OBSIDIAN WEALTH

ASSET MANAGEMENT

A Juristic Representative of HODL OTC Company Registration No. 2020/773138/07 FSP 53723

FAIS Mandate

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FAIS COMPLIANCE MANDATE
OBSIDIAN WEALTH (PTY) LTD
Juristic Representative under HODL OTC (Pty) Ltd | FSP 53723
Document Control

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Management approval

Document Version	Name	Position	Signed	Date
01	J. Serfontein	Director		July 2026
02	C. Serfontein	Key Individual	Cindy Serfontein	July 2026

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1. Introduction

1.1 This FAIS Compliance Mandate ("Mandate") establishes the internal compliance framework for Obsidian Wealth. Obsidian Wealth operates as a juristic representative under the licence and supervision framework of HODL OTC (Pty) Ltd, FSP 53723, and may only render financial services within the product categories, representative approvals, supervision conditions and business model authorised for that framework.

1.2 The purpose of this Mandate is to ensure that all advisory portfolio strategy, client-instructed implementation support, ongoing review and third-party facilitation activities are performed honestly, fairly, with due skill, care and diligence, and in a manner that supports the fair treatment of clients.

1.3 This Mandate must be read together with Obsidian Wealth policies, HODL OTC supervisory requirements, the approved Risk Management and Compliance Programme where applicable, the FAIS General Code of Conduct, Fit and Proper requirements, conflict-of-interest controls, complaints procedures, POPIA controls and all internal record-keeping requirements.

2. Purpose and Scope

2.1 This Mandate applies to Obsidian Wealth, its directors, key individuals, representatives, representatives under supervision, employees, contractors, agents, marketing agents and any person who performs a function on behalf of Obsidian Wealth that may affect clients, financial services, compliance records, disclosures, advice processes, client instructions or third-party facilitation.

2.2 This Mandate sets out the minimum conduct, supervision, disclosure, advice, instruction, implementation, monitoring and record-keeping requirements that must be followed before, during and after any client engagement.

2.3 No person may render financial services, provide advice, make a product recommendation, facilitate implementation, issue a client communication, approve advertising material or interact with a third-party provider on behalf of a client unless that person is authorised, competent, supervised where required, and acting within the approved Obsidian Wealth and HODL OTC compliance framework.

3. Regulatory Status and Operating Boundaries

3.1 Obsidian Wealth is not a standalone financial services provider for purposes of this Mandate. It operates as a juristic representative under HODL OTC (Pty) Ltd, FSP 53723, until such time as any separate licence, appointment, approval or regulatory status is formally granted and implemented.

3.2 Obsidian Wealth provides advisory, portfolio strategy, client-instructed implementation support, ongoing review and third-party facilitation services. Its role may include needs analysis, risk profiling, product explanation, suitability assessment, disclosure, record of advice, client instruction recording, provider coordination and post-implementation review.

3.3 Obsidian Wealth does not operate an OTC trading desk, does not exchange crypto assets, does not receive client deposits into its own bank accounts, does not hold client crypto assets or fiat, does not provide custody, does not administer private keys, does not exercise discretionary control over client assets, and does not execute or procure any transaction without clear client instruction.

3.4 Where a client elects to proceed with a third-party provider, product or opportunity, the relevant third-party documentation, risk disclosures, onboarding requirements, FICA requirements, execution processes, custody arrangements, liquidity rules, fees and contractual terms remain separate from Obsidian Wealth and must be disclosed to the client before implementation proceeds.

4. Compliance Principles

4.1 Regulatory adherence: Obsidian Wealth must conduct all regulated activities in accordance with the FAIS Act, the FAIS General Code of Conduct, applicable FSCA requirements, Fit and Proper standards, Treating Customers Fairly principles, POPIA, the FIC Act where applicable through the HODL OTC framework, and all approved internal policies and procedures.

4.2 Suitability and advice: Where advice is rendered, it must be suitable for the client's disclosed needs, objectives, financial circumstances, risk profile, knowledge, experience and liquidity requirements. Advice must be supported by sufficient information, a clear basis for recommendation, appropriate warnings and a Record of Advice where required.

