



CJS
SECURITIES

A Member of the JSE

CJS SECURITIES (PTY) LTD

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www.cjssecurities.co.za

9th Floor, The Fire station, 16 Baker Street, Rosebank, South Africa

VAT No.: 4650216817 Company Reg No.: 2002/002196/07

CONFLICT OF INTEREST MANAGEMENT POLICY

CJS SECURITIES (PTY) LTD

FSP NUMBER 52645





1. INTRODUCTION

- 1.1. This document embodies the Conflict of Interest Management Policy for CJS SECURITIES (PTY) LTD.
- 1.2. "Conflict of interest" ("COI") means any situation in which CJS SECURITIES (PTY) LTD or its representatives 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 CJS SECURITIES (PTY) LTD or its representatives 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 –
 - 1.2.1.a financial interest;
 - 1.2.2.an ownership interest;
 - 1.2.3.any relationship with a third party ("third party" means (a) a product supplier, (b) another provider, (c) an associate or 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 paragraph (a) to (d) above provides a financial interest to a provider or its representative))
- 1.3. The primary objectives of this Policy are –
 - 1.3.1.To provide guidance on the behaviours expected in accordance with CJS SECURITIES (PTY) LTD standards;
 - 1.3.2.To promote transparency and to avoid business-related COI;
 - 1.3.3.To ensure fairness in the interests of employees and CJS SECURITIES (PTY) LTD
 - 1.3.4.To document the process for the identification, mitigation, disclosure, approval and review of activities that may amount to actual, potential or perceived COI;
 - 1.3.5.To provide a mechanism for the objective review of personal outside interests.
- 1.4. CJS SECURITIES (PTY) LTD is committed to ensuring that all business is conducted in accordance with good business practice. To this end CJS SECURITIES (PTY) LTD conducts business in an ethical and equitable manner, and in a way that safeguards the interests of all stakeholders to minimize and manage all real or potential conflict of interest (COI). CJS SECURITIES (PTY) LTD and its representative must therefore avoid (or mitigate where avoidance is not possible) any COI between CJS SECURITIES (PTY) LTD and a client or its representative and a client.



2. FINANCIAL INTEREST

- 2.1. CJS SECURITIES (PTY) LTD or its representatives may only receive or offer financial interest from or to a third party as determined by the Commissioner of the Financial Sector Conduct Authority (“the Commissioner”) from time to time, and as set out in Annexure A hereto.
- 2.2. “Financial interest” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic and foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than –
 - 2.2.1. an ownership interest;
 - 2.2.2. 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; specialized technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training;
 - 2.2.3. a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.
- 2.3. Any financial interest received by an employee of CJS SECURITIES (PTY) LTD must within 10 days of that receipt be recorded in the gift registry of CJS SECURITIES (PTY) LTD, attached hereto as Annexure B.
- 2.4. CJS SECURITIES (PTY) LTD may not offer any financial interest to its representatives–
 - 2.4.1. That is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or
 - 2.4.2. For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
 - 2.4.3. For giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.
- 2.5. For purposes of paragraph 2.4, CJS SECURITIES (PTY) LTD must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the –
 - 2.5.1. Achievement of minimum service level standards in respect of clients;
 - 2.5.2. Quality of the representative's compliance with this Act;

as agreed between CJS SECURITIES (PTY) LTD and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.



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3. MECHANISMS FOR IDENTIFYING COI

- 3.1. The internal compliance officer will maintain a matrix of potential conflict of interest classified by conflict type, and business area together with documented controls. The matrix will be reviewed annually (see Annexure C).
- 3.2. All employees, management and the compliance function are responsible for identifying potential conflicts of interest. The internal Compliance Officer needs to be notified of any conflicts of interest that they have become aware of. Compliance will assess the implications of the conflict, whether it can be avoided, and if avoidance is not possible, how the conflict will be managed/ mitigated.
- 3.3. All employees are required to disclose, throughout the course of their employment, any interest outside of CJS SECURITIES (PTY) LTD that they are party to. No material conflict is allowed in this regard, in other words there is a serious potential of conflict of interest to the detriment of the client.
- 3.4. Staff to receive training to assist in the identification, avoidance and mitigation of COI during the course of business
- 3.5. Monthly audit of Personal Account dealings and ad hoc disclosure of received gifts.

