

PEAK WEALTH PTY LTD

Conflicts of Interest Policy

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1. Introduction

Peak Wealth (Pty) Ltd (hereinafter “the Company”, “us”, “our” “we”) is incorporated in South Africa and registered under the Companies and Intellectual Property Commission (<http://www.cipc.co.za/za/>) with a registration number 2013/007163/07. The Company is authorised and regulated by the Financial Sector Conduct Authority (“FSCA”) with authorisation number FSP44681, to provide intermediary services in connection with derivative products, operating under the Financial Advisory and Intermediary Services Act (“FAIS Act”).

The Company is acting as a Financial Service Provider and in accordance with the FAIS Act, is required to comply with the procedures prescribed in the Board Notice 58 of 2010, which amends the General Code of Conduct for Financial Services Providers and Representatives published in Notice 80 of 2003 (which was amended by notice 43 of 2008).

2. Purpose

The Purpose of the Conflict of Interest Policy (the “Policy”) is to set out how the Company will identify any situations or circumstances which may or have given rise to a conflict of interest and the Company’s measures for preventing the rise of such conflicts in the future. Furthermore, this Policy will set how the Company intends to manage any conflict of interest which may arise during the course of normal business activities.

The Company is, following the Code of Conduct, is committed to continue to act fairly, honestly and professionally and having the best interest of its clients as priority. The Company will also continue to comply with the principles as these are set by the abovementioned legislation when its providing investment services and other ancillary services which related to such investment services.

3. Definition of Conflict of Interest

The definition of “Conflict of Interest” is found in the General Code of Conduct for Authorised Financial Services Providers and Representatives, in Board Notice No.80 of 2003 and amended by Board Notice No. 43 of 2008 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, -

- a) influence the objective performance of his, her or its 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 interest of that client, including but not limited to:
 - i. A financial interest;
 - ii. An ownership interest;
 - iii. Any relationship with a third party.

4. Example of Conflict of Interest

A conflict of interest may arise where the Company or one of its employees, in the process of providing a financial service to a client or performing an activity on the Company's behalf or employee's interest, a risk arises that could potentially damage the client's interest. This could cause:

- The company making a profit or avoiding loss at the expense of the client.
- Employee has a financial incentive to favour their own personal interest over those of a client.
- The Company as a whole or an employee has an interest in an outcome of a service provided to the client which is distinctly opposite to the client's interest in the outcome.
- Employee may receive a pay, or inducement, in relation to the service to be provided to a client (this is other than the standard fees and costs).
- Where the remuneration of third parties is based on the trading activity of clients referred to the Company, which may incentivise marketing tactics which are prohibited and against company policy but also use of misleading information.
- Receiving paid inducements from third parties to refer clients to specific products.

5. Identification of Potential Conflicts of Interest

For identifying the types of conflict of interest that arise in the process of providing investment and ancillary services, whose existence may damage the interest of the Client, the Company takes the following criteria into consideration:

- a) The Company and/or any related person is likely to make a financial gain, or avoid a financial loss, at the expense of the client.
- b) The Company and/or any related person carries the same business as the client.
- c) The Company and/or any related person receives an inducement from a client in relation to the services provided, that are not standard fees and costs.
- d) The Company and/or related person has an interest in performing a client transaction on behalf of the client, which is distinctly different to the interest of the client in the outcome.
- e) The Company and/or related person has a financial or other incentive to favour the interest of another client or group of clients.
- f) The Company and/or related person has a financial or other incentive to produce and provide a client with a product that will adversely affect the client.

6. Procedures and Controls for Preventing and Managing of Conflict of Interest

The procedures and controls that the Company has set and follows to manage and minimise the identified conflicts of interests include the following:

- a) Appointment of a Compliance Officer which is an independent unit within the Company, responsible for reporting to the Company's Board of Directors of any possible conflicts of interest as well as identifying and managing any possible conflicts.
- b) Appointment of Internal Auditor, responsible to ensure that the appropriate systems and controls are maintained and report to the Board of Directors.

- c) The Company undertakes effective procedures to prevent or control the exchange of information between Related Persons engaged in activities involving a risk of a conflict of interest where the exchange of that information may harm the interests of one or more Clients.
- d) Procedures governing access to electronic data.
- e) Segregation of duties that may give rise to conflicts of interest if carried on by the same individual.
- f) Prohibition on officers and employees of the Company having external business interests conflicting with the interests of the Company without the prior approval of the Company's Board of Directors.
- g) Chinese walls restricting the flow of confidential and inside information within the Company, and physical separation of departments.
- h) Marketing communications are reviewed and approved by the Compliance Officer.
- i) Establishment of the "four-eyes" principle in supervising the Company's activities.
- j) Procedure for taking all reasonable steps to obtain the best possible results when executing client orders.
- k) A "need-to-know" policy governing the dissemination of confidential or inside information within the Company.
- l) The Company shall continuously monitor compliance with this Conflict of Interest policy and shall, on annual basis, conduct a review of this policy.

7. Inducements

The Company may pay or receive payments from third parties in the form of fixed monthly fees, commissions, or any non-monetary benefits. The Company ensures that it will not accept such payments do not impair the Company's duty to act in the best interest of the Client. The Company has mechanisms and processes in place to ensure that in all cases, clients are treated fairly and professionally.

8. Disclosure

The Company will notify the clients of possible Conflicts of Interest in cases where it is impossible to avoid them, disclosing full details of the nature of the possible prejudice to the client.

The Company maintains the right to reject a client's request to perform a service if it believes that it cannot effectively manage the possible rise of the conflict.

9. Record Keeping

Under the FAIS Act, the Company is required to keep and updated on a regular basis a written record of any conflict of interest has arisen or may arise due to course of conducting its business.

10. Client's Consent

By entering into a Client Agreement with the Company for the provision of Investment Services, the Client is consenting to an application of this Policy on him. Further, the Client consents to and authorises the Company to deal with the Client in any manner which the Company considers appropriate, notwithstanding any conflict of interest or the existence of any interest in a Transaction, without prior reference to the Client.

11. Amendment/Review

The Company reserves the right to review and/or amend this Policy and arrangements whenever it deems this appropriate. The Company shall review and amend the current policy at least on an annual basis.

12. Further Information

For any further information in regard to Company's Conflicts of Interest Policy and procedures, please contact the Support team at support@xtrade.com