consult.
by momentum



Conflict of Interest Management Policy

Conflict of Interest Management Policy

Document information

Policy level:	Consult executive committee approved
Applicable principal risk:	Regulatory
Principal risk owner:	Chief Executive Officer (CEO): Consult
Effective date:	19 April 2011
Last review date:	July 2026
Next review date:	June 2027
Policy co-ordinator:	Consult Compliance
Recommended by:	Consult Compliance
Approved by:	Consult Executive Committee
Adopted by:	Consult Board of Directors
Approval date:	31 July 2015

Contact information

Policy owner:	Consult Executive Committee
Contact number:	012 671 8911

Document Status

Version	1.11
Ownership	Consult Compliance Function
Document Status	In-progress
Date of approval	July 2026
Confidentiality	Public
Document Location	https://www.consultm.co.za/
Author	Jackie Drotsky: Regulatory Compliance Manager

Version History and Distribution

Date	Version	Summary Of Changes	Distribution
November 2015	1.1	• Sign-on bonus inclusion	MC All
July 2016	1.2	• None	MC All

Date	Version	Summary Of Changes	Distribution
July 2018	1.3	• None	MC All
August 2019	1.4	• Name change of owner and holding company	MC All
August 2020	1.5	• Inclusion of Amendments to section 3A of the General Code of Conduct (insertion of par 9.3 and 9.4 below) • Amendment made to the definition of "financial interest" • Inclusion of the definition of "measured entity"	MC All
August 2022	1.6	None	MC All
August 2023	1.7	• Name change of Momentum Consult to Consult • Addition of the definition of "ownership interest • Removal of all references made to "rebates" paid by Fund Managers to Consult or its representatives • Addition of the Category II disclosure requirement on remuneration for contribution to the investment management process • Updated the list of MMH associates	MC All
June 2024	1.9	• Included the definition of "Associate" • Updated the definition of "Measured entity" • Included the definition of "Representative" • Updated the definition of "Treating Customers Fairly" • Updated the policy availability • Updated Paragraph 8 and 9 in terms of the management of conflict of interest; and the measures for the disclosure of conflicts of interest • Updated the list of product providers • Updated the list of associates	

Date	Version	Summary Of Changes	Distribution
June 2025	1.10	• Updated company names • Linked and updated list of product providers	
July 2026	1.11	• Included definition for FSC • Updated format definitions • Updated Companies Act from Act 68 of 1973 to Act 71 of 2008 • Updated reference from policy to "Policy"	

Table of contents

1. Definitions 6
2. Introduction 10
3. Policy purpose 11
4. Policy scope 11
5. Policy availability 12
6. Policy governance 12
6.1. Ownership 12
6.2. Drafting and amendments 13
6.3. Approval 13
7. Implementation 13
8. Management of conflicts of interest 13
9. Measures for the disclosure of conflicts of interest 14
10. Product Providers 16
11. List of Consult associates 16
12. Names of third parties in which Consult holds an ownership interest 17
13. Names of third parties that hold an ownership interest in Consult 17
14. Awareness 17
15. Training 17
16. Monitoring 17
17. Policy review 17
18. Reporting 18

1. Definitions

Term	Definition
Associate	(a) In relation to a natural person, means- (i) a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person; (ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock; (iii) a parent or stepparent of that person; (iv) 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; (v) a person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv); (vi) a person who is in a commercial partnership with that person; (b) in relation to a juristic person – (i) 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; (ii) 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; (iii) which is not a company, or a close corporation as referred to in subparagraphs (i) or (ii), 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; (iv) 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 – (i) 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; (ii) includes any trust controlled or administered by that person;

