
CONFLICT OF INTEREST MANAGEMENT POLICY

PURPOSE OF THIS DOCUMENT

This document describes the principles and procedures adopted by Horizon Equity Partners for the detection and management of conflicts of interests that may arise from time to time during its provision of financial services to clients.

DEFINITIONS

The following definitions have been taken from the relevant FAIS regulations and adapted to the business model of Horizon Equity Partners ("HEP").

Conflict of Interest: Any situation in which a provider (HEP) or a representative (typically an investment executive employed by HEP) 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 interest of that client, including but not limited to:
 - A financial interest
 - An ownership interest
 - Any relationship with a third party

Interested Person: Includes any director, shareholder, member, trustee, partner, representative or employee of Horizon Equity who has a personal or private interest as defined below.

Personal or Private Interest: An Interested person has a personal or private interest if that person has, directly or indirectly:

- An ownership or financial interest in any entity with which HEP, or a fund advised by HEP, has entered into a business transaction or arrangement;
- A legal or beneficial interest in a financial product that is the subject of financial advice given by HEP;
- A potential ownership or financial interest in, or arrangement for compensation with, any entity or individual with which HEP is negotiating a business transaction or arrangement,

but in all cases excluding an interest in a portfolio company of any fund managed or advised by Horizon Equity Partners, where that interest has been validly acquired in accordance with the co-investment provisions of the relevant fund agreements.

Compensation: Any direct or indirect remuneration including any type of non-cash incentive such as gifts or favours.

Financial Interest: means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- An ownership interest
- 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
 - Specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

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, received by

- A representative for that representative's direct benefit.
- A provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives

Advisory Board: A committee composed of representatives of investors in client funds. Each fund will typically have its own Advisory Board.

Ownership Interest: Any equity or proprietary interest, for which fair value was paid at the time of acquisition, other than an equity or proprietary interest held as an approved nominee on behalf of another person; it includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Third Party: A product supplier, another financial services provider an associate of a product supplier or a financial services provider, a distribution channel, any person who in terms of an agreement or arrangement with a person who provides a financial interest to a provider or its representatives.

Conflicts Committee: A sub-committee of the board of directors of HEP, which is responsible for the implementation and disclosure requirements as defined in this Policy. If no such committee is appointed, then its function shall be fulfilled by HEP's board of directors directly.

GUIDING PRINCIPLES

HEP will seek to manage conflicts of interest in a way that is in the best interests of its client(s). The interests of a client fund and its investors should supersede the interests of HEP and its associates. However it is also important to note that the interests of individual investors in a fund may sometimes conflict with each other and conflicts of this nature should usually be managed in a way that favours the majority by interest of investors in that fund.

HEP respects the need of clients for full and fair disclosure with regard to conflicts of interest. Investors need clear and understandable disclosures to help them determine whether the conflicts facing HEP and the methods used to alleviate those conflicts are sufficient to enable HEP to work in their best interests.

Every investment fund managed or advised by HEP will have a clearly documented and defined process which facilitates investor consultation regarding matters relating to conflicts of interest. In most cases the Advisory Board of a client fund will play a key role in the conflict management process and this role will be documented in the fund agreements.

HEP will disclose to all affected fund investors in a timely manner the substance of opinion given through the investor consultation process and any related decisions or actions (save where doing so would breach any legal or regulatory requirement or duties of confidentiality). This disclosure will be made in a timely manner before any related actions are taken by HEP.

HEP will make this policy available to clients (including individual investors in funds). The policy will be available on the company's website and on request at any time. Moreover, HEP will include disclosure of this

policy in any offering documents and prospectuses it may issue in respect of new funds and will ensure that potential clients are aware of this policy before they invest in a fund.

HEP will review the policies and procedures on a regular basis. Best practice in terms of conflicts of interest policy evolves over time.

HEP will ensure that all disclosure provided to investors is clear, complete, fair and not misleading. Investors need an appropriate level of disclosure to help them with their investment decisions.

CONFLICT MANAGEMENT PROCESS

HEP must ensure that adequate arrangements are in place for the management of conflicts of interest that may arise wholly or partially in relation to the provision of any financial services to clients by Horizon Equity Partners. These arrangements shall comprise at least the following steps:

- All Interested Persons must promptly disclose in writing to the Conflicts Committee any conflicts or potential conflicts of interest that they become aware of in relation to financial services provided, or to be provided, by HEP. In the case of Interested Persons employed by HEP, the company may consider non-declaration of a conflict of interest as a disciplinary offence.
- All disclosed conflicts of interest must be promptly reviewed by the Conflicts Committee who shall first investigate alternatives to the proposed transaction, contract or business relationship that would avoid a conflict of interest. If such an alternative is not reasonably attainable, then one of the following courses of action shall be implemented:
- In the case of a conflict of interest involving an investment fund managed or advised by HEP, then the matter shall be referred to the Advisory Board of that fund for resolution, in accordance with the procedures, if any, specified in the agreements for that fund.
- In all other cases, the Conflicts Committee shall determine whether the transaction, contract or arrangement is in the best interest of any affected client/s and accordingly make its decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination.
- Any decision or recommendation by the Conflicts Committee shall be clearly documented.

DISCLOSURE REQUIREMENTS

HEP believes that making appropriate disclosures to third parties, including clients is an important element of managing conflicts of interest. HEP is committed to ensuring that clients are adequately informed about any conflicts of interest that may affect the provision of financial services to them and that such disclosures should always:

- be timely, prominent, specific and meaningful to the client;
- occur before or when the financial service is provided, but in any case in a manner that allows the client a reasonable time to assess the impact of the conflict and possible remedy;
- refer to the specific service to which the conflict relates.

It is furthermore acknowledged that:

- whilst a clearly identified conflict of interest will not necessarily cause the provision of financial advice to be significantly compromised, it should nonetheless be disclosed to the client.
- where the client is an investment fund advised by HEP, disclosure should be made to the Advisory Board of that fund, or if no Advisory Board has been constituted, then disclosure should be made to all investors in that fund;
- Compensation practices that place the interests of HEP or its representatives in direct and significant conflict with those of HEP's clients should be avoided, and not merely disclosed.

VIOLATION OF THE CONFLICTS OF INTEREST POLICY

If it comes to the attention of HEP that an Interested Person has failed to disclose actual or possible conflicts of interest, the Conflicts Committee shall afford that person the opportunity to explain the alleged failure to disclose.

If after hearing the response of the Interested Person and making such further enquiries as may be warranted in the circumstances, the Conflicts Committee determines that the Interested Person has in fact failed to disclose an actual or possible conflict of interest, it shall take appropriate corrective action.

In the case of Interested Persons who are employees of HEP, this may lead to disciplinary measures including possible dismissal.

REVIEW OF THE CONFLICTS OF INTEREST POLICY

This policy will be -

- Reviewed on at least an annual basis, internally or by a outside party such as an auditor or compliance officer, and where necessary updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control conflicts of interest; and
- Overseen by the Conflicts Committee, which bears responsibility for the implementation, reviewing and updating process.

LIST OF ASSOCIATES

HEP III Trustee (Pty) Ltd

100% Subsidiary of Horizon Equity Partners (Pty) Ltd