



## **CONFLICT OF INTEREST POLICY FOR RISK BENEFIT SOLUTIONS (PTY) LTD**

The purpose of the "Conflict of Interest Management Policy" is to identify any potential conflicts as described in Board Notice 58 of 2010 and disclose how the conflicts will be mitigated if not avoidable.

### **Adoption of policy by the Board of Directors**

The policy was adopted by the Board as per the monthly management meeting minutes dated 9 May 2011.

1

### **Accessibility of "Conflict of Interest Management Policy" and method of publication**

The policy is accessible in electronic format at our offices or it can be viewed by visiting our offices whereby a printed copy is available.

## TABLE OF CONTENTS

1.	BACKGROUND.....	3
2.	DEFINITIONS .....	4
3.	CONFLICT OF INTEREST MANAGEMENT .....	7
4.	REMUNERATION MODEL.....	7
5.	MECHANISMS FOR THE IDENTIFICATION OF COI.....	9
6.	AVOIDANCE.....	12
7.	MITIGATION .....	13
8.	DISCLOSURE .....	16
9.	INTERNAL CONTROLS.....	16
10.	CONSEQUENCES OF NON-COMPLIANCE .....	18
11.	ANNEXURE A .....	20
12.	ANNEXURE B (ATTACHED)Open for viewing on request .....	21
13.	ANNEXURE C (ATTACHED)Open for viewing on request .....	22
14.	ANNEXURE D (ATTACHED ONLY) Open for viewing on request .....	-
15.	ANNEXURE E .....	23
16.	ANNEXURE F .....	24

## **BACKGROUND**

The Financial Services Board (FSB) published amendments to the General code of Conduct for Authorised Financial Services Providers in Board Notice 58 of 2010 (Government Gazette 33133 19<sup>th</sup> April 2010).

### **These amendments introduced -**

- Principle based regulations to ensure better management of conflict of interest.
- Prohibition of certain financial interests in addition to management responsibility to manage conflict of interests, which, according to the FSB, were necessitated by the inherent culture of non-compliance.
- Non-interference with employee-employer relationships.
- Guidelines to ensure conflict of interest management.

### **The objective of this document is to –**

- Comply with the legislation.
- Disclose any conflict of interest and how it is managed.
- Disclose the process of conflict of interest management.

# CONFLICT OF INTEREST DEFINITIONS

## DEFINITIONS

### 1. "Associates" means -

- a) in relation to a natural person, means –
  - i) a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
  - ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
  - iii) a parent or stepparent of that person;
  - iv) 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
  - v) a person who is the spouse, life partner or civil union partner of a person referred to in (ii),(iii) and (iv)
  - vi) a person who is in a commercial partnership with that person
- b) in relation to a juristic person,
  - i) 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.
  - ii) which is a closed corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act.
  - iii) Which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
    - had such first-mentioned juristic person been a company; or
    - in the case where that other person, too, is not a company, had both the first mentioned juristic person and that other juristic person been a company
  - iv) 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 Conflict of Interest Committee of such juristic person is accustomed to act.
- c) in relation to any person,
  - i) 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 Conflict of Interest

Committee is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph

ii) includes any trust controlled or administered by that person

1.1 List of Associates

1.1.1 Annexure B (Refer to the "G" Drive/FAIS/Conflict of Interest/List of Associates & Suppliers).

2. **"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:

a) influence the objective performance of his, her or its obligations to that client;  
or

b) Prevent a 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 -

i) a financial interest;

ii) an ownership interest;

iii) any relationship with a third party

**2.1 Financial Interest** – (Refer to "G" Drive/FAIS/Conflict of Interest/Finance Spreadsheet)

**2.2 Ownership Interest** – Risk Benefit Investment Holdings (Pty) Ltd.

3. **"Third party" means –**

a. Product supplier (All insurers and will in future include Underwriting Managers).

b. Another provider (Broker or Underwriting Manager)

c. An associate of (i) and (ii).

d. Distribution channel (part of group of brokers).

e. Any person associated with (a) to (d) who provides a financial interest.

