

## **CONFLICT OF INTEREST MANAGEMENT POLICY WITHIN INSURANCE CONTRACT**

**1. Definitions Associate** means in relation to a juristic person, which is a company, 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. In relation to a natural person, means a person who is 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 adopted child and a child 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 in a commercial partnership with that person. **Bramiche Trading CC**, Registration number 2006/011958/23, an Authorised Financial Services Provider, FSP No 25580 **Conflict of interest** means any situation in which a financial services provider or a representative 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 financial services 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.

**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; any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier; any arrangement between two or more product suppliers. **Employees** mean internal members of staff, including contractors of BRAMICHE. **Financial interest** means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, incentive, or valuable consideration, other than –

- an ownership interest;
- training, that is not exclusively available to a selected group of financial services providers or representatives, on –

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- 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.

**Fair Value** has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 1973 (Act No. 61 of 1973). **FAIS Act** means the Financial Advisory and Intermediary Services Act, no 37 of 2002, as amended. **Financial Services Provider** means any person, other than a representative, who as a regular feature of the business of such person –

- furnishes advice; or
- furnishes advice and renders any intermediary service; or
- renders an intermediary service.

**FSCA** means the Financial Sector Conduct Authority, a regulatory body established in terms of the Financial Sector Regulation Act, Act 9 of 2017, or its predecessor, the Financial Services Board, established in terms of the Financial Services Board Act, Act 97 of 1990. **Holding Company** means a holding company as defined in section 1(4) of the Companies Act, 1973 (Act No. 61 of 1973). **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 in that calendar year received by –

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

**Ownership interest** means –

- any equity or ownership interest, for which fair value was paid by the owner, other than equity or an ownership interest held as an approved nominee on behalf of another person; and
- includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

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**Representative** means any person who renders a financial service to a client for or on behalf of a financial services provider, in terms of conditions of employment or any other mandatory agreement, but excludes a person rendering clerical, technical, administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service-

- does not require judgment on the part of the latter person; or
- does not lead a client to any transaction in respect of a financial product in response to general enquiries.

**Responsible Persons** means Directors, (including Non-Executive Directors), Managing Executive (including senior management), Heads of Control Functions and a significant owner of shares or financial interest in BRAMICHE. **Subsidiary** means a subsidiary as defined in section 1(3) of the Companies Act, 1973 (Act No. 61 of 1973). **Third Party** means –

- a product supplier;
- another financial services provider;
- an associate of a product supplier or a financial services provider;
- a distribution channel; or

any person who in terms of an agreement or arrangement with a person who provides a financial interest to a financial services provider or its representatives. **2. The Regulatory basis for this policy** Board Notice 58 of 2010, as issued by the FSCA in terms of the FAIS Act, sets out various Conflict of Interest management requirements. These provisions apply to all authorized financial services providers who are required to adopt a Conflict-of-Interest Management Policy which caters for measures to identify, avoid and/or mitigate actual and potential conflicts of interest. It is the responsibility of BRAMICHE Management and of all Responsible Persons and Employees of BRAMICHE to comply with this policy proactively, and in good faith, declare an actual or potential conflict of interest, and to seek advice in cases of uncertainty. **3. Identification of conflict-of-interest** BRAMICHE employs the following mechanisms to ensure that all conflicts are identified: 3.1 Before a new business arrangement is concluded, consideration is given to whether the proposed arrangement will present any potential conflict of interest.



3.2 The Managing Director and Financial Director sign off all agreements which are pre-vetted by the Legal Department and monitored for performance on an ongoing basis by the Legal Department in conjunction with the Heads of Department to which such contract pertains to ensure that these contracts and relationships influence BRAMICHE's: –

- objective performance towards its clients
- BRAMICHE to render fair and unbiased financial services toward its clients
- BRAMICHE to act in the best interest of the client.

