

CONFLICT OF INTEREST MANAGEMENT POLICY

1. Introduction

The directors, managers and employees of LIMPSURE Insurance Consultants (Pty) Ltd are committed to high levels of integrity and fairness in all business dealings. The Financial Advisory and Intermediary Services Act (FAIS) is integral in protecting consumers and regulates market conduct by financial services providers within the financial services industry. LIMPSURE operates a business within the financial services industry and is therefore bound by the requirements of the FAIS Act and affiliated legislation. This policy is aligned with the FAIS General Code for Authorised Financial Services Providers and Representatives Amendment Notice, 2010 and any amendments. All words used in this document adopt the meanings as published in the FAIS Act and its subordinate legislation.

Definitions in terms of LIMPSURE Conflict of Interest Management Policy

Conflict of Interest means any situation where all directors, managers and employees of LIMPSURE may have an actual or potential interest that may, in rendering a financial service to an existing or potential customer and service provider, influence the objective performance of our obligations to an existing or potential customer and service provider, or where it prevents our directors, managers and/or employees from rendering an unbiased and fair financial service to an existing or potential customer and service provider. This includes the receiving of or the offering to a third party of a wide range of financial and/or non-financial benefits and/or ownership interests.

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

- an ownership interest which is an equity or proprietary interest acquired for fair value and includes dividends, profit share and similar benefits; and/or



- training that we provide on products, general industry information and technical systems that are not exclusively available to a selected group of providers or representatives except for 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 R1000.00 in any single calendar year.

Third Party means:

- A product supplier, or
- Intermediary or agent, or
- An associate of an intermediary or agent, or
- A distribution channel, or
- Any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

2. Scope

This policy applies to all directors, managers and employees (whether permanent or on contract) of LIMPSURE Insurance Consultants (Pty) Ltd.

3. Compliance

- The Company's compliance function is established as part of its risk management framework.
- Non-compliance with this policy will be subject to our disciplinary procedures and appropriate action will be taken. This may result in and include the debarment and/or dismissal of the employee as well as reporting to the FSB and any other relevant legal body.
- Avoidance, limitation or circumvention of this policy through whatever means will also be seen as non-compliance by the individual(s) concerned and will not be condoned /accepted.
- Any immaterial financial interest offered or received from a third party must be fully disclosed in the company's "Conflict of Interest and Gifts Register" and includes all cash and non-cash benefits which are beneficial or of value.



- The FAIS Compliance Officers have access to the “Conflict of Interest and Gifts Register” to facilitate compliance with the requirements of this policy.
- In terms of the Code, all directors, managers and employees of LIMPSURE Insurance Consultants must take all necessary steps to eliminate any practices and/or services that may create a conflict between their own interests and the interests of LIMPSURE.
- All directors, managers and employees of LIMPSURE Insurance Consultants must take all necessary steps to eliminate any practices and/or services that may influence or encourage any other party to put the other party’s own interests before that of the policyholder.

4. **Conflict of Interest**

- A Conflict of Interest may occur when an employee or representative does not act objectively or does not render an unbiased or fair service to an existing or potential customer, broker and/or service provider or does not act in a customer’s best interests or when an employee, director, manager or a representative receives a financial or ownership interest of whatever nature from a third party whether directly or indirectly solicited or offered.
- All directors, managers and employees of LIMPSURE Insurance Consultants must avoid representing the company in any transaction with others with whom there is an outside business affiliation or relationship.
- All directors, managers and employees of the LIMPSURE Insurance Consultants must avoid using their company contacts to advance their private business/personal interests at the expense of the company, its clients or affiliates.
- Conflict of Interest situations must be avoided. Where it is not possible to avoid any act, action or reward that may create a Conflict of Interest, appropriate steps must be taken to mitigate the impact and must be appropriately disclosed.
- Any action by a director, manager, or employee within the LIMPSURE Insurance Consultants or any approach by a customer or service provider proposing to/or carrying out any action that may be construed as a conflict of interest, must be reported by the staff member to the Compliance Officer/HR/ Line Manager within 24 hours of becoming aware of such a situation.

5. **Managing Conflict of Interest**

Non-compliance with this policy must be escalated to the Compliance Officer and EXCO, who will make a recommendation as to the measures to be taken to mitigate the non-



compliance.

6. **Contractual relationship**

LIMPSURE's contractual relationship with all directors, managers and employees, key individuals and representatives prohibits them from entering into any business relationships that may result in a Conflict of Interest situation, where the company or a customer/affiliate may be prejudiced.