4. **"Distribution channel" means –**

a) 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

b) 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

c) 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

**5. “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 –

a) an ownership interest;

b) training, that is not exclusively available to a selected group of providers or representatives, on –

i) products and 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 accommodations associated with that training.

6

**6. “Immaterial Financial Interest”**

All “gifts” of a defined nature in excess of R50 are declared monthly and entered into the gifts register accessible on the “G Drive”.

Our policy refers to the following issues:

- We are not prepared to accept gifts in whatever format - be it a lunch or golf day.
- Representatives of RBSKB are still permitted to socialise with members of the industry, but they have to pay their own way and claim back from RBSKB on an expense claim form accessible on the “G Drive” (Refer to FAIS/Registers/RBSKB Gift Register).
- The aggregate limit is R1 000, from any one source per financial year.

**7. Ownership interest**

a. Risk Benefit Investment Holdings (Pty) Ltd is the 100% shareholder of Risk Benefit Solutions (Pty) Ltd.

b. Motivation and proof of the above mentioned shareholder – see Annexure C (Refer to “G” Drive/FAIS/Conflict of Interest/Annexure C Proof of Ownership Interest).

## 8. Conflict of interest management

In terms of the General Code of Conduct a provider and a representative will avoid, and where this is not possible, mitigate any conflict of interest between the provider and a client or the representative and a client.

In order to adhere to this requirement, RBS will ensure that adequate arrangements are in place for the management of conflicts of interests that may arise wholly or partially, in relation to the provision of any financial services to clients by RBS, or any Representative of RBS, as part of the financial services business of RBS.

### **The conflict of interest management policy contains the following provisions:**

- Mechanisms for the identification of conflicts of interest.
- Measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.
- Measures for the disclosure of conflicts of interest.
- The processes, procedures and internal controls to facilitate compliance with the policy.
- Consequences of non-compliance with the policy by the provider's employees and representatives.
- The basis on which a representative will qualify for a financial interest.
- A list of all the RBS's associates.
- A list of all parties in which RBS holds an ownership interest.
- A list of all third parties that holds an ownership interest in RBS.

7

## 9. Remuneration model for Representatives

### **Method of remuneration**

- a. Representatives will receive a salary as the main part of their remuneration. Any additional incentives for new business acquisition will be based on quality as well. Compliance with the requirements of FAIS forms an important part of their job descriptions and performance reviews.
- b. The employment contracts for all representatives excludes any reference to financial interest for Preference of quantity to quality; preference to a specific product supplier where more than one may be recommended; and

preference to a specific product of a product supplier where more than one may be recommended.

### **How quality is measured**

Quality will be measured by determining whether the representative complied with the General code of Conduct –

- Disclosure in terms of Section 4, 5 and 7
- The process of advice and suitability being –
  - Introduction (GCOC Section 5 disclosure)
  - Gathering of Information
  - Initial service agreement
  - Analysis of information
  - Selection of suitable financial products
  - Recommendation and motivation
  - Disclosure of Conflict of Interest (Product supplier template Annexure E)
  - Receiving instructions from client
  - Explaining the cover chosen (Section 7 disclosure)
  - Record of Advice (Record of Mutual Understanding)
  - Giving instructions to insurer
- All new business must be entered on an activity list per representative and the files checked must be signed off by the Key Individual
- The Key Individual in charge must take a sample of files and check them monthly as set out above
- The Compliance Officer will likewise check a sample of the files as well as renewals, quotations and general amendments
- The accountant must monthly supply a listing of the payments made to representatives and any variance must be explained
- Any incentive payment must be motivated and quality highlighted from the files checked by the KI authorising payment of the incentive.

The Compliance Officer will check the remuneration payable to representatives to ensure that the procedures have been complied with.

