenue East, Parktown North, Johannesburg, Gauteng, 2193.

The Company is regulated and authorized by the Financial Sector Conduct Authority ("FSCA") in the Republic of South Africa as an Over-The-Counter Derivative Provider and a Financial Service Provider (FSP No.51065) and is authorised to provide financial services, including advice and intermediary services in respect of financial products, including derivative instruments, and conducts its activities in accordance with the Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS Act"), the General Code of Conduct for Authorised Financial Services Providers and Representatives Section 15 of Financial Advisory and Intermediary Services Act, 2002 ("FAIS General Code"), applicable regulatory requirements, and any other applicable legislation and regulatory standards issued by the FSCA.

Preface

The present Conflict of Interest Policy (hereinafter called the "Policy"), provides a summary of the Company's approach in identifying the circumstances which may give rise to a conflict of interest, the establishment of appropriate mechanisms and systems for preventing and avoiding the rise of such conflicts of interest as well as management of conflicts of interest which may arise during the course of its normal business activities and description of the systems the Company maintains in order to prevent damage to its Clients interests through identified conflicts, as applicable.

This Policy has been developed having regard to the Company's obligations under applicable South African financial services legislation, including but not limited to:

- The Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS Act");
- General Code of Conduct for Authorised Financial Services Providers and Representatives Section 15 of Financial Advisory and Intermediary Services Act, 2002;
- The Financial Markets Act 19 of 2012;
- Applicable Conduct Standards and regulatory requirements issued by the Financial Sector Conduct Authority ("FSCA");
- Treating Customers Fairly ("TCF") principles and regulatory framework as developed by the FSCA;
- Applicable market conduct, governance, risk management and operational requirements applicable to Over-The-Counter Derivative Providers.

The Company shall ensure that conflicts of interest are identified, avoided, mitigated, monitored and disclosed in a manner that ensures clients are treated fairly and that the integrity of the financial markets is maintained.

Definitions

"Conflict of Interest" includes any actual, potential or perceived situation where the interests of the Company, its representatives, employees, associates or any third party may improperly influence, or appear to influence, the objective performance of obligations towards clients. A conflict of interest may arise where the Company, its directors, employees, representatives, Key Individuals, associates, service providers or any other relevant person:

- has an interest that competes with, or may improperly influence, the Company's obligation to act in the best interests of clients;
- may benefit financially or otherwise from a client's transaction;
- has access to confidential client information which may provide an unfair advantage;
- has incentives to favour one client, counterparty, liquidity provider, product supplier or business relationship over another.

"Third Party" means:

- i. A product supplier;
- ii. Another provider;
- iii. An associate of a product supplier or a provider;
- iv. A distribution channel;
- v. 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 representative.

Objectives

The Policy applies to conflicts of interests between all the directors of the Company, employees, product suppliers, associates, Key Individuals, representatives, contractors, consultants or any natural or legal persons directly or indirectly linked to the Company (hereinafter called the "relevant persons"). The purpose of this Policy is to ensure that the Company's clients are treated fairly and at the highest level of integrity and that their interests are always protected. It also aims to identify conflicts of interest between:

- The Company and a Client;
- A Company's Relevant Person and a Client;
- Two or more the Client of the Company in the course of providing services to these Clients; and
- A company of the Group and a Client.

Mechanisms for Identification of Potential Conflicts of Interest

For the purpose of identifying the types of conflicts of interest that arise in the course of providing services and whose existence may damage the interest of a client, the Company takes into account the following criteria:

- a. The Company or a relevant person is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- b. The Company or a relevant person 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 the Client's interest in that outcome;
- c. The Company or a relevant person carries on the same business as the Client;
- d. The Company or a relevant person receives or will receive from person other than the Client, an inducement in relation to a service provided to the Client, in the form of monies, goods or services, other than the standard commission or fee for that service;
- e. The Company or a relevant person has a financial or other incentive to favour the interest of another client or group of clients over the interest of the client.

Potential Sources of Conflict of Interest

The following list includes a number of circumstances which constitute or may give rise to a conflict of interest, as a result of providing investment services:

- a. The Company or a company of the Company's group may engage in business and trading activities for its own account and/or Client accounts whilst other Clients are active in relevant markets at the same time;
- b. A transaction is affected in financial instruments in respect of which the Company or a company of the Company's group, or its director or employee is contemporaneously trading or has traded on its own account or has either a long or short position;
- c. The Company or a relevant person receives substantial gifts or entertainment (including non-monetary inducements) that may influence behaviour in a way that conflicts with the interest of the Client of the Company;
- d. A transaction is affected in financial instruments in respect of which the Company may benefit from a commission, fee, mark-up or mark-down payable otherwise than by a client, and/or Company may also be remunerated by the counterparty to any such transaction;
- e. A director or employee of the Company is a director of a fund and or any company which is a client of the Company;
- f. A transaction is affected in financial instruments issued by an affiliated company or the client or customer of an affiliated company;
- g. The Company may act as agent for a client in relation to transactions in which it is also acting as agent for the account of other customers and/or Group companies;
- h. The Company acting as agent for the Client, matches an order of the Client with an order of another customer for whom it is acting as agent;

