



CONFLICT OF INTEREST MANAGEMENT POLICY

OF

EDUCATION PAYMENT SOLUTIONS (PTY) LTD

("KARRI")

(FSP: 53250)

1. INTRODUCTION

- 1.1 This policy embodies the Conflict of Interest Management Policy of Education Payment Solutions (Pty) Ltd ('Karri');
- 1.2 A conflict of interest ('COI') means any situation in which Karri or its employees and/or representatives have an actual or potential interest that in the rendering of financial services influences the objective performance of its obligations to that client or prevents Karri or its employees and/or representatives from rendering an unbiased and fair financial service to that client, or from acting in the best interest of that client.
- 1.3 A conflict of interest includes but is not limited to one or more of the following:
 - 1.3.1 Financial Interest: Refers to any financial interest as set out in Annexure A hereof and is treated by Karri and its employees and/or representatives in accordance with this Annexure A;
 - 1.3.2 Ownership interest: Includes any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition; including any dividend, profit share or similar benefit derived from that equity or ownership interest. Ownership interest excludes equity, or a proprietary interest held as an approved nominee or held on behalf of another person.
 - 1.3.3 Relationship with a third party: A relationship with a product supplier, another FSP, an associate of the product supplier or FSP, a distribution channel and any person who in terms of an arrangement with these entities mentioned provides a financial interest to an FSP or its representatives.
- 1.4 Karri is committed to ensuring that all business is conducted in accordance with good business practice. To this end, Karri 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 COI. Karri and its employees and/or representative must therefore avoid (or mitigate and disclose where avoidance is not possible) any COI between Karri and a client or its representative and a client.

2. MECHANISMS FOR IDENTIFYING CONFLICT OF INTEREST

- 2.1 The Key Individual(s) of Karri will monitor and maintain the list of potential COI as per section 4 below;
- 2.2 Management to ensure that all employees and representatives are in possession of/have access to the updated COI Management Policy of Karri at all times;
- 2.3 Management to ensure that all employees and representatives are informed/educated/receive training on the identification of COI, the avoidance and mitigation of COI on a regular basis;
- 2.4 Monthly reviews of gifts register.

3. RESOLVING CONFLICT OF INTEREST

- 3.1 The first and most important line of defence against COI must be the key individuals and representatives themselves;
- 3.2 The type of COI and parties involved must be identified;

- 3.3 All affected clients must be notified at the earliest reasonable opportunity of such COI;
- 3.4 All necessary steps must be taken by Karri to mitigate the COI;
- 3.5 Gifts received that constitutes a COI must be disclosed, recorded and returned;
- 3.6 Transactions concluded that constitutes a COI must be disclosed, recorded and reversed;
- 3.7 Where it is not possible to mitigate COI, clients affected must be compensated for any financial damages caused by such COI;
- 3.8 Employees/representatives involved in such COI will be subject to the provisions of this policy and any disciplinary proceedings as determined by the relevant and applicable policies, procedures or senior management;
- 3.9 Where feasible, a single and direct point of contact should be identified and made available to all employees to ensure that any COI or potential COI is identified, reported and resolved as soon as possible.

4. POTENTIAL CONFLICT THAT COULD AFFECT KARRI

- 4.1 The potential COIs that could affect Karri include but are not limited to:
 - 4.1.1 Directorships or other employment;
 - 4.1.2 interests in business enterprises or professional practices;
 - 4.1.3 share ownership;
 - 4.1.4 professional associations or relationships with other organizations;
 - 4.1.5 personal associations with other groups or organizations, or family relationships;
 - 4.1.6 Kickbacks; and
 - 4.1.7 Commission.

5. MEASURES TO AVOID CONFLICT OF INTEREST

- 5.1 All employees to be in possession of and aware of the content of the COI Policy;
- 5.2 Employees to attend training sessions on COI management;
- 5.3 Should any employee or representative be unsure if a certain circumstance or situation constitutes COI, such employee is to report such situation/circumstances to the Key Individual/senior management (whichever is applicable);
- 5.4 When commencing employment at Karri and throughout such employment relationship, all employees and/or representatives are required to disclose any interest outside of Karri that would/could potentially constitute COI between such employee or representative and any client(s) of Karri.