## **Avoidance of preferential treatment of suppliers and/or specific products**

The procedure above will equally apply to this section specifically where a binder in whatever format exists.

## **Monthly monitoring of remuneration and supervision of transactions leading to additional incentives**

- a. The accountant must monthly supply a listing of the payments made to representatives and any variance must be explained
- b. The Compliance Officer will check the remuneration payable to representatives to ensure that the procedures have been complied with and that files substantiating quality has been signed off.

## **10. Conflict of interest management policy**

### **10.1 Mechanisms for the identification of conflicts of interest:**

The mechanisms implemented to identify actual or potential conflicts of interests for RBS are:

- The Conflict of Interest Committee of RBS conducts quarterly reviews on all contracts held with 3rd parties and re-examines whether this relationship influences RBS's objective performance towards its clients
- The Conflict of Interest Committee of RBS conducts quarterly reviews on all contracts held with 3rd parties and re-examines whether this relationship influences RBS's ability to render fair and unbiased financial services towards its clients
- The Conflict of Interest Committee of RBS conducts quarterly reviews on all contracts held with 3rd parties and re-examines whether this relationship influences RBS's ability to act in the interest of the client
- The Conflict of Interest Committee of RBS conducts quarterly reviews on all relationships held with 3<sup>rd</sup> parties, where an ownership interest is present, and re-examines whether this relationship influences RBS's objective performance towards clients
- The Conflict of Interest Committee of RBS conducts quarterly reviews on all relationships held with 3<sup>rd</sup> parties where an ownership interest is present, and re-examine whether this relationship influences RBS's ability to render fair and unbiased financial services towards its clients

- Declarations are signed by all Key Individuals confirming the presence or absence of any actual or potential conflict of interest on a quarterly basis.
- A list of all RBS's associates is attached as Annexure B hereto and is updated annually.
- A list of all parties in which RBS holds an ownership interest is attached as Annexure C hereto and is updated annually.
- A list of all third parties that holds an ownership interest in RBS is attached as Annexure C hereto and is updated annually.
- All gifts received from 3rd parties, with an estimated value of R50 or more, are recorded in RBS's gift register which is kept on RBS's compliance file.
- All employees must disclose in writing to the Conflict of Interest Committee of RBS on an on-going basis, any conflicts of interest that they may become aware of.
- All records associated with the identification of actual or potential conflict of interests is kept on the compliance file which is available for inspection purposes.

**The mechanisms implemented to identify actual or potential conflicts of interests for Representatives are:**

- Declarations are signed by all Representatives confirming the presence or absence of any actual or potential conflicts of interest on a quarterly basis.
- All Representatives will disclose in writing to the Conflict of Interest Committee of RBS on an on-going basis, any conflicts of interest that they may become aware of.

**Representatives:**

Throughout the process of rendering a financial service to a client, the Representatives of RBS will apply his or her mind to answering the following questions:

- "Is there any situation that exists that influences the objective performance of my obligations to my client"?
- "Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client"?
- "Is there any situation that exists that prevents me from acting in the interest of my client"?

- If the answer to any one of these questions is “no” - No further action would be required
- If the answer to any one of these questions is “yes” - The following two questions must also be answered:
- “Is the situation caused by an actual or potential relationship with a 3rd party”? (see definition of 3<sup>rd</sup> party)
- “Is the situation caused by an actual or potential financial or ownership interest”? (see definition of financial and ownership interest)
- If the answer to any one of these questions is “yes” - An actual or potential conflict of interest has been identified (note that a conflict of interest is not limited to a financial or ownership interest)

**Key Individuals:**

Throughout the process of rendering a financial service to a client, the Key Individuals of RBSKB will apply his or her mind to answering the following questions:

