



COMPLIANCE - ONE GROUP COI POLICY

1. INTRODUCTION

This policy forms part of the Risk Management Framework for One Insurance Underwriting Managers (Pty) Ltd (ONE) and all ONE Group subsidiary companies. This policy is applicable to all directors, managers and any employees within One Group of Companies. Any queries relating to this policy can be directed to your immediate manager or the compliance officer.

The directors, managers and employees of One Insurance Underwriting Managers (Pty) Ltd (ONE) and all ONE Group subsidiary company directors, managers and employees 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. ONE 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.

A list of all companies within the ONE Group may be made available on request.

Definitions in terms of the ONE Conflict of Interest Management Policy

Conflict of Interest means any situation where any one of the directors, managers and employees of the ONE Group of Companies may have an actual or potential interest that may, in rendering a financial service to an existing or potential customer, broker and service provider, influence the objective performance of our obligations to an existing or potential customer, broker and service provider, or where it prevents our directors, managers and/or employees from rendering an unbiased and unfair financial service to an existing or potential customer, broker 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. A product supplier, or
- b. A broker, intermediary or agent, or
- c. An associate of a broker, intermediary, supplier or agent, or

- d. A distribution channel, or
- e. Any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to
- f. 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 One Insurance Underwriting Managers (Pty) Ltd (ONE) and all ONE Group subsidiary company directors, managers and employees.

3. COMPLIANCE

- 3.1. The Group's compliance function is established as part of its risk management framework.
- 3.2. 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.
- 3.3. 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.
- 3.4. 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.
- 3.5. The Compliance Officer has access to the "Conflict of Interest and Gifts Register" to facilitate compliance with the requirements of this policy.
- 3.6. In terms of the Code, all directors, managers and employees of the ONE Group of Companies 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 ONE.
- 3.7. All directors, managers and employees of the ONE Group of Companies 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
- 3.8. The areas of conflicting interest listed in 4 below and the relations in those areas which may give rise to conflict are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that employees will recognize such areas and relation by analogy. It is this company's policy to identify all possible areas of potential or actual conflict and list them. For this reason, it is every employee's responsibility to report possible unidentified conflicts to the managing director for evaluation and where necessary inclusion in this policy.

4. CONFLICT OF INTEREST

- 4.1. A Conflict of Interest may occur when an employee or representative does not act objectively or does not render an unbiased or unfair 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.
- 4.2. All directors, managers and employees of the ONE Group of Companies must avoid representing the company in any transaction with others with whom there is an outside business affiliation or relationship.
- 4.3. All directors, managers and employees of the ONE Group of Companies must avoid using their company contacts/official position to advance their private business/personal interests at the expense of the company, its clients or affiliates.
- 4.4. Any action 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.

- 4.5. Personal Interests which may include business relationships with immediate family members or relatives
- 4.6. Outside employment opportunities which includes activities like those which ONE is involved in.
- 4.7. Any work conducted/employment for clients/providers/suppliers etc... whether for reward or not, which could impair the independent judgment of the employee.
- 4.8. Any ownership interest in a service provider/supplier/competitor.
- 4.9. Participating in any activity which may lead to an actual or potential perception of unauthorised disclosure of confidential information.

5. MANAGING POTENTIAL AND ACTUAL CONFLICT OF INTEREST

It is our intention to identify any potential conflicts of interest, assess and determine the extent of the conflict and if necessary implement an appropriate response to such conflict.

Any potential conflict of interest must be brought to the attention of a manager and then the Compliance Officer, only the managing director or CEO may decide as to whether the conflict is acceptable or not, and to implement the necessary steps to mitigate the non-compliance.

Included in the prohibitions is any activity which could be deemed a breach of confidentiality or disclosure of personal information without the necessary written or legal authorisation.

The purpose of these actions is to ensure that our clients are fully protected from undue and uncompetitive behaviour by any FSP and/or its representatives. The objective is to ensure that at all times the client receives the best possible advice/ intermediary service which is best suited to their individual requirements.

6. IDENTIFYING CONFLICT OF INTEREST

At a business level all relationships are strictly in accordance with the regulation and any deviation will be corrected as soon as we are aware of it.

Examples of non-compliance would be:

- Any relationships which result in a fee being paid which is not commensurate with the service they provide and non-complaint with the guidelines as set out by the regulator
- Breach of confidentiality
- Breach of the immaterial financial interest regulation
- Paying of commissions which exceed the regulated caps
- Paying for travel expenses or accommodation for any FSP

At an individual level, all staff are required to notify the compliance officer of any gifts/preferential rates/treatment which they may receive as a direct result of ONE doing business with such service provider or FSP. All staff are remunerated by a monthly salary and this is not dependant on any incentive scheme.

7. PROCESSES AND PROCEDURES FOR COMPLIANCE

7.1. The following internal procedures must be followed:

- 7.1.1. Each director, manager, or employee within the ONE Group of Companies 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.

- 7.1.2. 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.
- 7.1.3. Completion of the “Honesty, Integrity and Good Standing” questionnaire must be done annually and updated as soon as anything changes.
- 7.1.4. An assessment of possible conflicts of all directors, managers and employees of the ONE Group of Companies is conducted about 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.
- 7.1.5. Under no circumstances must a director, manager, or employee within the ONE Group of Companies 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. RECORD KEEPING

All records of instances of entertainment/gifting recorded by the Compliance Officer is kept for 5 years together with all communication with regards to notification of potential breaches and the mitigation thereof.

10. FINANCIAL INTERESTS

10.1. Financial interest disbursements

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

10.1.1. Commission authorised in terms of the Short-term Insurance Act, No 53 of 1998;

10.1.2. Commission authorised in terms of the Long-term Insurance Act, No 52 of 1998;

10.1.3. 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;

10.1.4. An immaterial financial interest which must be fully disclosed in the company's “Conflict of Interest and Gifts Register”.

10.2. Gifts and other benefits (This policy is to be read in conjunction with the ONE Terms and Conditions of Employment).

No directors, managers and employees of the ONE Group of Companies may accept gifts, financial interest or other benefits relating to 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):

10.3. Inbound financial interest

- 10.3.1. 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.
- 10.3.2. 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".
- 10.3.3. 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".
- 10.3.4. Invitations to business dinners within usual business practices may be accepted, however shall be recorded to ensure compliance with the immaterial financial component of this policy. This rule extends to invitations to entertainment functions such as sports events, shows or other social occasions may be accepted if they do not breach the immaterial financial interest component of this policy.
- 10.3.5. The payment of travel and accommodation costs by representatives or service providers is prohibited.
- 10.3.6. No directors, managers and employees of the ONE Group of companies 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.

Outbound financial interest

- 10.3.7. All gifts provided to service providers and FSP's must be registered and logged in the "Conflict of Interest and Gifts Register".
- 10.3.8. 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".
- 10.3.9. All gifts over the value of R1000.00 in the annual aggregate to any service provider or FSP is prohibited.
- 10.3.10. 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.
- 10.3.11. The payment of travel and accommodation costs for any service providers, brokers or other third parties is prohibited