Conflict of Interest Management Policy

Underwritten by

Bryte

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SECTION 1 PREAMBLE

In terms of Section 3A (2)(a) of the FAIS Act General Code of Conduct for Authorised Financial Services Providers and Representatives (Board Notice 58 of 2010) every provider must adopt, maintain and implement a conflict of interest management policy that complies with the Act. A Financial Services Provider (herein referred to as a "FSP") must at all times render financial services honestly, fairly, with due skill, care and diligence, and in the interest of clients and the integrity of the financial services industry.

SECTION 2 PURPOSE OF THIS POLICY

The aim and purpose of this policy is to assist each Employee within the Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd with the identification of existing and potential conflicts of interest involving Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd and to avoid any such conflicts. The policy also sets out the procedures internal controls and measures to facilitate compliance with the policy and regulatory requirements. The consequences of not adhering to the principles of the policy and non-disclosure of any conflicts are also highlighted for Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd employees and representatives.

SECTION 3 SCOPE OF THE POLICY

This policy applies to all directors, officers, employees, representatives, associates, brokers and consultants of Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd. All parties are obliged to comply with the requirements set out herein. The Management play a key role in ensuring that this policy is applied throughout the business and all parties involved are expected to demonstrate personal commitment to the implementation of the principles outlined.

The aim of the policy is to regulate the relationship between Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd and its employees as well as employees' relations with customers, suppliers and service providers.

SECTION 4 UNDERLYING PRINCIPLES

Within the financial services industry, conflicts of interest are defined as "circumstances where some/all of the interests of clients to whom an FSP renders financial services are inconsistent with/diverge from, some/all of the interests of the provider or its representatives".

Adequate conflict of management minimises the potential impact of conflicts of interests on clients. Without this, FSP's whose interests conflict with those of the clients are more likely to take advantage of that client in a way that may harm the client and diminish his/her confidence in the provider and the industry.

Adequate conflict management should also help an FSP ensure that the quality of their financial services is not significantly compromised by conflicts of interest arising in the normal course of business.

While it is conceded that all potential conflicts of interest do not necessarily manifest themselves into actual conflicts, the very perception of bias is a negative one, and carries a negative impression of the industry.

Conflict of interest management needs to be addressed and implemented in order to enhance the actual and perceived levels of professionalism of the financial services industry. Disclosure on its own is not always adequate. Management of conflicts as well as transparent, effective disclosure needs to be achieved.

The same disclosure and avoidance of conflict of interest requirements should be simultaneously applied to all competing product types to avoid both inconsistency as well as a situation where less regulated industries profit at the expense of those whose practices have been curtailed.

The FAIS legislation already requires a FSP to disclose conflicts of interest to its clients. The general code currently requires an FSP to disclose to the client the existence "of any circumstance which gives rise to an actual or potential conflict of interest, and take all reasonable steps to ensure fair treatment of the client".

SECTION 5 DEFINTIONS

Conflict of Interest

"Conflict of Interest" means any situation in which a FSP or a representative of that FSP has an actual or potential interest that may in rendering a financial service to a client:

- Influence the objective performance of his/her obligations to that client; or

- Prevent a FSP or its 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:

  i) A financial interest;
  ii) An ownership interest;
  iii) Any relationship with a third party.

Financial Interest

"Financial Interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discounts, 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

  i) products or legal matters relating to those products;
  ii) general financial and industry information;
  iii) specialised technological systems of a third party necessary for the rendering of a financial service but excluding travel and accommodation with that training.

Immaterial financial interest

"Immaterial financial interest" means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same third party and in that calendar year received by:

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

The above includes any benefits that are passed onto the spouse, partner, family member, business associate or employee of a provider or provider's representative.

Ownership Interest

"Ownership Interest" means any equity or propriety interest, for which fair value was paid by the owner at the time of acquisition, other than equity or proprietary interest held as an approved nominee on behalf of another person. This includes any dividend, profit share or similar benefit derived from the equity or ownership.

Third party

"Third Party" means a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel or any person who in terms of an agreement or arrangement with a person referred in this definition provides a financial interest to a provider or its representatives.

Associate

"Associate" in relation to a natural person means:

- a person recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
- a child of that person, including a stepchild, adopted child and a child born out of wedlock;
- a parent or stepparent of that person;
- a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
- a person who is the spouse, life partner or civil union partner of a person referred to in the above;
- a person who is in a commercial partnership with that person;

"Associate" in relation to a juristic person means:

- which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
- which is a close corporation registered under the Close Corporations Act, 1984 (Act No 69. Of 1984), means any member thereof as defined in Section 1 of that Act;
- which is not a company or a close corporation as referred to in the subparagraphs above, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
  - i) had such first-mentioned juristic person been a company; or
  - ii) in the case where that other juristic person too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
- means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.

"Associate" in relation to any person means:

- any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instruction of the person first-mentioned in this paragraph;
- includes any trust controlled or administered by that person.

Distribution Channel

"Distribution channel" means:

- Any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client;
- An arrangement between two or more providers or any of their associates, which arrangements facilitates, supports or enhances a relationship between provider or providers and a product supplier;
- Any arrangement between two or more product suppliers or any of their associates which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

Product Supplier

"Product supplier" means and includes collectively:

- The related, holding and subsidiary companies of the product supplier
- Companies in which the product supplier holds a percentage of shares which on its own or together with the percentage holding of other product suppliers, gives the product supplier or group of product suppliers as the case may be, effective control of such company and

- Companies within the same group and
- Any other financial service provider that act similar capacity as a product supplier (i.e. Discretionary and Administrative FSP's)

SECTION 6 WHAT IS ALLOWED?