	(iii) is defined, 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".
Conflict of interest	Means – any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client: a) influence the objective performance of their obligations to that client; or b) prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client, including, but not limited to: • a financial interest, • an ownership interest, or • any relationship with a third party.
Fair Value	Means – the amount for which an asset could be exchanged, or a liability settled, between knowledgeable willing parties in an arm's length transaction (as set out in the reporting standards adopted in terms of the Companies Act (Act no. 71 of 2008).
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: a) an ownership interest, b) 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; • specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training. c) a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.
FSC	Means – the Financial Sector Code published in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, (Act 53 of 2003), as amended from time to time.
Immaterial financial interest	Means –

	any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party and in that calendar year received by: a) a provider who is a sole proprietor; or b) a representative for that representative's direct benefit; or c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.
Measured entity	Has the meaning assigned to it in the Financial Sector Code (FSC) (an entity as well as an organ of state or public entity subject to measurement in the Amended FSC), insofar it relates to a qualifying enterprise development contribution.
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.
Ownership interest	Means - a) 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 b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
Representative	Means – any person, including a person employed or mandated by such first-mentioned person, who renders a financial service to a client for or on behalf of a financial services provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting, or other service in a subsidiary or subordinate capacity, which service: a) does not require judgment on the part of the latter person; or b) does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.
Sign-on bonus ('settling-in income')	Means - a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and b) a financial interest referred to in paragraph (a) 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.
Third party	Means - a) a product supplier; b) another provider; c) an associate of a product supplier or a provider; 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.
Treating Customers Fairly ('TCF')	Means – an outcomes-based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers are delivered by Consult (a regulated financial institution).

2. Introduction

The aim of the Policy is to make sure that we avoid or mitigate any conflict-of-interest situations that could negatively affect our clients and Consult. The objective of this Policy is to provide a framework within which to address areas where conflicts of interest may arise.

This Conflict of Interest Management Policy is applicable to Momentum Consult (Pty) Ltd., Financial Services Provider (FSP) number 5503, (hereinafter referred to as "Consult"). It provides for measures to identify, manage and avoid existing and potential conflicts of interest as set out in Board Notice 58 of 2010 issued in terms of the Financial Advisory and Intermediary Services Act No. 37 of 2002, (hereinafter referred to as the FAIS Act), and sets out the compliance requirements which include the adoption, maintenance and implementation of a conflict of interest management policy.

This Policy establishes broad, high-level principles and guidance, and it prescribes processes that are essential to ensuring compliance with Consult's Code of Ethical Conduct. This Policy furthermore addresses the requirements of the FAIS Act and its associated regulations and applies only to those businesses subject to provisions of the FAIS Act.

The risk of conflicts of interest not being properly managed and controlled is, amongst others, that stakeholders may not be adequately protected and client confidence in our services may be undermined. This may raise doubts regarding Consult's ongoing commitment to treating its customers fairly.

Consult is committed to deliver the following six Treating Customers Fairly (TCF) outcomes to its customers throughout the product life cycle, from product design and promotion, through advice and servicing, to complaints and claims handling – and throughout the product value chain:

1. Customers can be confident that they are dealing with firms where TCF is central to the corporate culture.
2. Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.
3. Customers are provided with clear information and kept appropriately informed before, during and after point of sale.
4. Where advice is given, it is suitable and takes account of customer circumstances.
5. Products perform as firms have led customers to expect, and service is of an acceptable standard and as they have been led to expect.
6. Customers do not face unreasonable post-sale barriers imposed by firms to change product, switch providers, submit a claim or make a complaint.

3. Policy purpose

3.1. The purpose of this Policy is to provide a framework for the avoidance and management of conflicts of interest in Consult, in order to:

- ensure compliance with regulatory requirements of the FAIS Act and its subordinate legislation;
- avoid legal liability, penalties, fines and reputational risk arising from any conflict of interest; and
- avoid any situation in which Consult has an actual or potential interest that may, while rendering a financial service to a client, -
  - influence the objective performance of its obligations to that client; or
  - prevent it from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client, including, but not limited to:
    - a financial interest,
    - an ownership interest, or
    - any relationship with a third party.

3.2. This Policy aims to promote transparency and fairness in the interest of consumers, employees, providers, and Consult. The Policy defines how conflicts of interest is to be managed by Consult, that is, to identify potential conflicts, avoid conflicts where possible and how to disclose conflicts of interest. The Policy also sets out processes and procedures that must be adopted to ensure compliance and highlights the consequences of non-compliance.