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- i. A transaction is affected in securities issued by an affiliated Company or the client or customer of an affiliated Company;
- j. The Company deals on behalf of the client with, or in the securities of, an affiliated Company;
- k. A transaction is effected in units or shares of connected investment trusts or unit trusts or open ended investment companies or of any Company of which the Company or an affiliated Company is the manager, authorised corporate director, operator, banker, adviser, custodian, administrator, trustee or depositary;
- l. Introducing agents may have other interests than the Company and/or their clients;
- m. Representatives / Introducing agents of the Company may be aware of large client orders to acquire or dispose of a large quantity of a particular financial instrument and either the Company or its representatives/Introducing agents purchase (or sell) the financial instrument beforehand.
- n. **Derivative Instruments:** Conflicts of interest may arise where the Company or its representatives provide advice or intermediary services relating to derivative instruments, including circumstances where:
 - o the Company or a relevant person has an interest in the outcome of a derivative transaction;
 - o remuneration arrangements may influence the recommendation or selection of derivative products;
 - o the Company has relationships with product suppliers, issuers, counterparties or other third parties connected to derivative products;
 - o representatives may have personal positions or interests relating to derivative instruments recommended or discussed with clients.

The Company shall ensure that such conflicts are appropriately identified, managed and disclosed where required.

Measures for the Avoidance of Conflicts of Interest

The Company has established adequate and appropriate internal procedures for minimizing or avoiding any potential conflicts of interest. The Company shall at all times act honestly, fairly, professionally and in the best interests of clients. Where a conflict cannot reasonably be avoided, the Company shall ensure that appropriate mitigation measures are implemented before providing the relevant financial service. Measures include the following:

- a. Establishment of a conflict of interest management policy and ensuring awareness of its contents among employees and associates;
- b. The separate supervision of relevant persons whose principal functions involve carrying out activities on behalf of or providing services, to clients whose interests may conflict, or who otherwise represent different interests that may conflict, those of the Company;
- c. Establishment of procedures governing access to electronic data;
- d. Establishment of effective procedures to prevent or control the exchange of information between relevant people engaged in activities involving risk of a conflict of interest where the exchange of that information may harm the interests of one or more Clients;

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- e. Ensuring that the Company only receives or provides financial interests permitted under applicable FAIS requirements and that any such financial interests do not create conflicts that prejudice clients or compromise the Company's obligations.
- f. Ensuring that the Company may not offer any financial interest to a Product Supplier or otherwise, for giving preference to a specific product supplier, where the Company may recommend more than one Product Supplier to a client; or 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;
- g. Ensuring that the Company may only receive or offer financial interest from or to a third party as permitted by Applicable Laws;
- h. The Company shall ensure that its remuneration, commission, incentive and performance management structures do not encourage directors, Key Individuals, representatives or employees to place their own interests, or those of the Company or any third party, ahead of the interests of clients.

Incentive arrangements shall be designed and reviewed periodically to ensure that they do not: encourage unsuitable advice or recommendations; incentivise representatives to favour particular product suppliers or financial products; create conflicts between the commercial interests of the Company and the fair treatment of clients; or compromise the Company's obligation to render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients.

- i. The Company shall ensure compliance with the restrictions relating to financial interests and conflicts of interest under the FAIS General Code. No representative or employee may accept or provide any financial interest, gift, benefit or advantage where such benefit:
 - influences or may influence the rendering of financial services;
 - creates an obligation towards a third party;
 - compromises the Company's duty to act in the best interests of clients.

Any gifts, hospitality or benefits received must be reasonable, properly recorded and subject to internal approval requirements.

- j. Separate supervision on an on-going basis of the activities of third parties which perform services on behalf of the Company in order to ensure that such activities are performed in compliance with the applicable Laws;
- k. Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's Board of Directors;
- l. Ensuring that all Key Individuals, representatives, directors and employees disclose any personal, financial, ownership, family or external business interests that may create an actual, potential or perceived conflict of interest with the Company or its clients. Such disclosures shall be documented, maintained by the Company and reviewed periodically by the Compliance Officer.
- m. Establishments of measures to prevent or limit any person from exercising inappropriate influence over the way in which a relevant person carries out services or activities;

- n. Clear segregation of all duties between the different departments; the establishment of Chinese walls restricting the exchange of information within the Company;
- o. Segregation of duties that may give rise to conflicts of interests if carried on by the same individual;
- p. The Company ensures that all the marketing communication of the Company is reviewed and approved by the Compliance Officer, prior the distribution to the public.