3.3 All Representatives are responsible for identifying instances of conflict of interest and are required to notify their Business Unit Manager and/or the Financial Director of any conflicts they become aware of. 4. **Avoidance and mitigation of conflict of interest** Once a conflict of interest has been identified it should be appropriately and adequately managed. The Business Unit Manager and Manager responsible for the affected area will consider whether any practical means exists for avoiding such conflict of interest. Where this is not practical, the Business Unit Manager will consult with the Managing Director and Financial Director to devise appropriate and adequate measures to mitigate and manage the identified conflict of interest. The resulting mitigating and managing measures will be documented and communicated to all staff involved in managing the relationship to ensure that the risk of the identified conflict of interest is appropriately managed and does not recur. Refer to the diagrammatic representation in Annexure A. BRAMICHE has various internal policies to manage and mitigate conflicts of interest. These internal policies govern the ethical conduct of Responsible Persons and Employees in the following manner: Code of Ethics: Ethical conduct for Responsible Persons, Representatives and other Employees:

- The Code of Ethics is accepted and signed by all Responsible Persons and Employees of BRAMICHE upon engagement;
- Employees and Responsible Persons must maintain integrity in their dealings with customers and suppliers;
- Employees and Responsible Persons must avoid any activities that may lead to an actual or perceived conflict of interest within the business of BRAMICHE;
- In accepting business or entering contracts, Responsible Persons must observe the highest standards of integrity and act in the best interests of the company and the customer;
- Employees and Responsible Persons may neither support nor solicit loans, gifts in cash or in kind, free-of-charge services or any other favours from any current or prospective business partner,

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- Employees and Responsible Persons must not deliberately give inadequate or misleading descriptions of products, services; and
- Employees and Responsible Persons must maintain the confidentiality of information received from insurers, customers, suppliers and intermediaries.

Gift policy:

- The provision or acceptance of gifts and corporate hospitality by an Employee is acceptable provided that any such gift or hospitality received does not exceed the maximum of R1 000 per year from any one insurer, as stipulated in Board Notice 58 of 2010;
- As required by the Code of Ethics of BRAMICHE, individual gifts with a monetary value in excess of R200 are to be recorded in the Gift Register for all employees.
- All gifts received by a Representative are to be recorded in a separate Gifts Register for Representatives which is maintained by the Compliance Department.

**5. Disclosure of conflicts of interest** BRAMICHE or a Representative will, in writing, at the earliest reasonable opportunity disclose to a client any potential conflict of interest in respect of that client. The disclosure must include:

- The existence of the conflict of interest;
- A description of what the conflict is;
- Its impact;
- The measures taken to mitigate and manage it; and
- The customer's free choice whether he/she wishes to continue with procuring the product.

The onus is on Responsible Persons and Representatives who are subject to this policy to ensure that proper disclosure is made in respect of a conflict of interest, despite this being contained in the product fulfilment documentation. **6. Processes, procedures and internal controls to facilitate compliance** The Executive Management of BRAMICHE must ensure that the policy is implemented. Training for all affected staff will be provided by the Compliance Department to ensure that they understand their responsibility at BRAMICHE under this policy. BRAMICHE Management and the Compliance Department will monitor compliance with this policy and will perform the necessary reviews in consultation with Executive Management to ensure that effective and appropriate procedures and processes are in place in order to comply with the policy.



BRAMICHE Management in conjunction with the Compliance Department will facilitate an annual review of this policy to ensure that it remains relevant and appropriate to meet the statutory requirements. **7.**

**Financial interests offered to Representatives** at BRAMICHE may offer sales incentives to its Representatives, in addition to their basic salary, based upon a combination of:

- The quantity of the business introduced and the achieving of set targets; and
- The quality of the services rendered to customers (as measured by the BRAMICHE Quality Assurance process).

**8. Financial interest offered by BRAMICHE to third parties** BRAMICHE may only offer the following financial interests to third parties:

- Commission authorised under the Short-term Insurance Act;
- Fees that are reasonably commensurate with the service being rendered and authorised under the Short-term Insurance Act;
- Fees for rendering a financial service in respect of which no commission or fees are paid, if those fees are specifically agreed to in writing by the client and may be discontinued at the discretion of the client;
- Fees or remuneration for the rendering of a service by a Third Party, which fees or remuneration are reasonably commensurate to the service being rendered;
- Any immaterial financial interest as defined in the FAIS General Code of Conduct; and
- Any other financial interest, for which consideration that is reasonably commensurate with the value of the financial interest, is paid by BRAMICHE or a Representative at the time of receipt thereof.