4. RESOLVING COI

- 4.1. The first and most important line of defence against COI or commitment must be by the key individuals and representatives themselves;
- 4.2. CJS Securities` internal compliance officer key individuals and representatives will be actively maintaining the matrix for potential conflict of interest;
- 4.3. Type of conflicts that may arise in the course of providing advice to clients under the licence must be identified;
- 4.4. CJS SECURITIES (PTY) LTD will identify where conflicts can be avoided and take steps to avoid and/or mitigate these conflicts;
- 4.5. Where conflicts cannot be avoided, the company will mitigate and manage the conflict of interests to ensure it is not the detriment of the clients;
- 4.6. Gifts received in excess of those allowed as an industry norm will be returned;
- 4.7. Profits arising from personal trades in conflict with client`s interests will be allocated across the existing client base.

5. POTENTIAL COI THAT COULD AFFECT CJS SECURITIES (PTY) LTD

- 5.1. The following are potential COI that could affect CJS SECURITIES (PTY) LTD –
 - 5.1.1. Directorships or other employment;
 - 5.1.2. interests in business enterprises or professional practices;
 - 5.1.3. share ownership;



- 5.1.4. beneficial interests in trusts;
 - 5.1.5. Personal Account Trading;
 - 5.1.6. professional associations or relationships with other organizations;
 - 5.1.7. personal associations with other groups or organizations, or family relationships;
 - 5.1.8. Front running;
 - 5.1.9. Rebates;
 - 5.1.10. Kickbacks; and
 - 5.1.11. Commission
- 5.2. Conflicts that have been identified by CJS SECURITIES (PTY) LTD –
- 5.2.1. Personal Account Trading, non-market related transactions of employees;
 - 5.2.2. Outside business interests, professional associations & family relationships;
 - 5.2.3. Conflicting duties between the broking division and Financial Services Provider;
 - 5.2.4. Provision of research to clients with inadequate disclosure

6. MEASURES TO AVOID COI

- 6.1. All employees and management must read the Conflict of Interest Policy document;
- 6.2. The Policy document must ensure proper independence;
- 6.3. All employees and management must disclose any potential conflicts of interest and the correct steps should be taken to avoid any such conflict of interest;
- 6.4. Disclose any potential conflict of interest to the client.

7. DISCLOSURE OF COI

- 7.1. At the earliest reasonable opportunity, CJS SECURITIES (PTY) LTD and its representative(s) must, in writing, disclose to a client any COI in respect of that client including –
 - 7.1.1. Measures taken to avoid or mitigate the conflict;
 - 7.1.2. Any ownership interest or financial interest that the provider or representative may be or become eligible for; the nature of the relationship or arrangements with a third party that gives rise to a COI in sufficient detail to enable the client to understand the exact nature of the COI;
- 7.2. At the earliest reasonable opportunity, CJS SECURITIES (PTY) LTD and its representative must, in writing, inform a client of the Conflict of Interest Management Policy and how it may be accessed;
- 7.3. Notification of an actual or potential COI should be made to the person with responsibility for the issue or area in question, such as the relevant management team, supervisor, head of the department or key individual;



7.4. In accordance with an employee's obligation to act in the best interest of his or her employer, it is not permissible for employees to engage in conduct that would amount to a COI with CJS SECURITIES (PTY) LTD.

7.5. Staff that fail to disclose a potential or actual COI in accordance with this policy may be liable to disciplinary procedures as governed by relevant industrial awards or agreements.

8. PROCESSES, PROCEDURES AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THE POLICY

8.1. Every staff member must have a copy of the Conflicts of Interest Management Policy;

8.2. If a potential COI arises, the transaction must first be discussed with management before entering the transaction;

8.3. Define the type of financial interest to which a representative may be entitled, and how CJS SECURITIES (PTY) LTD will ensure compliance with paragraphs 2.4 and 2.5;

8.4. CJS SECURITIES (PTY) LTD will keep records of any potential conflicts and actual conflicts of interest.

9. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE PROVIDER'S EMPLOYEES AND REPRESENTATIVES

9.1. Non-compliance with this policy and the procedures described in it may amount to misconduct and employees may be subject to internal disciplinary action that may lead to dismissal.

9.2. Compliance will inform the necessary authorities of the misconduct, and action taken against employees and representatives.

10. LIST OF ALL CJS SECURITIES (PTY) LTD ASSOCIATES

10.1. None

11. NAMES OF ANY THIRD PARTIES IN WHICH THE PROVIDER HOLDS AN OWNERSHIP INTEREST AND THE EXTENT THEREOF

11.1. None

12. NAMES OF ANY THIRD PARTIES THAT HOLD AN OWNERSHIP IN THE PROVIDER AND THE EXTENT THEREOF

12.1. None

13. APPROVAL OF CONFLICT OF INTEREST POLICY



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The board of directors/senior management or other person or group of persons exercising the highest level of authority in the institution hereby approves this Conflict of Interest Policy and binds itself to create a culture of compliance within the institution.

