

## CONFLICTS OF INTEREST POLICY

### PURPOSE OF THIS POLICY

The purpose of this document is for Julius Baer South Africa (JBSA, registration number 49273), which is part of the Julius Baer Group (JBG), to adopt, maintain, and implement a Conflicts of Interest Policy (**COI Policy**) that complies with the requirements of the Financial Advisory and Intermediary Services Act (37 of 2002) (**FAIS**) and to ensure that objective, unbiased, and fair financial services are rendered to clients.

This document is a summary of the JBSA COI Policy and sets out how JBSA:

- identifies conflicts of interest,
- discloses conflicts of interest,
- applies measures and controls relevant to the avoidance and mitigation of conflicts of interest,
- manages channels for recourse available to JBSA's clients.

The COI Policy is based on, and consistent with, the JBG Conflicts of Interest Policy, setting out JBSA's approach to identifying and managing conflicts of interest. At its core, this COI Policy reflects Julius Baer's core values and its commitment to treat its clients fairly and with integrity, as well as complying with all regulatory requirements.

### WHAT IS A CONFLICT OF INTEREST?

The FAIS General Code of Conduct for Authorised Financial Services Providers and Representatives (**the GCOC**) defines a conflict of interest as: *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—*

- *influence the objective performance of his, her, or its obligations to that client; or*
- *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*
- *any relationship with a third party*

A conflict of interest is therefore any situation where JBSA or its representatives have an actual or potential interest that may, in rendering financial services to clients, influence the objective performance of our obligations, or the rendering of an unbiased and fair financial service, or the acting in the interest of our clients.

JBSA is required to make full disclosure to its clients of all of the details regarding the costs, risks, and benefits related to a financial product at the earliest reasonable opportunity.

### IDENTIFYING CONFLICTS OF INTEREST

The identification triggers for a potential conflict of interest include whether JBSA and/or its representatives:

- are likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- have a financial or personal interest in the outcome of a service provided to the client, or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- have a financial interest or other incentive to favour the interest of another client, or group of clients, over the interests of the client;
- carry on the same business as the client; or
- receive or will receive from a person other than the client an inducement in relation to a service provided to the client, in the form of any cash, cash equivalent, voucher, gifts, advantages, benefits, discounts, hospitality, accommodation, sponsorships, and other incentive services other than the 'standard

commission or fee' for that service.

## DISCLOSING CONFLICTS OF INTEREST

In an effort to ensure that the financial service we provide is objective and fair, JBSA will, following an identification of a conflict of interest, disclose to its clients:

### Material financial interests

Under the General Code of Conduct, a financial interest is any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration that JBSA or its representatives receive in relation to the sale or recommendation of a financial product, or from a product supplier or third party.

### Ownership interests

An ownership interest is:

“(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.”

A list of JBSA's associates (as defined in the General Code of Conduct) can be found on the company's website:

<https://www.juliusbaer.com/group/en/financial-information/>

### Relationships with third parties

If JBSA's relationship with a third party is the potential source of a conflict of interest, it will be disclosed to the client in writing and with sufficient detail to enable the client to understand:

- the nature of the relationship,
- the nature of the conflict of interest,
- the measures taken to avoid or mitigate the conflict.

## MEASURES AND CONTROLS

Once a conflict of interest has been identified, it will be reported to the key individual by the JBSA employee/representative involved.

Where it has been determined that JBSA is unable to fairly and properly manage a situation where a conflict of interest exists between itself and a client, JBSA may decline to act for the client.

## EMPLOYEES AND REPRESENTATIVES

Non-compliance with this COI Policy constitutes misconduct. Any employee of JBSA who fails to comply with the COI Policy may be subject to disciplinary action.

## UPDATING THE POLICY

The COI Policy will be reviewed annually by the compliance officer to ensure that the requirements of the FAIS, the GCOC, and business requirements or relationships are adequately addressed and provided for in this policy. If required, the policy will be updated accordingly.

Continuous monitoring of compliance with this policy will be conducted by JBSA. Reports on any non-compliance with this policy will be provided to the Julius Baer Group Risk Committee.

*For a more detailed overview of the manner in which JBSA deals with conflicts of interest, please request a copy of the procedure from your representative.*

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