CONFLICT OF INTEREST MANAGEMENT POLICY

1 DEFINITIONS

1.1 In this policy, unless the context clearly indicates otherwise, the following words and expressions shall have the meanings assigned to them below:

1.1.1 "**Category I**" means a type of license issued by the Financial Sector Conduct Authority to entities that provide advice and intermediary services in terms of FAIS to clients.

1.1.2 "**Client**" means a person or institution that holds or maintains a relationship with the FSP or expresses or indicates an intention to do so (including but not limited to a consultant, broker, counterparty, or supplier).

1.1.3 "**Code**" means the General Code of Conduct for FSPs and Representatives, published under FAIS.

1.1.4 "**Conflict of interest**" means a conflict of interest means any situation where an FSP or Representative has an interest that may arise in rendering a financial service to an existing or potential client, which influences the objective performance of their obligations to an existing or potential client or where it prevents the FSP or Representative from rendering an unbiased and fair financial service to an existing or potential client. This includes receiving a wide range of financial and nonfinancial benefit, ownership interests and any relationship with a third party.

1.1.5 "**Employee**" means:

- all employees employed on indefinite term contracts of employment, whether on a full time or part- time basis;
- all employees employed on a fixed-term contract of employment/limited duration contract, whether on a full time or part-time basis; and,
- any person deemed to be an employee of the FSP by virtue of the operation of law in the jurisdiction in which they are employed.

1.1.6 "**FAIS**" shall mean the Financial Advisory and Intermediary Service Act No. 37 of 2002, as amended, and includes any regulations, Codes of Conduct and other subordinate legislation made under that Act;

1.1.7 "**FAIS affected employee**" means:

- all management committee and executive committee members of an FSP;
- Directors of an FSP;
- any Representative of an FSP; and,

- any KI approved by the FSCA to manage and oversee compliance of an FSP with the requirements of FAIS.

1.1.8 "**FAIS Compliance Officer**" means a compliance officer appointed by an FSP in terms of section 17 of FAIS;

1.1.9 "**Financial interest**" means financial interest includes cash, cash equivalent, vouchers, gifts, services, advantages, benefits, discounts, domestic or foreign travel, hospitality, accommodation, sponsorships, other incentives or valuable consideration, other than:

- an ownership interest that is an equity or proprietary interest acquired for fair value and includes dividends, profit share and similar benefits; and/or
- training by a product supplier on products, general industry information and technical systems that are not exclusively available to a selected group of providers or Representatives except for travel and accommodation associated with that training.

1.1.10 "**FSCA**" means the Financial Sector Conduct Authority of South Africa, whose offices are located at Riverwalk Office Park, Block B, 41 Matroosberg Road (Corner Garsfontein and Matroosberg Roads), Ashlea Gardens, Extension 6, Menlo Park, Pretoria (contact telephone no. +27 12 428 8000);

1.1.11 "**FSP**" means Financial Services Provider;

1.1.12 "**KI**" means Key Individual in relation to an FSP means any natural person responsible for managing or overseeing, either alone or together with other responsible persons, the activities of the FSP.

1.1.13 "**LTIA**" means the Long-Term Insurance Act, No. 52 of 1998;

1.1.14 "**MSA**" means the Medical Scheme Act, No. 131 of 1998;

1.1.15 "**New entrant**" means a person who has never been authorised as a financial services provider or appointed as a Representative by any financial services provider;

1.1.16 "**Provider**" means an FSP, including a Representative;

1.1.17 "**Representative**" means a Representative means any person who renders a financial service in terms of FAIS to a client for or on behalf of an FSP in terms of conditions of employment or any other mandate; and,

1.1.18 "**Sign-on bonus**" includes any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider. A financial interest referred to in this paragraph includes but is not limited to:

- compensation for the:
  - potential or actual loss of any benefit including any form of income, or part thereof; or
  - cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services; or
  - a loan, advance, credit facility or any other similar arrangement.

1.1.19 "**STIA**" means the Short-Term Insurance Act, No. 53 of 1998; and,

1.1.20 "**Third party**" means a third-party includes a product supplier, another provider, a distribution channel, an associate of the product supplier and provider and any person who, in terms of an agreement or arrangement with a person referred to above, provides a financial interest to a provider or its Representative.

2 BACKGROUND

2.1 Section 3A(2)(a) of the Code requires that every provider, other than a Representative, adopt, maintain and implement a Conflict of Interest Management Policy (hereinafter, the "**Policy**") that complies with the provisions of FAIS. This policy provides the mechanisms for the identification, mitigation and management of conflicts of interest that the FSP might be exposed to.

2.2 Space Markets (Pty) Ltd (hereinafter, "**Space Markets**"), is an authorized financial services provider and is required in terms of the Code of adopt, maintain and implement this Conflict of Interest Management Policy.