4.3 Client autonomy: Clients must make their own final decision after receiving the relevant advice, explanation, disclosure and risk warning. Obsidian Wealth may not pressure a client, create a misleading impression of certainty, or present any product, return, liquidity outcome, provider, crypto asset or opportunity as guaranteed unless a lawful and documented guarantee exists.

4.4 Non-discretionary implementation: Any implementation step must be based on clear client instruction. Obsidian Wealth may not act on assumed consent, verbal ambiguity, internal preference, commercial pressure or provider instruction where client authority is absent or incomplete.

4.5 Transparency and disclosure: Clients must be informed of the role of Obsidian Wealth, its juristic-representative status, the role of HODL OTC where applicable, the role of third-party providers, material risks, fees, conflicts of interest, limitations, provider dependencies and the fact that third-party performance is not guaranteed by Obsidian Wealth.
4.6 Data protection and confidentiality: Client information must be collected, used, stored, shared and retained only for lawful business, compliance, advisory, implementation, reporting, audit or record-keeping purposes, and must be protected against unauthorised access, loss, alteration or disclosure.

5. Advisory and Intermediary Services Framework
5.1 Before giving advice, Obsidian Wealth must obtain and record sufficient client information to support a proper needs analysis and suitability assessment. Where the client refuses to provide required information, the limitation must be recorded, and the client must be warned of the effect on the suitability of any recommendation.
5.2 Any advice must clearly distinguish between information, education, general product explanation, portfolio strategy discussion, personal recommendation and client instruction. Staff must not label advice as education or administration where the content, context or client reliance makes it advice under FAIS.
5.3 Records of Advice must be prepared where required and must record the advice given, the information considered, the product or strategy discussed, the material risks, fees and conflicts disclosed, the reasons for the recommendation, alternatives considered where relevant, and the client's decision or instruction.
5.4 Where a client selects a product or third-party opportunity without receiving advice from Obsidian Wealth, the file must still reflect the client's instruction, the disclosures made, the fact that no personal recommendation was provided, and any execution or facilitation steps requested by the client.
5.5 Ongoing review must be performed within the agreed service scope. A review does not make Obsidian Wealth a discretionary manager and does not authorise any automatic rebalancing, switching, withdrawal, reinvestment or implementation step without a new client instruction where required.

6. Client-Instructed Implementation and Third-Party Facilitation
6.1 Implementation may proceed only after the client has received the relevant information, has had an opportunity to consider the risks and terms, and has issued clear instruction. Acceptable instruction records may include signed documents, approved electronic consent, written email confirmation, recorded instruction, secure platform instruction or other approved audit-trail evidence.
6.2 Third-party facilitation may include introducing the client to a provider, assisting with document flow, explaining provider requirements, coordinating onboarding status, recording client instructions, and supporting administrative implementation. It does not permit Obsidian Wealth to control client assets, approve provider transactions on behalf of a client without authority, or override provider terms.
6.3 Obsidian Wealth must perform reasonable due diligence on third-party opportunities before introducing or recommending them. Due diligence must consider provider status, product structure, key risks, fees, liquidity, contractual terms, operational controls, custody or settlement arrangements, complaints routes, conflicts of interest and any limitations in the information available to Obsidian Wealth.
6.4 All third-party facilitation must remain consistent with the client's risk profile, product understanding, affordability and investment objectives. Where the product or opportunity is complex, illiquid, high-risk, crypto-linked, alternative, collateral-based, structured or dependent on provider performance, enhanced disclosure and senior review may be required.

7. Representative and Employee Responsibilities
7.1 All representatives and employees must complete required FAIS, conduct, product, FICA, POPIA, conflict-of-interest, complaints, advertising and internal process training before performing regulated or client-facing functions and must complete refresher training when required.
7.2 No representative or employee may give unauthorised advice, act outside licence categories, act outside supervision conditions, complete or alter client instructions without authority, access a client account for implementation, use a client's login credentials, control private keys, receive client deposits into an Obsidian Wealth account, or trade on behalf of a client.
7.3 Employees must immediately escalate suspected breaches, misleading communications, unauthorised advice, complaints, conflicted remuneration, suspicious or unusual activity, sanctions or PEP concerns, provider failures, client vulnerability concerns, data incidents or any matter that may prejudice a client or create regulatory risk.

