

DELPHISURE GROUP INSURANCE BROKERS (CAPE) (PTY) LTD



CONFLICT OF INTEREST

Delphisure is committed to complying with the regulatory requirements governing Conflict of Interest under the FAIS General Code of Conduct and ensuring that conflicts of interest are appropriately managed in the best interests of our partners and policyholders.

A conflict of interest may arise where a company, or one of its employees, is providing a financial service to its clients and may entail a material risk of damage to those clients interests, and whether the company or its employee:

- △ Is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- △ Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- △ Has a financial or other incentive to favour the interest of another client, or group of clients, over the interests of the client;
- △ Carries on the same business as the client; or
- △ Receives or will receive from a person other than the client, an inducement in relation to a service provided to the client, in the form of monies, goods or services, other than the standard commission or fee for that service.

DEFINITIONS OF CONFLICT OF INTEREST (COI)

"Conflict of interest" means any situation in which a 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 provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client, including, but not limited to a financial interest; ownership interest or any relationship with a third party;

"Financial interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than an ownership interest or training, that is not exclusively available to a selected group of providers or representatives, on products and legal matters relating to those products; general financial and industry information or specialised technological systems of a third party necessary for the rendering of a financial service; but excluding 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 R 1, 000.00 in any calendar year from the same third party;

"Third party" means a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel and any other person who in terms of an agreement provides a financial interest to a provider or its representatives.

THE MANAGEMENT OF COI

Mechanisms for the identification of COI

All new business arrangements are evaluated to determine if it will present any potential conflict of interest. It is the responsibility of the Key Individuals to ensure that this identification process is carried out and appropriately documented before the relationship progress.

Key Individuals will be accountable to ensure that the necessary review of all existing business arrangements are conducted at least annually to assess the ongoing conflict of interest in the light of changing circumstances, operational processes and procedures that may have been implemented since the commencement of the business.

Measures for the avoidance and mitigation of identified COI

Whenever any potential conflict of interest is identified, the Representative responsible for the relationship will consider whether any practical means exist for avoiding such conflict of interest. Where this is not practical, the Key Individual will consult with the Compliance Officer 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 to ensure that the risk of the identified conflict of interest is appropriately managed.

Measures for the disclosure of COI

Wherever potential conflict of interest is identified, the key individual will ensure that appropriate communication regarding the following aspects is included in the disclosure information and documentation provided to potential clients before acceptance of the new business:

- △ 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 client's free choice whether he/she wishes to continue with engagement.

The process shall be initiated by the representative under the administration profile of a client portfolio, recording such actions in the client file, the office conflict of interest control files and elevate the matter to Key Individuals where conflict resolution is further required.

FINANCIAL INTEREST OFFERED BY DELPHISURE TO THIRD PARTIES

- △ Commission authorized under the Long term or Short Term Insurance Act
- △ Fees that are reasonably in line with the service being rendered and authorised under the Long Term Insurance Acts
- △ Fees for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if those fees are specifically agreed to by a client in writing; and may be stopped at the discretion of the client;
- △ Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably in line with the service being rendered;
- △ Any immaterial interest as defined in the FAIS General Code of Conduct; and
- △ Any other financial interest, for which consideration that is reasonably in line with the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.