



## CONFLICT OF INTEREST MANAGEMENT POLICY

For

### SINGULAR SYSTEMS (PTY) LTD FSP 44330

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## Preamble

Singular Systems (Pty) Ltd (“the company”) and its representatives have a duty to render financial services that serves the interest(s) of its clients. Therefore, the company and its representatives are to remain independent, objective and professional and avoid conflict of interest.

## Definitions

“**Conflict of interest**” is any situation, including financial interest, ownership interest, material conflict, or any relationship with a third party, in which the company or its representative(s) has actual or potential interest that may;

- influence the objective fulfilment of obligations to a client;
- influence the offering of unbiased and fair advice or service to a client;
- prevent the company or representative from acting in the best interests of a client.

“**financial interest**” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, 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, general financial and industry information or specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

“**immaterial financial interest**” means any financial interest with a determinable monetary of R 1 000 or less in any calendar year from the same third party and that excludes improper personal benefits.

“**ownership interest**” means:

- any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person; and
- includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

“**Representative**” means any permanent or temporary employee, director, officer, agent FAIS representatives or independent contractor for the company who are involved in rendering services to clients on behalf of the company.

**“Third Party”** refers to;

- a product supplier;
- another provider;
- an associate of a product supplier or a provider;
- a distribution channel;
- any person who provides a financial interest to a provider or its representatives.

### **Purpose of the policy**

The Financial Advisory and Intermediary Services Act, 2000 (Act No. 37 of 2002) (“FAIS”), as amended from time to time, requires financial service providers to have a Conflict of Interest Management Policy in place to ensure that conflict of interest is managed appropriately in the company.

The purpose of this policy is to assist the company and representatives to:

- identify and disclose potential and actual conflict of interest;
- provide mechanisms in order to avoid or control conflicts of interest appropriately;
- promote transparency where conflict of interest has to be disclosed;

### **Policy Statement**

The company is committed to disclosing, avoiding and, where this is not possible, mitigating any conflict of interest that may arise between the company, as a financial service provider, the company representatives, and its clients when rendering financial and professional services. The company remains, however, bound by FAIS and their duty to maintain the integrity of the financial services industry. The company recognizes that the duty of compliance lies with the company.

### **Conflict of Interest relevant to Singular Systems**

Singular Financial Services (SFS), as a division of Singular Systems render intermediary services related to share trading and the management of Vested Rights. The intermediary services offered could be described as follows:

- Clients are allowed to trade shares via an approved exchange (EASE). Singular acts as an authorised user, facilitating the trading of shares on behalf of clients.
- Client may buy OTC shares on OTC Express via a bilateral negotiation and SFS are the intermediary.
- Clients are allowed to trade shares via a call center or online (directly on the platform).
- Assisting with the facilitation of the buying and selling of Vested Rights in the Singular Investment Trust (SIT) and Green Investment Trust (GIT).

The FSP is not authorized to provide advice to clients in the rendering of the services and is therefore not in a position to influence the objectivity of clients in terms of share trading or investing. SFS merely acts on instructions of client and as a result no conflict of interest exists.

Singular Systems does have an ownership interest in 3<sup>rd</sup> parties;

In terms of the **GIT structure**, Singular Systems have a 32% share in Future Energy Investments (FEI), an investment holding company, which has issued a preference share to the GIT. Any benefit received by Singular Systems is not regarded as conflict of interest. The ownership structure and subsequent benefits are clearly disclosed in the mandate and documentation provided to the client as part of the onboarding documentation and agreements. Singular Systems have the right to dividends that may be declared by FEI in relation to their 32% equity portion of FEI. Clients are therefore fully informed in terms of ownership/beneficial rights before conclusion of any transaction.

Further to this, Singular Systems are paid a management fee by FEI for their services as the Manager as detailed in a Management/Service Agreement between GIT, FEI and Singular Systems. Singular Systems do not earn any fees directly from the Investors as Managers of the GIT. Investors are purchasing Vested Rights from Old Mutual Life Assurance Company of South Africa and SFS facilitates this as an intermediary. As Singular Systems do not advise clients and does not earn any commission/advisory fee and as such no conflict of interest can exist. As the manager of the GIT, SFS performs its duties on a non-discretionary basis as an authorised FSP performing intermediary services.

In terms of the **SIT structure**, Singular Systems do not earn fees from the SIT investors. Singular Systems are paid to manage the SIT on behalf of the Trustees of the SIT. Singular Systems are also residual beneficiaries to the SIT and earn a residual dividend from the SIT after the Investors have been paid their dividends. This arrangement is detailed to the investor prior to any transaction. No conflict of interest exists as Singular Systems, as the manager of the SIT, performs its duties on a non-discretionary basis as an authorised FSP performing intermediary services.

In addition to the above, Singular representatives are not allowed to;

- Accept any financial interest from a 3rd party of a client.
- Accept any immaterial financial interest from a 3rd party or client.
- Issue any advice to any investor.

No further conflict of interests currently exists.

### Who is subject to the policy?

The company, representatives and affiliate members are bound by this policy.

### **Staff training and general awareness**

All the company's staff members must be trained on this policy on an annual basis. A training questionnaire may be made available with subsequent bi-annual reminders to complete the training if necessary.

A copy of the policy must be provided to each staff member of the company, and updated versions must be circulated as and when updates are completed. Moreover, all clients, existing and future, must be made aware of the existence of this policy. The policy must be made available by the company for easy public access.

### **Review of the Policy**

This policy shall be reviewed by Key Individual(s) and the FAIS compliance officer every year or when relevant legislation changes or when changes to the company need to be incorporated. Any changes to this policy shall be communicated to all staff of the company.