FSP License no. 23497
Regulated by the Financial Sector Conduct Authority

CONFLICTS OF INTEREST POLICY

Version 3.0

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1. Purpose and Scope

The purpose of this Conflicts of interest Policy is to outline a suitable approach and response to the identification and management of conflicts of interest.

Rynat Capital is **an authorized Financial Services Provider and thus governed by the Financial Advisory and Intermediary Services Act.**

2. Definitions

PHRASE	DEFINITION
"Conflicts of Interest"	**Any circumstance described in *Explaining Conflicts of interest* below…**
"FSP" or "NAME OF COMPANY"	Rynat Capital **(Pty) Ltd is a Financial Services Provider authorised in terms of the Financial Advisory and Intermediary Services Act 2002.**
"Responsible Person"	**A key individual, representative or employee of a Product Supplier or FSP.**
"Financial Interest"	**A financial interest includes cash, cash equivalent, voucher, gift, services, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, or other incentive, or valuable consideration other than a) an ownership interest b) training by a product supplier on products, general industry information and technical systems, that is not exclusively available to a selected group of providers or representatives except for travel and accommodation associated with that training**
"Ownership Interest"	**a) an equity ownership interest, for which fair value was paid by the owner, other than equity or ownership interest held by an approved nominee on behalf of another person; and b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest;**
"Immaterial Financial Interest"	**Any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same third party in that calendar year received by a) a provider, who is a sole proprietor; or b) a representative for that representative's direct benefit c) a provider, who for its benefit or that or some or all of its representatives, aggregates the immaterial financial interest paid to its representatives**
"Third Party"	**a) a product supplier b) another FSP c) an associate of a product supplier or a FSP 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.
"Distribution channel"	**a) any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement, any support or service is provided to the provider or providers in rendering a financial service to a client; b) any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier; c) any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.**
"Associate"	**(a) in relation to a natural person, means:** **-a person who is recognised in law or the tenets of religion as the spouse, life partner -or civil union partner of that person;** **-a child of that person, including a stepchild, adopted child and a child born out of wedlock;** **-a parent or stepparent of that person;** **-a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;** **-a person who is the permanent life partner or spouse or civil union partner of a person referred to in subparagraphs (ii) to (iv);** **-a person who is in a commercial partnership with that person;** **(b) in relation to a juristic person –** **which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary** **which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;** **which is not a company or a close corporation as referred to**

in subparagraphs (1) or (2), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person –

(aa) had such first-mentioned juristic person been a company; or

(bb) in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company; means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act;

(c) in relation to any person –

means 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 person first-mentioned in this paragraph;

includes any trust controlled or administered by that person.

Explaining Conflicts of Interest:

A "conflict of interest" involves the actual, apparent, or potential abuse of the trust that people have in professionals. The simplest working definition states: A conflict of interest is a situation in which financial or other personal considerations have the potential to compromise or bias professional judgment and objectivity. An apparent conflict of interest is one in which a reasonable person would think that the professional's judgment is likely to be compromised. A potential conflict of interest involves a situation that may develop into an actual conflict of interest. It is important to note that a conflict of interest exists whether or not decisions are affected by personal interest. A conflict of interest implies only the potential for bias, not the likelihood.

Conflicts of interest in terms of the FAIS Act can be described as circumstances where some or all of the interests of clients to whom a financial services provider or product supplier provides financial services or products, are inconsistent with or diverge from, some or all of the interests of the FSP, its representatives or the product supplier.

It should be understood that the conflicting interest referred to throughout this policy may be direct or indirect (the interest might be that of the Responsible Person, that of another person such as a relative or friend of the Responsible Person, or that of an organization in which the Responsible Person or such other person has an interest).

It is not possible to list all situations which could constitute a conflict. The facts of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict.

3. Procedures for management of conflicts of interest identification

To adequately manage conflicts of interest, Rynay Capital **shall identify all relevant conflicts timeously.** Rynat Capital

will employ two different mechanisms to ensure that all conflicts are identified:

Rynat Capital **shall maintain a register of identified conflicts of interest. The register will be compiled in conjunction with the board of** Ryant Capital, **and updated with all new conflicts as soon as it they are identified. The register is reviewed on an annual basis for completeness. The register identifies the conflict, the severity of the conflict and documented controls to mitigate the conflict.**

All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify their business unit manager or compliance officer of any conflicts they become aware of. The business unit manager will escalate the conflict to the compliance officer, who will assess the implications of the conflict and how the conflict should be managed in conjunction with the board.

3.1 Managing Conflicts of Interest

Once a conflict has been identified it needs to be appropriately and adequately managed. Management and compliance assess each conflict and whether the conflict is actual or perceived and what the value of the conflict or exposure is and the potential reputational risk.

Compliance and management shall decide whether it is viable to go ahead with the transaction or if the conflict is too severe, decline to act.

If Compliance and management decide that the particular conflict can be mitigated, they need to agree on the controls that should be put in place to manage the conflict. The controls have to be documented in the Conflicts of interest Register.