- “Is there any situation that exists that influences the objective performance of the representative's obligations to his or her client”?
- “Is there any situation that exists that prevents the representative from rendering an unbiased and fair financial service to his or her client”?
- “Is there any situation that exists that prevents my representative from acting in the interest of his or her client”?
- If the answer to any one of these questions is “no” - No further action would be required.
- If the answer to any one of these questions is “yes” - The following two questions must also be answered:
- “Is the situation caused by an actual or potential relationship of the FSP with a 3rd party”? (see definition of 3rd party).
- “Is the situation caused by an actual or potential financial or ownership interest of the FSP”? (see definition of financial and ownership interest).
- If the answer to any one of these questions is “yes” - An actual or potential conflict of interest has been identified (note that a conflict of interest is not limited to a financial or ownership interest)

## **10.2 Measures for avoidance of conflicts of interest:**

In terms of Section 3A(2)(b)(i)(bb) of the General Code of Conduct, a conflict of interest management policy will provide measures for the avoidance of conflicts of interest, and where avoidance is not possible, the reasons therefore and the measures for the mitigation of such conflicts of interest.

**Once an actual or potential conflict of interest has been identified the following measures will be followed in order to determine whether the conflict of interest is avoidable:**

- The Conflict of Interest Committee of RBS will convene and review the actual or potential conflict of interest in an open and honest forum;
- All information surrounding the actual or potential conflict of interest will be disclosed to all interested parties;
- All information surrounding the actual or potential conflict of interest will be disclosed to RBS's Compliance Officer.

**The following consequences will be considered during the review process:**

- The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on clients.
- The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on the integrity of the financial services industry.
- The consequences of both avoidance and unavailability as well as the subsequent negative impact it will have on RBS.
- The Conflict of Interest Committee of RBSKB must apply its mind whether RBS can obtain a more advantageous transaction, contract or arrangement with reasonable efforts from a person or entity that would not give rise to a conflict of interest.
- If a more advantageous transaction, contract or other arrangement is not reasonably attainable under circumstances that would not give rise to a conflict of interest, the Conflict of Interest Committee of RBS shall determine by a majority vote whether the transaction, contract or arrangement is in the best interest of RBS and any affected client/s and accordingly make its decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination.

**If the Conflict of Interest Committee of RBS has determined that the actual or potential conflict of interest is avoidable, the following processes will be adhered to:**

- The Conflict of Interest Committee will approve, by a majority vote, the removal of the underlying cause of the actual or potential conflict of interest. The underlying cause of the actual or potential conflict of interest will be removed as soon as reasonably possible.
- Any negative impact on clients owing to the removal of the actual or potential conflict of interest will be kept to a minimum.
- The reason(s) why the actual or potential conflict of interest was determined to be avoidable will be recorded.
- All determinations and interventions as it pertains to the avoidance of the conflict of interest, will be documented and kept on the compliance file.
- Similar conflicts of interests will be avoided in the future.

**If the Conflict of Interest Committee of RBS has determined that the actual or potential conflict of interest is unavoidable, the following mitigation processes will be adhered to:**

- The Conflict of Interest Committee of RBS will convene and review an appropriate mitigation process given the unavoidability of the particular set of circumstances.
- The reason(s) why the actual or potential conflict of interest is considered to be unavoidable will be recorded and kept on the compliance file.
- RBS's compliance officer will be made aware of the conflict's unavoidability as well as the reasons for such said unavoidability.
- **The mitigation process will include the adoption of the following measures:**
- The actual or potential conflict of interest will remain only for as long as it is absolutely necessary given the unavoidability of the actual or potential conflict of interest.
- Alternative arrangements to a proposed transaction, contract or arrangement that is the subject of the conflict of interest will be investigated on a continuous basis.
- The rendering of financial services will at all times be conducted as to the best interest of the client (in as far as this is possible, given the unavoidability of the actual or potential conflict of interest).

- All representatives will be made aware of the actual or potential conflict of interest, and the reasons for its unavailability.
- Full disclosure of the actual or potential conflict of interest will be made to the client at the earliest reasonable opportunity.
- Full disclosure of the actual or potential conflict of interest will be made to the Financial Service Board during RBS's annual compliance report.