A FSP or its representatives may only receive or offer the following:

- Commissions authorised under the Long-Term Insurance Act, Short-Term Insurance Act and the Medical Schemes Act;
- Fees authorised under the Long-Term Insurance Act, Short-Term Insurance Act and the Medical Schemes Act if those fees are reasonably commensurate to a service being rendered;
- Fees for the rendering of a financial service in respect of which commission or fees referred to above are not paid if those fees:
  - i) Are specifically agreed to by a client in writing; and
  - ii) May be stopped at the discretion of that client;
- Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;
- Subject to any other law, an immaterial financial interest; and
- A 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 that provider or representative at the time of receipt thereof.
- A maximum amount of R1000.00 (one thousand rand) per year per employee in the form of token gifts (branded pens, diaries, calendars), consumable items (wine, chocolates, flowers), golf or spa days and invitations to sporting events. All expenses (for example green fees, delivery, food, refreshments) must be taken into account when calculating the total cost.
- Consumable items (for example chocolates, bottles of wine, flowers etc.) but limited to one such gift from a third party per calendar year per employee.
- Training /information sessions (including broker forums) provided that the training is not provided exclusively to a selected group and must be related to product training, industry training, systems training or legal matters relative to affairs of Oneplan Underwriting Mangers (Pty) Ltd. Economic awareness must be exercised when arranging for such sessions.

All gifts and hospitality extended to and from a third party must be recorded in the Gifts Register held by the Compliance Department.

SECTION 7 WHAT IS NOT ALLOWED?

The following may not be offered to a person referred to in Section 3 above or received from any third party:

- No cash or equivalents thereof (vouchers, coupons, shares etc.) from a third party.
- No gifts from a third-party other than what is permitted in Section 6.
- Any provider, FSP or representative invitations that entail breakfast, lunch, dinner or drinks unless the bill is split per head and is paid for by the employee.
- International "incentive" trips, educational or professional development conferences, accommodation or travel arrangements with which FSP's and/or their representatives are rewarded by a product supplier or another FSP.
- Domestic "incentive" trips, educational or professional development conferences, accommodation or travel arrangements with which FSP's and/or their representatives are rewarded by a product supplier or another FSP.
- Sponsorship by product suppliers for FSP's and/or their representatives to attend or hold international conferences

Acceptance of non-cash incentives by an FSP is prohibited and may result in severe penalties and/or the loss of the FSP license. Consideration must be given when identifying conflicts of interest as to whether or not the acceptance of any of the above would influence the conclusion of a business transaction.

SECTION 8 MEASURES TO BE IMPLEMENTED FOR IDENTIFICATION OF A CONFLICT OF INTEREST

Each employee is obliged to prevent any actions that are contrary to the content of this policy and which could potentially cause harm to tOneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd. The following steps must be taken to identify possible conflicts of interest:
- Regular monitoring of commissions and fees that are paid and received by Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd;
- Monitoring of the gifts and interest and related registers offered and received by Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd on a continual basis;
- Annual update of the Conflict of Interest Policy;

- Annual conflict of interest training for all employees of Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd;
- Implementation of the policy by all departments and their Senior Managers as well as maintenance of the respective registers;
- Identification by each department's Senior Manager of potential conflicts of interest within their area of business;
- Continuous monitoring of business by the Quality Assurance Department.
- Separate supervisor of relevant persons whose principle functions involve activities which might give rise to a conflict of interest;
- Alignment of current business practices, procedures and relationships with the FAIS General Code of Conduct.

SECTION 9 TRANSPARENT DISCLOSURES

It is a regulatory requirement that all fees and commissions that are earned are adequately and transparently disclosed by FSP's. Customers must understand what their premiums / contributions consist of in terms of what they are paying directly and indirectly, and for what financial services.

Employees should not engage in activities which will result in conflicts of interest and must not use improper means to obtain business from a representative or customer. If an employee is faced with a possible conflict of interest situation they must immediately report the matter to the Senior Manager who in turn must report it to the Legal and Compliance Department. The employee must desist from participating in such activities or situations.

SECTION 10 NON-COMPLIANCE

Any breaches of the requirements set out in this policy will be recorded in a register by the Legal and Compliance Department and will be reported annually to the nominated Compliance Officer and the Board of Directors in an annual compliance report. Employees may face the following disciplinary action in the event of non-compliance:

- Written warning
- Dismissal
- Penalties in the form of commission earned
- Debarment

In the event of a breach of this policy, corrective measures need to be taken in order to immediately rectify the situation.

SECTION 11 RESPONSIBILITIES OF THE COMPLIANCE DEPARTMENT

It is the responsibility of the Compliance Department to implement procedures which enable identification of conflicts of interests and to provide guidance to the relevant party as to how to manage such conflicts. It is vital that the department monitor inconsistencies and report and inconsistencies to the relevant parties. Regular audits must be conducted to ensure a culture of compliance and adherence to the policy. All registers must be updated regularly and must be available for inspection on request by any person requesting it.

SECTION 12 FINANCIAL INTERESTS

Call centre employees within the Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd are measured on both the quality and quantity of their work and are remunerated and incentivised accordingly. It is necessary for continual monitoring of incentives offered to employees in order to avoid manipulation and to ensure quality. All employees must adhere to company policies and procedures in order to receive incentives offered by the Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd. All incentives winners and top performers must be audited to ensure that all procedures have been adhered to. From time to time Management may offer various prizes to employees, however these prizes must be audited and may not influence the quality expected from employees.

SECTION 13 ACCEPTANCE AND MANAGEMENT OF THE POLICY

This policy forms part of the Oneplan Underwriting managers (Pty) Ltd and Oneplan Brokers (Pty) Ltd Risk Management Policy. All queries relating to this policy can be directed to the Legal and Compliance Department.

This policy has been accepted by the Board of Directors and will be reviewed annually.