7.4 Employees must maintain confidentiality, protect client information, use only approved systems and storage locations, keep complete records, and ensure that all client-facing material is accurate, balanced, approved where required and capable of being produced during compliance monitoring, audit, FSCA enquiry or FIC enquiry.

8. Key Individual, Supervision and Oversight Responsibilities

8.1 The Key Individual is responsible for ensuring that Obsidian Wealth maintains adequate operational ability, competence, supervision, controls, policies, registers, monitoring, review mechanisms and escalation processes appropriate to its approved business model and representative status.

8.2 Representatives under supervision must operate under the approved supervision plan. The supervisor must review advice records, client files, disclosures, instruction records, communications, product understanding and conduct until the representative is competent and approved to act without the relevant supervision restriction.

8.3 The Key Individual or authorised compliance function must approve material changes to advise templates, risk disclosures, client instruction templates, marketing content, third-party opportunity descriptions, product due diligence standards, client onboarding controls and any procedure that affects regulated financial services.

8.4 Management must ensure that commercial targets, provider relationships, referral arrangements, marketing initiatives and operational pressures do not compromise client interests, suitability, disclosure, record-keeping or regulatory compliance.

9. FICA, AML/CFT/CPF and RMCP Requirements

9.1 HODL OTC is registered as an accountable institution under the Financial Intelligence Centre Act, 38 of 2001, and maintains a Risk Management and Compliance Programme aligned with a risk-based approach. Obsidian Wealth operates under this compliance framework where a service, facilitation step or third-party implementation process requires client identification, verification, risk assessment, customer due diligence, record-keeping, screening, enhanced due diligence or reporting.

9.2 Obsidian Wealth may require identity information, proof of address, beneficial ownership information, source-of-funds information, source-of-wealth information, tax information and other compliance documentation before any advice, referral, facilitation or implementation step proceeds.

9.3 No employee may bypass FICA controls, accept incomplete due diligence where escalation is required, ignore sanctions or PEP indicators, ignore adverse media, split transactions to avoid thresholds, or continue with a service where the RMCP, compliance function, provider requirement or accountable institution instruction requires a hold, escalation, enhanced due diligence or refusal.

9.4 Suspicious and unusual activity, terrorist financing concerns, proliferation financing concerns and sanctions-related matters must be escalated immediately through the approved internal reporting channel. FSCA conduct reporting and FIC reporting are separate obligations and must be handled according to the applicable legislation, RMCP and internal procedure.

10. Communications, Marketing and Client Disclosures

10.1 All client communications, website content, advertisements, presentations, proposals, product summaries, social media content and third-party opportunity descriptions must be clear, fair, not misleading and appropriate for the intended target market.

10.2 Marketing may not imply guaranteed returns, guaranteed liquidity, capital preservation, FSCA endorsement, risk-free crypto exposure, risk-free alternative yield, provider certainty, preferential regulatory status or discretionary management unless the statement is accurate, lawful, documented and approved.

10.3 Advertising and promotional material must be approved before publication in accordance with the internal marketing approval process. Copies of placed advertisements, publication dates, versions and signed approval checklists must be retained for audit and FSCA monitoring purposes.

10.4 Where a client communication refers to Obsidian Wealth's regulatory status, it must clearly state the juristic-representative relationship and must not create the impression that Obsidian Wealth is acting outside the HODL OTC licence, supervision framework or approved business model.

11. Conflicts of Interest

11.1 Obsidian Wealth must identify, disclose, avoid or manage conflicts of interest in accordance with the FAIS General Code of Conduct, the Conflicts of Interest Policy and all internal registers. This includes conflicts arising from ownership, referral fees, commissions, incentives, provider relationships, marketing arrangements, staff interests, related-party structures or third-party facilitation.

11.2 No person may recommend, introduce, facilitate or promote a provider, product or opportunity because of personal benefit, referral income or business pressure where the recommendation or facilitation is not suitable for the client or where the conflict cannot be adequately managed and disclosed.
11.3 All gifts, benefits, referral arrangements, provider remuneration, outside interests and potential conflicts must be disclosed to the Key Individual or compliance function and recorded in the appropriate register.