## **Disclosure of Conflicts of Interest**

Any potential conflict of interest is disclosed at the first reasonable opportunity which is usually when a quotation is presented to the client and recommendation of a product supplier is made.

This is obtained from the template for product suppliers or their agents/underwriting managers where full details of the financial interest are reflected. The client is supplied with a copy of this together with the quotation. Reference to the Conflict of Interest Management policy is also contained in the "Information on FSP" form supplied to the client. See Annexure "F".

**On the discovery and identification of a conflict of interest, and the subsequent determination of its unavailability, the following disclosure processes will be implemented on behalf of RBS:**

- Full disclosure of the actual or potential conflict of interest will be made to all the Key Individuals of RBS and where such information is provided orally, RBS will confirm such information in writing within 30 days.
- Full disclosure of the actual or potential conflict of interest will be made to all representatives of RBS.
- Full disclosure of the actual or potential conflict of interest will be made to the compliance officer of RBS.

**On the discovery and identification of a conflict of interest, and the subsequent determination of its unavailability, the following disclosure processes will be implemented on behalf of the client:**

- Full disclosure of the actual or potential will be made to the client at the earliest reasonable opportunity.

- The disclosure will be made before or when the financial service is provided, but in any case at a time that allows the client a reasonable time to assess its effect.
- The disclosure will be formulated in such a way as to be considered prominent, specific and meaningful to the client.
- The disclosure will be made in such a way as to allow the client to make an informed decision as to whether to continue with the financial services.
- The disclosure will indicate the nature of the relationship or arrangement with a 3rd party that gives rise to the conflict of interest.
- The disclosure will indicate whether the conflict of interest is based on a financial and/or ownership interest.
- The disclosure will indicate any ownership interest held with a product supplier in accordance with section 4(1)(d) of the General Code of Conduct.
- Where the disclosure is provided orally, the disclosure will be confirmed by email or fax within 30 days of such said disclosure.
- The written disclosure will be communicated by email or fax.
- The written confirmation of the disclosure will be provided by means of standard forms or format by email, in a clear and readable print size, spacing and format.
- The conflict of interest policy will be made available to the client by appointment at RBS's offices.
- RBS's gift register will be made available to the client by appointment at RBS's offices.

## INTERNAL CONTROLS

### a. Processes, procedures and internal controls:

In terms of Section 3A(2)(b)(i)(dd) of the General Code of Conduct, the conflict of interest management policy will provide processes, procedures and internal controls to facilitate compliance with the policy.

The processes associated with the implementation and continued compliance of the conflict of interest management policy will be performed by the Conflict of Interest Committee of RBS as well as the appointed Compliance Officer.

### b. Internal controls and processes include the following:

- The Conflict of Interest Committee of RBS will ensure that the policy is kept on the compliance file, and the appointed Compliance Officer will confirm its adoption as part of RBS's quarterly feedback report.
- The Conflict of Interest Committee of RBS will ensure that all relevant staff signs the policy, and the appointed Compliance Officer will confirm such signature as part of RBS's quarterly feedback report.
- The Conflict of Interest Committee of RBS will ensure that the Annexure section of this policy is completed, and the appointed Compliance Officer will confirm such completion as part of RBS's quarterly feedback report.
- The Conflict of Interest Committee of RBS will ensure the annual review of all contracts held with 3rd parties, and the appointed Compliance Officer will confirm such review as part of RBS's feedback report.
- The Conflict of Interest Committee of RBS will ensure that all declarations confirming the presence or absence of any actual or potential conflict of interests are signed on a quarterly basis, and the appointed Compliance Officer will confirm such declarations as part of RBS's quarterly feedback report.
- The Conflict of Interest Committee of RBS will ensure that a list of all RBS's associates is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of RBS's feedback report.
- The Conflict of Interest Committee of RBS will ensure that a list of all the parties in which RBS holds an ownership interest is attached hereto and

updated annually. The appointed Compliance Officer will confirm such update as part of RBS's feedback report.