7. **Processes and procedures for compliance**

The following internal procedures must be followed:

- Each director, manager, or employee within LIMPSURE Insurance Consultants is required to read and familiarise themselves with the FAIS General code of Conduct as well as this policy, and to ensure that they fully understand the provisions of both documents and their application.
- Specific training and educational material on how Conflict of Interest may arise and how it can be avoided must be provided annually and be attended by all directors, managers and employees, key individuals and representatives.
- Completion of the "Declaration of Interest" form must be done annually and updated as soon as anything changes.
- An assessment of possible conflicts of all directors, managers and employees of LIMPSURE Insurance Consultants is conducted with regard to financial Interest, ownership, or relationships with third party companies and/or their employees, product suppliers and service providers, which is regularly monitored to ensure that potential conflicts are avoided or if not possible, mitigated.
- Under no circumstances must a director, manager, or employee within LIMPSURE Insurance Consultants consider providing any material or immaterial financial interest to any party without first ascertaining the extent to which that party has already received an immaterial financial interest in that calendar year

8. **Disclosure**

Where there is no way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflicts are to be disclosed in writing to allow clients to make an informed decision on whether to continue using our service in the situation concerned. The disclosure must include all measures taken to avoid or mitigate the conflict, as well as any ownership or financial interest other than an immaterial financial interest that the provider or representative may become eligible for, and finally the nature of relationship with



the third party which gives rise to the conflict of interest.

9. Financial Interests

• Financial interest disbursements

LIMPSURE confirms that it will only offer financial interests to its approved FSP's in the form of

- Commission authorised in terms of the Short-term Insurance Act, No 53 of 1998;
- 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;
- An immaterial financial interest which must be fully disclosed in the company's "Conflict of Interest and Gifts Register".
- **Personal Interest**

Directors, managers, or employees within LIMPSURE Insurance Consultants must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients, service providers, brokers or associates. This may include but is not limited to:

Affecting a transaction that may benefit a third party at the expense of the client.

- All directors, managers and employees of LIMPSURE Insurance Consultants must be particularly careful not to represent LIMPSURE in any transaction where they have an outside business affiliation or relationship with any party that has an interest in that transaction. All directors, managers and employees of LIMPSURE Insurance Consultants may only represent the company in business transactions in which they themselves or persons close to them are directly involved with the prior approval of EXCO / the Board and such interest must always be disclosed.
- Gifts and other benefits (This policy is to be read in conjunction with LIMPSURE Terms and Conditions of Employment).

No directors, managers and employees of LIMPSURE Insurance Consultants are allowed to accept gifts, financial interest or other benefits in connection with his/her business activities



which go beyond accepted norms. The following limits and guidelines will apply in respect of all financial interests (which includes gifts and entertainment):

Inbound financial interest

- Any financial interest over the value of R1000.00 in the annual aggregate from any work related source may not be accepted by any person within the organisation. The reported value of the financial interest is the fair market value on the date it was received.
- All financial interest with a value of R250.00 to R1000.00 may be accepted with management consent, but must be registered in the “Conflict of Interest and Gifts Register”.
- If there is any doubt as to whether a financial interest is acceptable or not, or whether the value falls within any of the categories, then the financial interest must be declared in the “Conflict of Interest and Gifts Register” and discussed with the Compliance Officer/HR/Line Manager as per point 5.5.
- Invitations to business dinners within usual business practices may be accepted. Invitations to entertainment functions such as sports events, shows or other social occasions may be accepted if they conform to usual business practices and provided that a representative of the host company is present. If there is any doubt, prior approval must be obtained from an EXCO Member;
- The payment of travel and accommodation costs by representatives or service providers is prohibited.
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- No directors, managers and employees of LIMPSURE Insurance Consultants may ask/solicit business partners for any financial advantages, gifts, invitations to business dinners or events, other concessions, services or favours either for themselves or for others.
- No directors, managers and employees of LIMPSURE Insurance Consultants may receive any material or immaterial financial interest from any other FSP or Representative that in any one calendar year exceeds the value of R1000.00 in the aggregate.

Outbound financial interest



- All gifts provided to service providers and FSP's must be registered and logged in the "Conflict of Interest and Gifts Register".
- All entertainment paid for by ONE of service providers and FSP's is to be logged in the company's "Conflict of Interest and Gifts Register".
- All gifts over the value of R1000.00 in the annual aggregate to any service provider or FSP is prohibited.
- All gifts to non-FSP's must be logged in the company's "Conflict of Interest and Gifts Register" and may not exceed R1000.00 in the annual aggregate.
- The payment of travel and accommodation costs for any service providers, brokers or other third parties is prohibited