

## Conflicts of Interest Policy

1. This document contains Momentum Securities Conflicts of Interest Policy.
2. The contents of this Policy is applicable to broker services provided to you ("the client") by Momentum Securities ("Momentum Securities" or 'we') as outlined in the attached listing.
3. Please note that this Conflicts of Interest Policy should be read in conjunction with our General Terms of Business.
4. Momentum Securities reserves the right to amend the below mentioned Conflicts of Interest Policy, from time to time, as required by Law.

### Overview

Momentum Securities wishes to assure its clients that the primacy of our clients' interests is one of the foundations of Momentum Securities code of ethics and, as such, is one of our guiding principles. In order to uphold this principle and ensure continued public trust in our activities, Momentum Securities have prepared this Conflict of Interest Policy document to inform our clients of the high standards of diligence and care that are applied to their Accounts. Momentum Securities would like to assure their clients that it operates in a manner that prevents any potential conflict of interest between staff, agents of Momentum Securities and Momentum Securities customers that may entail a material risk of damage to a customer's interests and will continue to do so in the future.

This conflicts of interest policy aims to prevent, and where applicable, regulate any potential material conflicts of interest likely to appear in Momentum Securities dealings with customers and is fully supported by Momentum Securities Senior Management.

### Purpose of the Conflicts of Interest Policy

The purpose of this policy is to:

- a. identify any potential conflict(s) of interest that might pose a material risk of damage to customers' interests;
- b. summarise the arrangements Momentum Securities has put into place to prevent such conflicts of interest;
- c. summarise the arrangement Momentum Securities has put into place to manage or mitigate potential conflicts of interest;
- d. promote and maintain systems which aim to prevent actual damage to customers' interests through the identified conflicts.

### Potential Conflicts of Interest

A conflict of interest is defined as a situation arising in a business relationship where the capacity of a person to make an independent decision or judgment may be influenced or prejudiced by considerations of a personal nature, or considerations emanating from a third party, resulting in the interests of the customer being inappropriately affected. A potential conflict of interest occurs when some of these abovementioned characteristics, but not all of them, are present and have not yet materialized.

The following circumstances have the potential to create or give the appearance of a conflict of interest;

- a. Momentum Securities or an individual acting on behalf of Momentum Securities is in possession of information obtained in the ordinary course of business and such that information is not publicly known;
- b. Momentum Securities or an individual acting on behalf of Momentum Securities has an interest in the outcome of a service or transaction provided to the customer which is distinct from the customer's interest in that outcome;
- c. Momentum Securities or an individual acting on behalf of Momentum Securities, as a result of other business activities within Momentum Securities, carries on the same business as the customer;

- d. Momentum Securities or an individual acting on behalf of Momentum Securities that has financial or other incentives to give preference to the interest of Momentum Securities, or customer of Momentum Securities over the interests of any other customer of Momentum Securities;
- e. Momentum Securities or an individual acting on behalf of Momentum Securities receives or will receive from a person other than the customer (for example a correspondent broker or introducing agent) an inducement in relation to a service provided to the customer, in the form of monies, goods or services, other than the standard commission or fee for that service.

## Arrangements to Prevent or Mitigate Potential Conflicts of Interest

Momentum Securities exercises high ethical standards, which are based on principles of diligence and excellent customer care. In keeping in line with these objectives Momentum Securities ensures that all employees comply with these benchmarks when executing their professional duties daily. Momentum Securities Local Management is entasked with the responsibility of ensuring adherence to the ethical standards and high levels of customer care, some of which are embodied in this policy. This system is further supported by internal controlling functions within Momentum Securities, one such controlling function being the local Compliance Department.

Momentum Securities has devised and implemented organizational measures, rules and procedures which have been designed to prevent or mitigate potential conflicts of interest, including in particular;

- a. Momentum Securities Code of Ethics which reflects our commitment to ensure that;
  - i. its employees comply with a set of standards designed to safeguard all confidential information entrusted to it by its customers;
  - ii. staff dealing policies are clearly defined; and
  - iii. honesty, integrity and fair dealing is maintained at all times.
- b. identification of areas of potential conflict of interest which might lead to a material risk of damage to a customer's interest;
- c. where possible, hierarchical separation and physical barriers, otherwise known as 'Chinese Walls', between the activities likely to involve potential conflicts of interest, thereby aiming to prevent any undue transmission of information confidential to customers;
- d. identification and control of remuneration received or paid as a consequence of services and/or transactions carried out with customers;
- e. the removal of any direct link between the remuneration of relevant persons principally engaged in one activity and the remuneration of, or revenues generated by different relevant persons principally engaged in another activity, where a potential conflict of interest may arise in relation to those activities;
- f. policies providing transparency for gifts or advantages received within a professional situation;
- g. disclosure of and restrictions on outside interests such as directorships of other companies;
- h. monitoring of any outsourced activity, within or outside Momentum Securities;
- i. robust Personal Account Dealing policies, procedures and monitoring programs;
- j. central data release management processes.

## Disclosure

Under certain circumstances, it may be possible that despite Momentum Securities comprehensive set of procedures and controls, a potential or actual conflict of interest may arise. In such circumstances, Momentum Securities or any individual acting on behalf of Momentum Securities may deem it appropriate to disclose to the customer the potential or actual conflict of interest and seek the customer's formal consent to proceed regardless of any such conflict. Alternatively Momentum Securities or any individual acting on behalf of Momentum Securities may decide to decline to act in any circumstance where there is a residual risk of damage to the interests of any customer.

## Control

Momentum Securities through its local management is responsible for the control of all procedures aimed at the prevention and mitigation of potential conflicts of interest. Momentum Securities and its local management are assisted by internal controlling functions which ensure that such procedures are correctly implemented and applied.

To implement this policy effectively Momentum Securities will;

- a. control and monitor all internal rules and procedures aimed at governing the flow of confidential or privileged information;
- b. control the separation of activities in potentially conflict-provoking situations, as well as the separation of sections in contact with customers (customer facing functions) and sections in charge of the treatment and recording of operations (middle, back office and settlements), irrespective of whether those areas are internal or outsourced;
- c. control the separation of operational areas acting on behalf of customers and those acting on behalf of the Momentum Securities, irrespective of whether those areas are internal or outsourced;
- d. carry out regular reviews of situations likely to generate potential conflicts of interest, including those occurring between clients and Momentum Securities.

## Associated Companies

Associate is considered in the case of a company, as "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."

Momentum Securities is a subsidiary of MMI Holdings Ltd. For further information on Momentum Securities shareholding please contact our Compliance Department.

## Contacts

Please note that Momentum Securities Compliance Division are available to respond to any questions and provide guidance regarding the interpretation of this policy. For further details please visit the Momentum Securities website at [www.momentumsecurities.co.za](http://www.momentumsecurities.co.za).