4. Policy scope

4.1. This Policy applies to all Consult's representatives when a conflict of interest or potential conflict of interest exists in the rendering of financial services to clients. The following applies to Consult's representatives with regards to financial interest-

4.1.1. Consult may not offer any financial interest to its representatives for:

- Giving preference to the quantity of business secured for Consult to the exclusion of the quality of the service rendered to clients.
- Giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client.
- 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.

4.1.2. Consult may not receive a sign-on bonus ('settling-in income') from any person.

4.1.3. Consult may not offer or provide a sign-on bonus ('settling-in income') to any person, other than a new entrant, as an incentive to become a Category I representative that is authorised or appointed to give advice.

4.2. This Policy is also applicable to Consult as a financial services provider and its relationship with its broker market. Consult or its representatives may only receive from, or offer to a third party, the following financial interest:

4.2.1. Commission authorised under the Long-term Insurance Act 1998 (Act No.52 of 1998) or the Short-term Insurance Act 1998 (Act No.131 of 1998).

4.2.2. Commission authorised under the Medical Schemes Act 1998 (Act No.131 of 1998). Fees authorised under the Long-term Insurance Act 1998 (Act No.52 of 1998), the Short-term Insurance Act, 1998 (Act No.131 of 1998) or the Medical Schemes Act 1998 (Act No.131 of 1998), if those fees are reasonably commensurate to a service being rendered.

4.2.3. Fees for the rendering of a financial service in respect of which commission or fees referred to in subparagraphs 4.2.1, 4.2.2, 4.2.3 is not paid, if those fees are specifically agreed to by a client in writing; and may be stopped at the discretion of that client.

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

4.2.5. Subject to any other law, an immaterial financial interest.

4.2.6. A financial interest, not referred to under subparagraphs 4.2.1 to 4.2.5, for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by another provider or representative at the time of receipt thereof.

5. Policy availability

5.1. This Policy is available to Consult's representatives, clients, and employees on Consult's website (www.consultm.co.za) or as an electronic copy on request from the Compliance team.

6. Policy governance

6.1. Ownership

Ownership of this Policy is vested in Consult's Executive Committee (hereinafter referred to as Consult Exco).

6.2. Drafting and amendments

Consult's Compliance team is responsible for the co-ordination, the drafting of and the amendments to this Policy.

6.3. Approval

The Policy is approved by Consult Exco.

7. Implementation

Consult Exco is responsible for the implementation of the Policy.

8. Management of conflict of interest

A potential conflict of interest situation may arise from:

a) any business area that is likely to obtain a financial gain or avoid a financial loss at the expense of the client; or
b) payment/inducement will be paid to a business area by a third party in relation to the service provided by them to the client (other than standard commissions and fees), or
c) where there is a financial incentive to favour the interest of one client over another; or
d) any situation where the business area (FSP) or representative has an actual or potential interest that may prevent them from rendering an unbiased financial service to a client or from acting in the best interest of the client.

8.1. Mechanisms for the identification of conflict of interest:

Management is responsible for identifying circumstances that could give rise to a material risk of causing damage or prejudice to a client's interests.

Consult assesses whether there are conflict situations within its business through:

a) Documenting all existing relationships and arrangements that may create actual or potential conflict of interest situations.

b) Conducting a conflict of interest assessment before entering into any new transaction or establishing a relationship with a new business partner to determine whether an actual or potential conflict of interest exists. Where a conflict is identified, a decision must be made on whether the conflict should be avoided or mitigated, and the rationale for the decision must be appropriately documented.

The Complaints Resolution Officer must escalate complaints relating to conflict of interests to Management.

Representatives, Key Individuals and Management must be trained to assist them in identifying a conflict of interest.