12. Reporting and Record-Keeping
12.1 Obsidian Wealth must maintain complete, accurate and retrievable records for at least five years, or longer where required by law, contract, litigation hold, regulator request, audit requirement or internal retention schedule.
12.2 Records must include, where applicable, onboarding information, needs analyses, risk profiles, advice notes, Records of Advice, disclosures, client instructions, product information, third-party provider documents, due diligence records, FICA records, source-of-funds information, communications, complaints, conflict disclosures, marketing approvals, training records, supervision evidence, registers, audit findings and remedial actions.
12.3 Records relating to FICA customer due diligence, transaction monitoring, suspicious or unusual activity, sanctions screening, enhanced due diligence and reporting must be retained and protected in accordance with the FIC Act, related Directives, the RMCP and internal procedures.
12.4 Regulatory reporting obligations to the FSCA, the FIC, the Information Regulator or any other competent authority must be managed through the approved internal escalation and sign-off process. Employees may not respond to a regulator, provider due-diligence request or legal request outside their authority.

13. Breaches, Remedial Action and Disciplinary Action
13.1 Any suspected breach of this Mandate, the FAIS Act, the FAIS General Code of Conduct, Fit and Proper requirements, FICA obligations, POPIA requirements, supervision conditions, product boundaries or internal policy must be reported immediately to the Key Individual, compliance function or authorised manager.
13.2 Breaches must be assessed, recorded, investigated and remediated. Corrective action may include client remediation, file correction, additional disclosure, withdrawal or correction of marketing material, suspension of activity, retraining, enhanced supervision, provider escalation, regulator notification, system change or disciplinary action.
13.3 Any employee, representative, contractor or agent who violates this Mandate may be subject to disciplinary action, removal of authority, termination of appointment, contractual remedies, reporting to the relevant regulator or other lawful consequences.

14. Review and Amendments
14.1 This Mandate must be reviewed at least annually and earlier where there is a change in law, FSCA requirement, FIC requirement, licence condition, representative status, business model, product scope, provider relationship, risk profile, complaints trend, audit finding, breach, control weakness or management instruction.
14.2 Material amendments must be approved by the Key Individual and, where required, HODL OTC management or compliance oversight. Approved versions must be communicated to relevant staff and retained with the history document.

Annexure A - Minimum Client File and Compliance Evidence

Area	Minimum evidence to retain
Client onboarding	Client identity information, entity documents, representative authority, beneficial ownership, risk classification and any required FICA documentation.
Advice process	Needs analysis, risk profile, client objectives, product knowledge assessment, affordability or financial capacity notes where relevant, suitability assessment and Record of Advice where advice is rendered.
Disclosure	Fee disclosures, risk disclosures, conflict disclosures, juristic-representative disclosures, provider disclosures and third-party products or opportunity terms.
Client instruction	Signed or electronic instruction, email confirmation, recorded instruction, platform confirmation or other approved audit-trail evidence.
Third-party facilitation	Provider information, due diligence notes, onboarding checklist, correspondence, client consent, provider terms and implementation status records.
Ongoing review	Review notes, updated client information, updated advice records, changed client instructions and reasons for any recommendation or no-change outcome.
Compliance monitoring	Supervision reviews, file checks, training records, complaints, conflicts, incidents, remedial actions and management approvals.

Annexure B - Prohibited Conduct

The following conduct is prohibited unless expressly authorised by law, licence conditions, internal policy and written management approval:

1. Rendering advice outside approved product categories, representative approvals or supervision conditions.
2. Implementing any transaction without clear client instruction.
3. Using a client's login credentials, accessing a client account, controlling a client wallet or administering private keys.
4. Receiving client deposits into an Obsidian Wealth bank account or holding client crypto assets or fiat for custody or settlement.
5. Presenting third-party products, crypto assets, liquidity, returns or capital preservation as guaranteed without a lawful and documented guarantee.
6. Publishing marketing material before required review and approval.
7. Hiding, ignoring or failing to disclose a conflict of interest.
8. Bypassing FICA, sanctions, PEP, adverse media, source-of-funds, source-of-wealth or enhanced due-diligence requirements.
9. Altering client records, backdating documents, creating incomplete Records of Advice or failing to retain required evidence.

Signature and Approval

Signed at ____________________________ on this _____ day of ____________________________ 20_____.

For Obsidian Wealth	______________________	**Signature**	______________________
Name	______________________	**Date**	______________________
Key Individual	______________________	**Signature**	______________________
Name	______________________	**Date**	______________________