Processes and Procedures to facilitate compliance with this Policy

The Company has established adequate and appropriate internal procedures in order to ensure compliance with this Policy, which include the following:

- a. Clients must be informed of this Policy, and must be advised on how to access the Policy;
- b. Continuously monitoring compliance with its conflict of interest management policy and annually conduct a review of the policy;
- c. Appointment of a dedicated Compliance Officer who monitors and reports sources that may entail conflict of interest to the Board of Directors of the Company;
- d. The Compliance Function will provide training and awareness to all representative persons, as part of the monitoring programme, in respect of the Policy and conflicts of interest in general. Training relating to conflicts of interest shall form part of the Company's compliance training programme and shall be provided:
 - upon appointment of a relevant person;
 - periodically thereafter;
 - whenever material amendments are made to this Policy or applicable regulatory requirements;
- e. Establishment of a Board of Directors for supervising the Company's activities;
- f. Ongoing monitoring of business activities to ensure that internal controls for managing conflict of interests are appropriate;
- g. The Company shall maintain a formal Conflict of Interest Register which shall include:
 - identified actual, potential or perceived conflicts;
 - date of identification;
 - persons involved;
 - nature and description of the conflict;
 - risk assessment performed;
 - mitigation measures implemented;
 - responsible person monitoring the conflict;
 - date of resolution or review.

The Conflict of Interest Register shall be reviewed periodically by the Compliance Function and reported to the Board of Directors.

The Company shall consider complaints, regulatory findings, internal audit findings and compliance monitoring outcomes as potential indicators of conflicts of interest and shall assess whether any amendments to existing conflict management measures are required.

Governance Responsibility

The Company shall ensure that appropriate systems, controls and procedures are implemented and maintained for the identification, prevention and management of conflicts of interest. The Company shall ensure that this Policy remains appropriate, effective and aligned with applicable regulatory requirements.

The Compliance Officer is responsible for monitoring compliance with this Policy, maintaining the Conflict of Interest Register, providing appropriate training and awareness to relevant persons, and reporting material conflicts of interest and related matters to the Company.

Directors, Key Individuals, representatives and employees shall support the effective implementation of this Policy and shall promptly disclose any actual, potential or perceived conflicts of interest.

Consequences of non-compliance with this Policy

All relevant persons should comply with this Policy. In the event that a relevant person contravenes or breaches any provisions of this Policy, the Company may consider this as an action of misconduct, and as such relevant persons may be subject to disciplinary action, that may lead to a dismissal.

Disclosure of Information

Where the Company determines that internal controls are insufficient to adequately manage a conflict of interest, the Company shall provide appropriate disclosure to the affected client before rendering the relevant financial service.

Such disclosure shall be clear, fair and not misleading and shall include sufficient information regarding the nature and source of the conflict and the measures taken to mitigate the associated risks. Such disclosure shall include:

- the nature of the conflict;
- the source of the conflict;
- the risks arising from the conflict;
- the measures implemented to mitigate the conflict.

Where the Company considers that disclosure alone is insufficient to manage the conflict, the Company shall decline to provide the relevant service.

Conflict of Interest Register

In accordance with the FAIS Act and the General Code of Conduct for Authorised Financial Services Providers and Representatives, the Company shall establish and maintain a Conflict of Interest Register recording all actual, potential and perceived conflicts of interest identified in the course of its business activities.

The register shall include, at a minimum: the date the conflict was identified; a description of the conflict of interest; the persons or parties involved; the actual or potential impact on the client or the Company; the measures implemented to avoid, mitigate or manage the conflict; the person responsible for monitoring the conflict; and the date of review and, where applicable, the date on which the conflict was resolved.

The Conflict of Interest Register shall be reviewed periodically by the Compliance Officer, who shall report any material conflicts of interest to the Board of Directors.

Client's Consent

The Client acknowledges that the Company has the right to define the most suitable and fit way to manage situations of conflicts of interest considering the Client's best interest.

Declining to Act

The Company may decline to act for a Client in cases where it believes that the conflict of interest cannot be managed in any other way.

Amendment/Review

The Company reserves the right to review and/or amend the Policy and arrangement whenever it deems appropriate. The Company shall review and amend, if needed, this Policy at least on an annual basis. The review shall assess whether the controls and procedures implemented remain effective in identifying, preventing and managing conflicts of interest and whether any amendments are required due to changes in legislation, regulatory guidance, business activities or identified risks. The Company maintains an updated copy of this Policy on its Website.

Further Information

For further information regarding the Company's Conflict of Interest Policy and procedures, the Client can contact the Support Department (contact@gntcapital.com).