Full name: Giancarlo Filomeno

Signature:

Designation: Director.....

Signed on this day of20 July 2022.....in Rosebank.

Full name: Wesley Marten

Signature:

Designation: Director.....

Signed on this day of20 July 2022..... in Rosebank.



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ANNEXURE A - FINANCIAL INTEREST

1. CJS SECURITIES (PTY) LTD or its representatives may only receive or offer the financial interests referred to herein if-
 - 1.1. Those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service being rendered and the resources, skills and competencies reasonably required to perform it;
 - 1.2. The payment of those financial interests does not result in the provider or representative being remunerated more than once for the performance of a similar service;
 - 1.3. Any actual or potential COIs between the interests of the client and the interests of the person receiving the financial interests are effectively mitigated; and
 - 1.4. The payment of those financial interest does not impede the delivery of fair outcomes to the client.
2. CJS SECURITIES (PTY) LTD or its representatives may only receive or offer financial interest from or to a third party as follows
 - 2.1. Commission authorised under the Long-term Insurance Act or Short-term Insurance Act;
 - 2.2. Commission authorised under the Medical Schemes Act;
 - 2.3. Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act;
 - 2.4. Fees for the rendering of a financial service in respect of which commission or fees referred to in paragraph (1.1), (1.2) or (1.3) is not paid, if
 - 2.4.1. The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representative in exchange for the fees are specifically agreed to by a client in writing; and
 - 2.4.2. those fees may be stopped at the discretion of that client.
 - 2.5. Fees or remuneration for the rendering of a service to a third party.
 - 2.6. Subject to any other law, an immaterial financial interest; and
 - 2.7. A financial interest, not referred to under sub-paragraph (2.1) to (2.6), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.
 - 2.8. For purposes of this document -
 - 2.8.1. "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 in that calendar year received by –
 - 2.8.1.1. a provider who is a sole proprietor; or
 - 2.8.1.2. a representative for that representative's direct benefit;



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2.8.1.3. a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

Full name :

Signature :

Designation :

Signed on this day ofat





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3. ANNEXURE B - GIFTS REGISTRY

NAME OF KEY INDIVIDUAL / REPRESENTATIVE	DATE ON WHICH GIFT WAS RECEIVED	SOURCE OF GIFT	TYPE OF GIFT	VALUE OF GIFT



ANNEXURE C – CONFLICT OF INTEREST MATRIX

ISSUE	POTENTIAL CONFLICT	CONTROLS
Directorships or other employment	Any financial interest, relationship with a third party may give rise to conflict of interest	Disclose to senior management and Compliance; disclose to clients the exact nature of conflict of interest
Interests in business enterprises	Employees may have outside commitments that may act in conflict to the interests of CJS	Disclose outside interests in business enterprises to Compliance
Share ownership	Any share ownership that the provider may have or eligible for	Disclose to senior management and Compliance; Disclose to client the exact nature of conflict of interest
Beneficial interest in Trusts	Employees that may have interest in Trusts, trading in conflict with CJS	Disclose to senior management and Compliance; Disclose to client the exact nature of conflict of interest
Personal Account Trading	Employees may trade in securities where clients are involved	Obtain pre-approval in accordance with Personal Account Trading Policy; profits in conflict with client trades must be allocated across existing client base
Professional associations	Any relationships with associations that may lead to potential conflicts	Disclose to senior management and Compliance; Disclose to client the exact nature of conflict of interest
Personal associations	Any trading from family members or close associations	Disclose to senior management and Compliance; Disclose to client if trading in same market
Trading: front running	Trading in same instrument	Trading stopped immediately by Compliance; profits booked to the client; trader sanctioned
Rebates	Employees may be offered rebates by third parties	Disclose to Compliance exact nature of rebate; must be within industry norms if initially approved by management



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Entertainment, inducement, kickbacks	Employees may be influenced when third parties offer entertainment	Obtain consent from senior management, compliance, records will be kept; gifts over the industry norm must be returned
Commission	Commission for third parties	Commission structure must be approved by Compliance and Management
Transactions with clients	If CJS trades with clients as principle	Adhere to Code of Ethics when dealing with clients; clients take preference; check trades to see if ethics have been breached