3.2 Specific Confirmations

We confirm that we will ONLY receive financial interest from a third party in the form of:

1. **Fees for rendering a financial service in respect of which no commission or fees are paid, if those fees are specifically agreed to by the client;**

2. **Fees or remuneration for the rendering of a service to a third party, which fees are reasonably commensurate to the service being rendered;**

3. **Subject to any other law, an immaterial financial interest.**

We confirm we will not offer any financial interest to a Responsible Person for:

- **Giving preference to the quantity of business secured, to the exclusion of the quality of service rendered to clients; or**

- **Giving preference to a specific product supplier, where a representative 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**

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4. Mitigating Controls

Rynat Capital **has various internal policies and controls in place to manage and mitigate possible conflicts of interests, including, a Provider or a Representative will, in writing, at the earliest reasonable opportunity disclose to a client any conflicts of interest in respect of that client.**

The disclosure must include:

- **Measures taken, in accordance with the conflicts of interest management policy to avoid or mitigate the conflict,**

- **Any ownership interest or financial interest, other than an immaterial financial interest, that the provider of representative may become eligible for,**

- **Explain the nature of any relationship or arrangement with a third party that gives rise to a conflicts of interest, in sufficient detail to client to enable a client to understand the exact nature of the relationship or arrangement and the conflicts of interest;**

and

1. **A Provider or Representative must inform a client of the conflicts of interest management policy and how it may be accessed.**

2. **Register of "Associates" of** Rynay Capital **- as defined in Definitions (Appendix A)**

3. **Register of Conflicts of Interest open for viewing on request. The register identifies all conflicts as well as the mitigation controls put in place to manage the conflict. The register is updated when a conflict becomes apparent, but reviewed at least on an annual basis. (Appendix B)**

4. **Register of Personal Interest, documenting the business interests of a Responsible Person to the extent that such business interest might cause an actual or perceived conflict of interest. (Appendix C)**

5. **Register of Gifts Received, documenting all financial interests and immaterial financial interests offered to or received by a Responsible Person. (Appendix D)**

6. **Comprehensive Training on the Conflicts of interest Policy must be provided to Key Individuals and**

Representatives

7. **All employees and representatives are required to read this policy and sign a statement to the effect that they have read and fully understand the provisions of the document and the application thereof.**

8. **Internal compliance will on an ad hoc basis check on financial records to ensure the policy is being complied with, specifically checking the accuracy of the Gift Register.**

9. **Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.**

10. **Avoidance, limitation or circumvention of this policy will be deemed non-compliance.**

11. **The external compliance officer will include monitoring of the Conflicts of interest Policy as part of the general monitoring duties, and will report thereon in the annual compliance report to the FSB.**

5. Practical Guide

"The R1000 Rule" - Key Individuals and Representatives of the FSP are not allowed to spend on, or receive from Key Individuals or Representatives of other FSPs an "immaterial financial interest" of more than R1000 per year.

This includes, but is not limited to:

- **Meals**
- **Golf days**
- **Gifts, e.g. wine**
- **Tickets for rugby or cricket matches**
- **Overseas trips**

Note that the R1000 limit applies per Representative, and not per FSP or Product Supplier. Example: an FSP called "Best Interests At Heart" has 500 representatives on its license. Rynay Capital **may spend R1000 per year in "immaterial financial interest" on each individual representatives of "Best Interests At Heart".**

You may not aggregate this amount across the FSP, and spend say R3000 on some representatives, and average the amount out by not spending any money on some of the representatives.

Similarly, representatives from Rynay Capital **may not receive more than R1000 worth of gifts, hospitality, meals etc. from another FSP or Product Supplier in a calendar year.**

Bona fide training/information sessions are specifically excluded from the above prohibition is bona fide training on products and/or technical systems, or general industry information sessions.

Please note:

- **the sessions cannot be available only to a selected group of people.**
- **The FSP or Product Supplier is not allowed to pay for the accommodation or travel costs ofthe attendees**
- **Lunch or beverages may be provided with these sessions, as long as it is incidental to the session, and provided that it is not the focus of the session.**

Example:

Rynay Capital **may organise an industry information session at the Mount Nelson Hotel .**

Rynay Capital **cannot only invite the Financial Advisors (FA) or Representatives with the largest volume of sales. There have to be other qualifying criteria determining the list of invitees.**

Meals and drinks may be provided, as long as it is incidental to the training/information session, and not excessive.

6. Appendices

6.1 Appendix A - Register of Associates

Purpose: to provide clients with an understanding of groups structures if applicable

NAME	RELATIONSHIP
Dragon Holdings	Holding Company

6.2 Appendix B - Conflicts Of Interest Register

Purpose -To record the incidence of conflicts of interest by the FSP to ensure compliance with the requirements of the FAIS Act. This REGISTER is intended as a summary document only.

PERCEIVED CONFLICTS OF INTEREST IDENTIFIED	ACTUAL CONFLICTS OF INTEREST IDENTIFIED	PERSON THAT IDENTIFIED CONFLICT	ACTION TAKEN/CONTROL MEASURE
None	-	-	-

6.3 Appendix C - Personal Interest Register

Does Rynay Capital hold equity in other companies, subsidiaries?

NAME	DECLARED INTERESTED
None	**None**

6.4 Appendix D - Gifts and Non-Cash Incentives Received Register

Purpose - To record the flow of incoming gifts and other gratifications within the FSP

CLIENT/ PRODUCT PROVIDER NAME (SENT BY)	NATURE OF GIFT OR ITEM RECEIVED AND MONETARY VALUE	DATE RECEIVED	REASON FOR IMMATERIAL FINANCIAL INTEREST	REPONSE / COMMENTS
None	-	-	-	-