8.2. Measures for the avoidance of conflict of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflict of interest:

Representatives who have an interest in another financial services provider must be either fully disclosed or prohibited at the discretion of Consult Exco and strictly monitored for conflict of interest purposes. Annual declarations must be completed in order to ensure compliance.

Remuneration and incentives are not based on quantity alone, but rather a combination of both quantitative and qualitative measurement criteria, as set out below:

- The integrity and completeness of the client onboarding and transactional documentation.
- The integrity and satisfactory rating in terms of compliance and key individual audits.
- The remuneration and incentive policy will not favour the placement of business with any specific Provider, as the policy shall be applied equally and consistently regardless of said Provider.
- Clients must agree in writing to actions that will give rise to a conflict of interest, where a client insists thereon.
- Representatives will not offer or receive any financial interest from a third party, unless permitted by financial services laws, codes and regulations.

9. Measures for the disclosure of conflict of interests

- The Letter of Introduction/FAIS Disclosures must reflect where incentives are earned.
- The Letter of Introduction/FAIS Disclosures must reflect where a representative could earn a fee/bonus for participating in the investment management process of, or for supporting Consult's model portfolios.
- The model portfolio fund fact sheets must reflect where a representative could earn a fee/bonus for participating in the investment management process of, or for supporting Consult's model portfolios.
- The investment proposal/record of advice must contain a disclosure where a representative earns a fee/bonus for supporting Consult's model portfolios.
- A representative must disclose a conflict of interest to the client so that the client can make an informed decision.
- A representative must keep a gifts register.

9.1. Processes, procedures and internal controls to facilitate compliance with the Policy

- Representatives must complete the conflict of interest declarations annually.

- Compliance and key individual monitoring will be conducted on an ongoing basis and quarterly reports will be submitted to executive management and compliance committees.
- Representatives must be made aware of this Policy and conflict of interest regulations via the compliance manual.
- Documentation pertaining to conflict of interests will be stored on Consult's cloud-based system (FSP 4.1).
- Training will be conducted on an ad hoc basis to ensure ongoing compliance with the Policy.

9.2. Consequences of non-compliance with the Policy

- The FAIS Act provides for penalties in the event that a person is found guilty of contravening the Act, or of non-compliance with the provisions of the Act. The penalty for non-compliance of specific provisions of the Act is an amount of up to R1 million or a period of imprisonment for up to 10 years.
- The FAIS Registrar is empowered to refer instances of non-compliance to an Enforcement Committee that may impose administrative penalties on offenders.
- The FAIS Act also gives the Registrar the powers to revoke the license of an FSP.
- Employees' failure to provide disclosures will be seen as a transgression of the Code of Ethical Conduct and will be dealt with in terms of the disciplinary procedures. Certain transgressions of this Policy may result in the termination of their contract and/or debarment in a case of a Representative.
- All potential transgressions of this Policy must be investigated fairly and objectively and must be reported by the relevant compliance department to Consult's Exco for a decision.
- Non-compliance with this Policy by employees will be subject to Consult's disciplinary process.
- Non-compliance with this Policy by Representatives may result in the termination of their contract and/or debarment.

9.3. Consult Representatives financial interest qualifications criteria

9.3.1. Consult will receive regulated commission and fees as agreed upon with the client.

9.3.2. On achievement and exceeding of quantity targets and quality requirements, Representatives will qualify for incentives including corporate reward trips. Where targets are set based on the quantity of the business in respect of a product or service, the following processes and procedures must be adhered to-

a) Financial Adviser agreements must include the following:
   - A minimum service level standard must be stipulated.
   - The delivery of fair outcomes to clients must be an overriding requirement; and
   - A minimum standard of the quality of compliance to FAIS and FICA must be set.

b) The implementation of a mechanism to monitor and ensure that clients have received a fair outcome (i.e. the onus is thus placed on Consult to ensure that the client received a fair outcome despite the incentives provided for the quantity of the business for a specific product/service).