**9. List of Associates of BRAMICHE** A list of Associates is available on request at the registered office of BRAMICHE. **10.** BRAMICHE does not hold any ownership interest in third parties. **11. Consequences of non-compliance with the policy** The Conflict-of-Interest Policy is provided to all Representatives and Employees. All Representatives and staff are required to read this policy and sign a statement confirming that they have read and fully understood the provisions of the policy and the application thereof. Failure to comply with the provisions of this policy by any Representative or staff shall constitute serious misconduct and will result in disciplinary action being initiated against them. Avoidance, limitation or circumvention of this policy will be deemed serious non-compliance.

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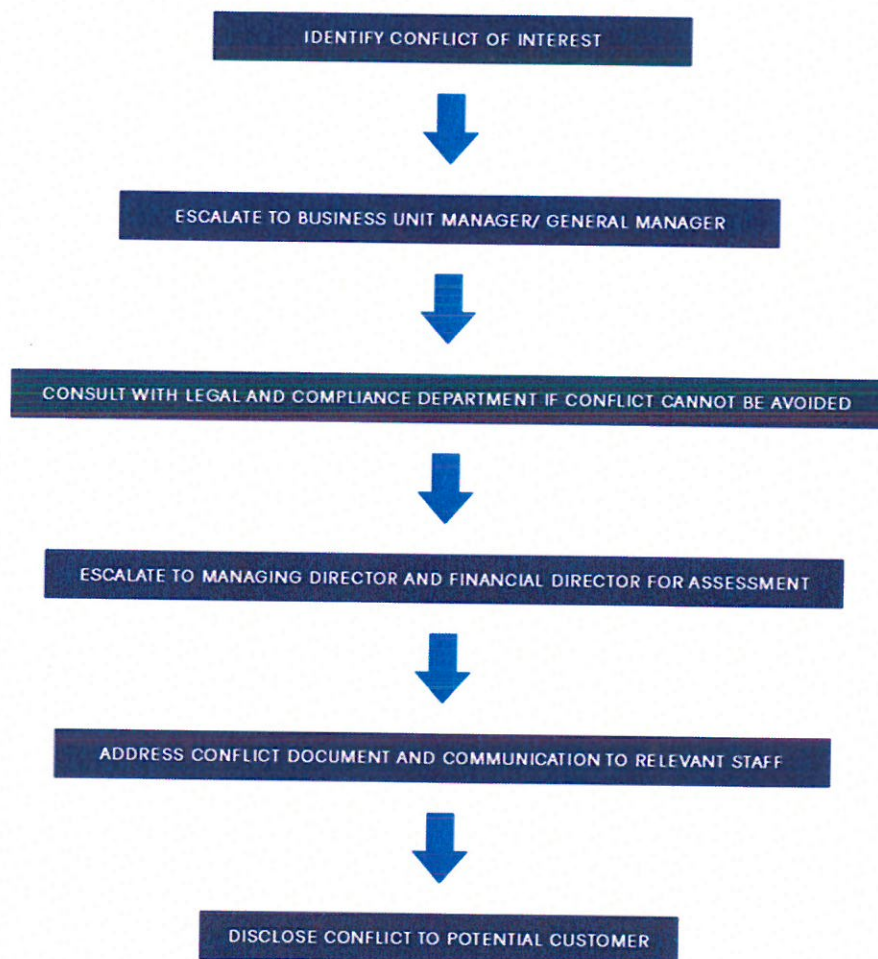
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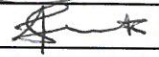
**13. Policy Review** the policy is subject to regular review and approval by the Boards of Directors of BRAMICHE.

Any proposed interim changes must be approved by the Executive committee of BRAMICHE after recommendation from the Compliance Department. **Annexure A**





SIGNED AND ADOPTED BY the Key Individual and Bramiche Management Team:

Name & Surname	Title	Signature	Date
Mr Bradley Niel Usher	D Director/Key Individual		01/06/2021
Ms Anastasia Nancy Sedith	G General Manager/ IO		01/06/2021
Mrs Alricia Elvidene May	G Team Leader/ Deputy IO		01/06/2021

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