

30 June 2022

CTSE Compliance Committee Conflict of Interest Assessment Report

This report is prepared in accordance with section 62 of the Financial Markets Act (“FMA”) and Board Notice 1 of 2015 (“Board Notice 1”) in respect of the annual conflicts of interest assessment. The Cape Town Stock Exchange (“CTSE”) Compliance Committee (“Compliance Committee”) serves to balance any conflicts between the commercial interests of CTSE and its compliance with the regulatory obligations which include, *inter alia*, the terms and conditions of CTSE’s exchange license, the FMA and CTSE’s statutory obligations as a Self-Regulatory Organisation set out in Board Notice 1.

The Compliance Committee, comprising of three independent non-executive directors, being Kabelo Moja (Chairman), Theo Vorster (member) and JJ Njeke (member), was able to function independently and impartially in fulfilling its mandate in accordance with its terms of reference during the 2022 financial year (ended 28 February 2022), and up to and including the date of this report (“Period Under Review”). The composition of the CTSE Board sub-committees will be reviewed during July 2022 further to JJ Njeke’s resignation from the Board with effect from 30 June 2022.

The Compliance Committee highlights the following matters for the Period Under Review:

- a) The Compliance Committee terms of reference were amended in November 2021, so that the Compliance Committee’s membership comprises of independent non-executive directors only. Further changes, to enhance the roles and responsibilities of the Compliance Committee will be considered during the next review period.
- b) No actual, potential or perceived conflicts of interests were reported or identified, and no matters were reported in terms of the whistleblowing procedures.
- c) CTSE acted appropriately and professionally, as required in terms of section 62 the FMA, Board Notice 1 and the Conflict-of-Interest Policy.
- d) Each of the Compliance Committee and Issuer Regulation Committee functioned effectively and provided sufficient oversight to ensure that the regulatory functions and commercial interests of CTSE are adequately separated.
- e) An annual assessment questionnaire, completed in accordance with section 59 of the FMA, was submitted to the Financial Sector Conduct Authority on 30 June 2022.
- f) The current governance structures, enhanced by the clear separation and independence of the Compliance Committee, the Issuer Regulation Committee, the Issuer Regulation Division and the Compliance function, are deemed to be appropriate for CTSE. These structures will continue to be assessed as the business grows to ensure that the required level of oversight and integrity is maintained

Yours Sincerely

Palesa Manana
Compliance Officer
For and on behalf of the Compliance Committee