9.4. Principles for the payment/receipt of fees and remuneration

9.4.1. All fees and remuneration paid to a third party or received from clients must-

- be commensurate to the service being rendered.
- not result in more than one party being paid for performing a similar service.
- be structured in a manner that effectively identifies, manages, and mitigates any actual or potential conflict of interest.
- not hinder or adversely affect the achievement of fair outcomes to clients.

9.4.2. All advice and intermediary fees must be agreed to by the client in writing, where the client must specifically agree to the-

- amount, i.e. % or fixed price.
- frequency, i.e. monthly or quarterly.
- payment method, i.e. deduction from cash account or proportional disinvestment.
- details of the services to be provided for the fees charged, i.e. administration services, claims handling, etc.

The client must be informed that they have the right to cancel or stop these fees at their discretion.

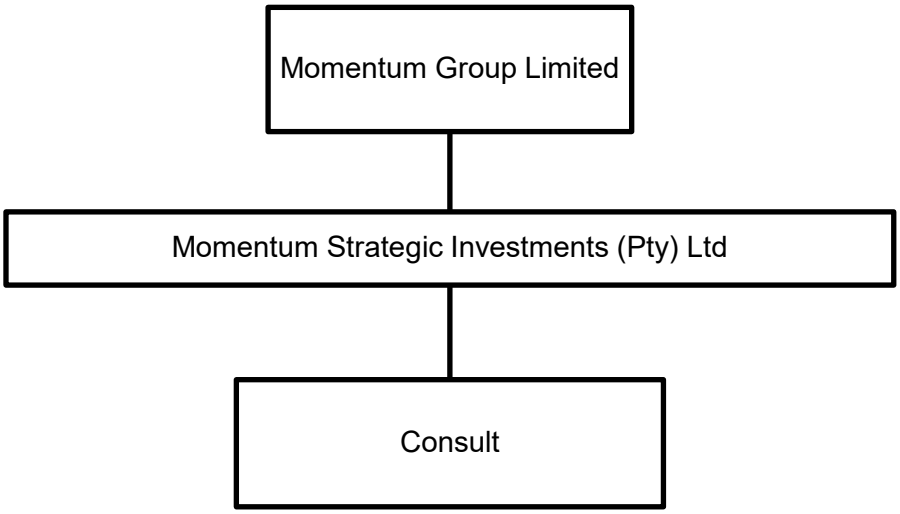
10. Product Providers

Consult has entered into intermediary agreements with various leading Product Providers across a wide spectrum. These agreements are periodically reviewed to ensure that we offer a carefully selected range of the best products across different product lines. Each financial adviser has to register for a sub-code for those Providers for which they can provide advice or intermediary services.

Refer to Annexure A for a list of Consult's approved Product Providers, which is also available on InConsultation.

11. List of Consult associates

Consult is a wholly owned subsidiary of Momentum Strategic Investments (Pty) Ltd as illustrated in the organogram below. Consult, or its representatives, may not avoid or attempt to avoid, limit or circumvent compliance with conflict of interest regulation through an associate or an arrangement involving an associate.



Refer to Annexure B for a list of Momentum Group Limited associates.

12. Names of third parties in which Consult holds an ownership interest

Consult does not hold an ownership interest in a third party as defined in Board Notice 58 of 2010.

13. Names of third parties that hold an ownership interest in Consult

Momentum Strategic Investments (Pty) Ltd. holds 100% ownership interest in Consult, as defined in Board Notice 58 of 2010.

14. Awareness

Consult must ensure that employees and representatives are aware of the contents of this Policy.

15. Training

All employees and representatives of Consult must complete training on the Conflict of Interest Management Policy annually.

16. Monitoring

The Consult Compliance Officer, acting under a mandate from the Momentum Group Head of Compliance, is responsible for overseeing compliance with this Policy and reporting on the effectiveness of such compliance to the Momentum Group Head of Compliance.

17. Policy review

This Policy will be reviewed annually by the Consult compliance team.

18. Reporting

The Consult compliance officer is responsible to report on this Policy as and when required by the Authority. Such reports must address the implementation, monitoring, compliance, and accessibility of the Policy.