6. DISCLOSURE OF CONFLICT OF INTEREST

- 6.1 Karri and its employees and/or representative must avoid and where this is not possible mitigate any conflict of interest between Karri and the client or between the representative and the client. Karri or its

representative(s) must, in writing, at the earliest reasonable opportunity disclose to the client any COI in respect of the client, including the following:

6.1.1 The measures taken in accordance with this policy to avoid or mitigate the conflict;

6.1.2 Any ownership interest or financial interest, other than immaterial financial interest, that Karri or its employees and/or representative may be or become eligible for;

6.1.3 The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to enable the client to understand the exact nature of the relationship or arrangement and the COI.

6.2 An FSP or representative must, in writing, at the earliest reasonable opportunity inform the client of the COI management policy and how and where it may be accessed.

7. PROCESSES, PROCEDURES, AND INTERNAL CONTROLS TO FACILITATE COMPLIANCE WITH THIS POLICY

7.1 Every staff member must have a copy of the COI Management Policy.

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

8. CONSEQUENCES OF NON-COMPLIANCE WITH THE POLICY BY THE EMPLOYEES OF THE PROVIDER AND ITS REPRESENTATIVES

8.1 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. LIST OF ALL ASSOCIATES

9.1 None. Karri constitutes the whole Karri group.

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

10.1 Karri holds 100% ownership interest in Karrypay Kenya Limited, an entity incorporated in Kenya for the purposes of trialing operations in the country. The entity is not active.

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

11.1 D Hoernle Consulting Pty Ltd owns 100% interest in Karri.

12. APPROVAL OF CONFLICT-OF-INTEREST POLICY

12.1 The Karri Leadership Team hereby approves this COI Policy and binds itself to create a culture of compliance within the institution.

Dominique Nash

Full name:



Signature:

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Designation: Director

Signed atC...ap...e...T...o...w...n.....on this..... 1 8 th day
of..... A p ril 2023.

ANNEXURE A – FINANCIAL INTEREST

1. Karri 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 this Annexure A.
2. “Financial Interest” includes but is not limited to any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration and training that is exclusively available to a selected group of FSPs or representatives.
3. Financial interest excludes an ownership interest, training on products not exclusively available to a selected group of FSPs or representatives (excluding travel and accommodation in relation to such training), legal matters relating to products, general financial and industry information and third-party systems which are needed for the rendering of financial service. Financial Interest also excludes a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.
4. **Permitted financial interest**
 - 4.1 Karri or its representatives may only receive or offer the following financial interest from or to a third party:
 - 4.1.1 Commission and fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act;
 - 4.1.2 Fees authorised under the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act.
 - 4.1.3 Fees for the rendering of a financial service in respect of which commission or fees referred to above are not paid if the amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the financial services provider or its representative are specifically agreed to by a client in writing and may be stopped at the discretion of the client.
 - 4.1.4 Fees or remuneration for the rendering of a service to a third party.
 - 4.1.5 Subject to any other law, any “immaterial financial interest”.
 - 4.1.5.1 For purposes of this policy an “immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000.00 in any calendar year from the same third party received by one of the following:
 - 4.1.5.2 A sole proprietor provider; a representative for such representative’s direct benefit, a provider who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives

- 4.1.6 Any financial interest not referred to above for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by Karri or its representatives at the time of receipt thereof.
5. Karri or its representative may only receive or offer the financial interests related to fees above if all of the following are met:
 - 5.1 those financial interests are reasonably commensurate with the service being rendered, considering the nature of the service and the resources, skills and competencies reasonably required to perform it.
 - 5.2 The payment of those financial interests does not result in the financial services provider or representative being remunerated more than once for performing a similar service.
 - 5.3 Any action or potential conflicts between the interest of clients and the interest of the person receiving the financial interest are effectively mitigated.
 - 5.4 The payment of those financial interests does not impede the delivery and fair outcomes to clients.
6. Any financial interest received by an employee or representative of Karri must within 10 (ten) days of that receipt be recorded in the gift registry of Karri, attached hereto as Annexure B.

ANNEXURE B- GIFTS REGISTRY

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