2.3 FAIS Conflict of Interest Management Policy is created to comply with the Code and addresses the following:

2.3.1 Mechanisms utilized to identify conflicts of interest;

2.3.2 Controls for avoidance and mitigation of conflicts of interest;

2.3.3 Processes and procedures to ensure compliance with the policy;

2.3.4 Consequences of non-compliance with the policy;

2.3.5 Guidance on the types of financial interests that a Representative is allowed to receive; and,

2.3.6 The basis on which any financial interest is received.

3 APPLICABILITY

3.1 This policy applies to the provision of all financial services, as defined by FAIS, by the FSP, their juristic Representatives, Representatives and FAIS affected employees within the FSP. This Policy also applies to independent contractors where they are appointed as Representatives of the FSP.

3.2 This policy shall apply when an action is undertaken by an FSP or a FAIS affected employee that may amount to an actual or potential conflict of interest that impacts on client being provided with an unbiased and fair financial service.

4 POLICY

4.1 A conflict of interest may occur when rendering a financial service to a client, whether existing or potential. Such conflict may occur when Space Markets or a Representative does not act objectively or fails to render an unbiased or fair service to a client. A key conflict may arise when a FAIS affected employee receives a financial or ownership interest from a third party.

4.2 The Code requires that all FSPs take the necessary steps to eliminate any practices and services that may create a conflict between their own interests and the interests of clients.

4.3 The FSP or its Representative may not receive an immaterial financial interest of more than R1 000 in any calendar year from the same third party in that calendar year.

4.4 The Gifts and Entertainment Policy provides further requirements for FAIS impacted employees. The Gifts and Entertainment Policy requires that the FSP keep a register through which all employees must report gifts and entertainment given or received.

4.5 Conflicts of interest situations should be avoided. Where it is not possible to avoid any act, action or reward that may create a conflict of interest, appropriate steps need to be taken to mitigate the impact and must be appropriately disclosed to an existing or potential client at the earliest reasonable opportunity.

5 IDENTIFICATION OF CONFLICTS

5.1 The following steps should be taken to identify a conflict of interest:

5.1.1 Analyse distribution models;

5.1.2 Analyse 3rd party relationships;

5.1.3 Review the types of financial interests received and offered;

5.1.4 Management to sign off on remuneration models for Representatives;

5.1.5 Rules to be put in place regarding the receipt or offering of immaterial financial interest in line with the Gifts and Entertainment Policy;

5.1.6 Regular reviews of disclosures made in terms of FAIS to ensure the appropriate disclosure and identification of Conflicts of Interest;

5.1.7 Keep a register of conflicts of interest; and,

5.1.8 Ensure that all identified conflicts are adequately managed.

6 MANAGEMENT OF CONFLICTS OF INTEREST

6.1 Non-compliance with this policy must be escalated to the Key Individual and the Licensed Compliance Officer.

7 CONTRACTUAL RELATIONSHIP

7.1 FAIS affected Representatives are prohibited from placing business with product suppliers outside their mandate.

8 PROCESSES FOR COMPLIANCE WITH THE POLICY

8.1 The following internal processes must be followed:

8.1.1 Employees impacted by FAIS must read and familiarise themselves with this Policy and ensure they fully understand the provisions and,

8.1.2 Training and educational material to be provided to FAIS affected employees on how conflicts of interest may arise and how they can be avoided.

9 FINANCIAL INTEREST

9.1 Space Markets may only receive/give financial interest from/to the following 3rd parties:

9.1.1 Fees for rendering a financial service for which no commission or fees are payable, if such fees are specifically agreed to by a client in writing. Such fees may be stopped at the client's discretion;

9.1.2 Fees or remuneration for rendering a service to a third party, if such fees are reasonably in line with the service being rendered;

9.1.3 Subject to any law, an immaterial financial interest; and,

9.1.4 A financial interest for which a consideration, fair value or remuneration that is reasonably in line with the value of the financial interest is paid by an FSP or Representative at the time of its receipt.

9.2 The FSP may not offer any financial interest to a Representative for:

9.2.1 favouring quantity of business over quality of service;

9.2.2 favouring a specific product of a product supplier, where required, to recommend more than one supplier to a client; and

9.2.3 giving preference to a specific product over other products of a product supplier.

9.3 The FSP may not offer or provide a sign-on bonus to any Representative, other than a new entrant, as an incentive to become a category I provider that is authorised or appointed to provide advice.

10 ESCALATIONS

10.1 In the event of a dispute regarding this Policy, the dispute must be escalated to the Key Individual and the Licensed FAIS Compliance Officer for a final decision.

11 BREACHES

11.1 Breaches of this policy are to be reported to the Key Individual and the FAIS Licensed Compliance Officer.

12 DISCIPLINARY ACTION

12.1 Failure to comply with this Policy may lead to disciplinary action being taken. This may result in dismissal or departure.

13 VERSION

13.1 Version No.: 1

13.2 Date of version: 28 July 2025

13.3 Created by: Thabiso Ramahotsoa

13.4 Approved by: Michail Le Roux

13.5 Policy Owner: Michail Le Roux