



# WENRU

Creating Informed Decisions

## CONFLICT OF INTEREST POLICY



# CONFLICT OF INTEREST MANAGEMENT POLICY

(Aligned to FAIS General Code of Conduct & RMCP v3.0)

## 1. PURPOSE

This Conflict of Interest Management Policy (“the Policy”) is adopted by Wenru (Pty) Ltd (“Wenru” or “the Practice”) in compliance with:

- Section 3A of the General Code of Conduct for Authorised Financial Services Providers and Representatives (FAIS);
- The Financial Advisory and Intermediary Services Act, 37 of 2002;
- The Financial Intelligence Centre Act, 38 of 2001 (as reflected in Wenru’s RMCP v3.0);
- Applicable FSCA guidance notices and directives.

The purpose of this Policy is to:

- Identify circumstances that may give rise to actual or potential conflicts of interest;
- Establish mechanisms for avoidance, mitigation and management of such conflicts;
- Ensure that clients’ interests are treated as paramount;
- Promote transparency, independence and regulatory compliance.

This Policy forms part of Wenru’s broader governance and compliance framework and must be read together with the RMCP, Operations Manual and Disciplinary Code.

## 2. POLICY STATEMENT

Wenru is an independent financial advisory practice.

The Practice is committed to:

- Acting honestly, fairly and in the best interests of clients;
- Avoiding conflicts of interest wherever possible;
- Managing conflicts effectively where avoidance is not possible;
- Disclosing material conflicts transparently and timeously;
- Ensuring that no conflict compromises objective, client-first advice.

Client interests always take precedence over:

- Financial gain of Wenru;
- Interests of representatives;
- Interests of product suppliers;
- Personal interests of directors or staff.

### 3. DEFINITION OF CONFLICT OF INTEREST

A conflict of interest includes any situation where Wenru, its directors, representatives, employees or associates have:

- An actual financial interest;
- A potential financial interest;
- Any other interest

that may influence the objective performance of duties or impair the ability to render fair and unbiased financial services.

This includes both:

- Actual conflicts
- Perceived conflicts

Perception risk is treated with equal seriousness.

### 4. IDENTIFICATION OF CONFLICTS

Potential conflicts may arise from, inter alia:

#### 4.1. Financial Interests

- Commission structures
- Volume-based incentives
- Performance bonuses
- Non-cash incentives
- Referral fees

#### 4.2. Ownership or Relationships

- Shareholding in product suppliers
- Close personal relationships with product providers
- Family relationships affecting advice
- Directorships or outside business interests

#### 4.3. Gifts and Hospitality

- Travel incentives
- Corporate entertainment
- Sponsored events
- Gifts exceeding immaterial thresholds

#### 4.4. Internal Operational and Administrative Structures

Wenru conducts its advisory, administrative and compliance functions through internal operational structures under direct management oversight.

Although no core advisory or client-servicing functions are outsourced, conflicts of interest may still arise within internal operational environments, including where:

- Administrative processes may inadvertently favour specific product suppliers;
- Internal remuneration structures could create perceived bias;
- Referral relationships exist between representatives;
- Personal relationships within the organisation could influence decision-making;
- Performance incentives may create pressure on advice outcomes.

All internal operational processes are subject to supervisory oversight, segregation of duties where practicable, and compliance monitoring to ensure that advice remains objective and client-first.

No internal structure or compensation arrangement may override the obligation to act in the best interests of clients.

## 5. AVOIDANCE OF CONFLICTS

Wenru's primary approach is avoidance.

Conflicts will be avoided where:

- The conflict is material and cannot be effectively mitigated;
- The conflict may impair objective advice;
- The conflict creates reputational or regulatory risk.

Where avoidance is not possible, mitigation measures must be applied.

## 6. MANAGEMENT AND MITIGATION MEASURES

Wenru applies the following controls:

### 6.1. Segregation of Duties

Where practicable:

- Advisory, administrative and compliance functions are separated;
- Compliance oversight remains independent of revenue-generating functions.

### 6.2. Disclosure

Where a material conflict exists:

- It must be disclosed to the client in writing;
- Disclosure must occur prior to advice or transaction;
- The nature and extent of the conflict must be explained.

### 6.3. Register of Conflicts

Wenru maintains a Conflict of Interest Register documenting:

- Nature of the conflict;
- Parties involved;

- Mitigation steps taken;
- Date of review.

#### **6.4. Financial Interest Controls**

Wenru prohibits:

- Volume-based incentives that bias advice;
- Incentives tied to specific product placement;
- Financial interests that are not permitted under FAIS.

#### **6.5. Gift and Hospitality Policy**

- Immaterial financial interests must not exceed regulatory thresholds;
- All gifts above R1 000 per annum per provider must be declared;
- Gifts must not influence advice.

#### **6.6. Compliance Oversight**

The Compliance Officer:

- Monitors declared conflicts;
- Reviews high-risk arrangements;
- Escalates material matters to management.

### **7. DISCLOSURE TO CLIENTS**

Where applicable, Wenru will disclose:

- Ownership interests;
- Relationships with product suppliers;
- Commission structures;
- Any material financial interest.

Disclosure will be:

- Clear,
- Specific,
- Not buried in fine print,
- Provided before advice is implemented.

### **8. RESPONSIBILITIES**

Directors and Senior Management

- Ensure enforcement of this Policy;
- Promote ethical culture;
- Approve high-risk arrangements.

Compliance Officer

- Maintain the Conflict Register;
- Monitor adherence;
- Report breaches;
- Align policy with RMCP governance controls.

## Representatives and Staff

- Declare conflicts immediately;
- Refrain from acting where objectivity is compromised;
- Participate in annual declarations.

## 9. ANNUAL DECLARATION

All directors, representatives and relevant staff must:

Complete an annual conflict of interest declaration;

- Declare outside business interests;
- Declare financial interests or relationships;
- Confirm understanding of this Policy.

Failure to declare constitutes misconduct.

## 10. BREACHES AND DISCIPLINARY ACTION

Non-compliance may result in:

- Internal disciplinary action;
- Termination of mandate or employment;
- Reporting to the FSCA where required.

Conflict management is mandatory.

## 11. REVIEW AND VERSION CONTROL

This Policy is:

- Reviewed annually;
- Updated upon regulatory change;
- Approved by management;
- Integrated with RMCP governance review cycles.