



## CRATOS ASSET MANAGEMENT PTY LTD (“CAM”)

### CONFLICT OF INTEREST AND CODE OF CONDUCT

This Policy applies CAM and all employees.

All employees must take all necessary steps to eliminate any practise and or services that may create a conflict between their interest and the interest of an existing or potential client.

**A conflict of interest is any situation where a an authorised Financial Services Provider or an employee has an actual or potential interest that may in the rendering of a financial service to a client, influence the objective performance of his/her/its obligations to that client or where it prevents him/her/it from rendering an unbiased and fair financial service to that client, including but not limited to:**

- I. Financial interest
- II. Ownership interest
- III. Any relationship with a 3<sup>rd</sup> party means
  - a) A product supplier,
  - b) Another provider
  - c) An associate of a product supplier or a provider
  - d) A distribution channel

Any person who in terms of an agreement or arrangement with a person referred to in (a) to (d) above provides a financial interest to a provider or its representatives.

Conflict of interest situations must be avoided. The main objective of the policy is to provide guidance on the behaviours expected in accordance with CAM standards to promote transparency and to avoid business related conflicts of interests and to ensure fairness in the interest of clients, CAM, its representatives, employee s and associates.

In addition, it is required that where it is not possible to avoid any act, action or reward that may create a potential conflict of interest, appropriate steps must be taken to mitigate the impact and it must be appropriately disclosed to the client at the earliest reasonable opportunity.

The fact of each situation will determine whether the interest in question is such as to bring it within the area of potential conflict. Such fact would include the amount of business involved, the extent to

which the employee could influence the Members decisions with respect to the transaction, and whether the interest is of such a nature that it might affect the objectivity or the business judgement of the employee dealing with the client.

This Policy sets out the management of any such conflict of interest.

### **IDENTIFICATION**

To adequately manage conflicts of interest, CAM must identify all relevant conflicts timeously. CAM employ two different mechanisms to ensure that all conflicts are identified:

Compliance maintains a register of identified conflicts of interest and will be updated with all new conflicts as soon as it is identified. The register is reviewed on an annual basis.

#### **Possible conflict of interest situations:**

Investment Committee decisions. This will be managed by restricting any decisions to advisory traders and staff members only.

Negative SENS announcements that will force a sell on a specific stock. To avoid certain clients being prejudiced, an email or SMS will be send out at the same time to all clients to advise of the decision.

Gift register: CAM staff are prohibited from accepting of offering any financial interests from or to a 3<sup>rd</sup> party once the threshold as determined by the FAIS act has been reached. Declarations and gift register to be kept. Financial interest means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship or other incentive or valuable consideration other than-

- An ownership interest
- Training that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products.

CAM may not offer any financial interest to its representatives, associates or clients for giving preference to the quantity of business secured for CAM to the exclusion of the quality of the service rendered to clients or giving preference to a specific product supplier.

Front running, rebates, kickbacks, commission or any situation where CAM, its employees, representatives or associates are likely to make a financial gain or avoid a financial loss at the expense of a client is a potential conflict of interest.

### **MANAGING CONFLICT OF INTEREST**

All employees, including compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify management of any conflicts they become aware of. Managers will escalate the conflict to the compliance officer who will assess the implications of the conflict and how the conflict should be managed.

Once a conflict has been identified it needs to be appropriately and adequately managed. Written disclosure of all potential conflict of interest must be submitted to compliance. Compliance assesses

each conflict, whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk.

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

Should it be agreed that the conflict can be mitigated, they will need to agree on the controls to implement to manage the conflict.

### **RESOLVING CONFLICT OF INTEREST**

The most important line of defence is the commitment by employees. All employees must familiarise themselves with the policy and adhere to it at all times. Once a conflict is identified, all parties concerned should be advised, subject to legitimate withholding of confidential information.

If a conflict can't be avoided, disclosure should be made.

### **MEASURES TO AVOID CONFLICT**

Chinese wall restricting flow of confidential and inside information

Segregation of duties

Prohibition of external business interest conflicting with the services provided by CAM.

### **CONSEQUENCES OF NON-COMPLIANCE**

All employees who do not comply with this policy will be subject to CAM disciplinary policies.

### **GENERAL STANDARDS OF CONDUCT**

CAM and employees must in the conduct of its business, observe high standards of integrity and fair dealing.

Employees may not knowingly circulate information which is false or misleading

Employees may knowingly countenance any attempt to manipulate the market not to influence persons for such a purpose

Employees must conduct its activities in a manner that is compatible with the object of the Act and with full respect for the reputation of the JSE, FSB and other supervisory bodies and

Employees must conduct its activities in a manner that is compatible with the object of the FAIS Act and codes of conduct

In dealing with clients – the FSP and employees must:

Act honestly and fairly

Act with due skill, care and diligence and in the interest of clients

Exercise independent professional judgement

Act promptly on and in accordance with the instructions of a client, and exercise any discretion in a responsible manner; and

Avoid conflict of interest and when they cannot be avoided, ensure fair treatment to clients by disclosure, confidentiality or declining to act. A member or employee must not unfairly place its interest above those of its clients.

#### Disclosures

CAM is not invested in any associate companies. CAM also does not hold any ownership interest in any other companies.

Representatives of CAM hold Equity Ownership in CAM which is fixed. They form part of the Management Team / Investment Committee.

Conflict of interest is avoided as Reps do not have any interests which influence objective performance. Reps have no relationships with 3<sup>rd</sup> parties. No Commissions are paid to 3<sup>rd</sup> parties