- The Conflict of Interest Committee of RBS will ensure that a list of all third parties that holds an ownership interest in RBS is attached hereto and updated annually. The appointed Compliance Officer will confirm such update as part of RBS's feedback report.
- The Conflict of Interest Committee of RBS will ensure that all gifts received from 3rd parties, with an estimated value of R50 or more are recorded in RBS's gift register. The appointed Compliance Officer will confirm that such register is in place as part of RBS's quarterly feedback report.
- The Conflict of Interest Committee of RBS will ensure that all records associated with the identification of actual or potentials conflicts of interest are kept on the compliance file. The appointed Compliance Officer will confirm such records as part of RBS's quarterly feedback report.
- The Conflict of Interest Committee of RBS will ensure that the proper disclosure requirements are communicated to the client. The appointed Compliance Officer will confirm such disclosures as part of RBS's quarterly feedback report.

**The policy will be:**

- Overseen by the Conflict of Interest Committee of RBS who carries the responsibility for the implementation, reviewing and updating of the policy's associated processes.
- Reviewed at least annually, and where necessary, updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control conflicts of interest.
- Regularly reviewed by the appointed Compliance Officer, and where necessary, updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control conflicts of interest.
- The Annexure section of this policy will be reviewed, updated and signed by the nominated Key Individual on an annual basis.
- The Annexure section of this policy will be reviewed, updated and signed by the appointed Compliance Officer on an annual basis.

c. **Consequences of non-compliance:**

In terms of Section 3A(2)(b)(i)(ee) of the General Code of Conduct our conflict of interest management policy will provide for the consequences of non-compliance with the policy by RBS's employees and representatives.

If there is reason to believe that an employee or a representative has failed to disclose actual or possible conflicts of interest, RBS's Conflict of Interest Committee shall afford that person the opportunity to explain the alleged failure to disclose, following which, and in line with the FSP's own Code of Conduct, any non-compliance will constitute a first written warning after a disciplinary hearing. A second non-compliance will be a serious offence and can lead to the employee's employment being ended.

d. **Type and basis on which a representative will qualify in terms of Section 3A(1)(b):**

In terms of Section 3A(2)(b)(ii) of the General Code of Conduct, a conflict of interest management policy must specify the type of and the basis on which a representative will qualify for a financial interest that the provider will offer a representative and motivate how that financial interest complies with section 3A(1)(b).

Identify the type(s) of financial interest for which RBS's representatives qualify, and choose the appropriate corresponding financial interests below. The nominated Key Individual and appointed Compliance Officer will sign and date the Financial Interest Annexure on page 17 – Annexure A.

**RBS's representatives qualify for the following type(s) of financial interests:**

**Commissions:** as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act.

**Fees:** as 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 financial services in respect of which the abovementioned commissions and fees are not paid, provided that the client agreed to such fees 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 commensurate to the service being rendered.

**An immaterial financial interest:** (i.e. a 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 provider who is a sole proprietor, or a representative for that representative's direct benefit, or a provider who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives).

**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.

## **ANNEXURE A**

### **FINANCIAL INTEREST**

As Key Individual of RBS I, \_\_\_\_\_  
confirm the financial interests as indicated above and acknowledge compliance with  
section 3A(1)(b) of the General Code of Conduct.

\_\_\_\_\_  
Key Individual Signature & Date

\_\_\_\_\_  
Compliance Officer Signature & Last Review Date

**ANNEXURE B**  
**LIST OF ASSOCIATES & SUPPLIERS**

In terms of Section 3A(2)(b)(iii) of the General Code of Conduct, the conflict of interest management policy will include a list of all the RBS's associates.

**Associate's Name Type of Relationship**

As Key Individual of RBS I, \_\_\_\_\_

Confirm the list of the RBS's associates as indicated above.

\_\_\_\_\_  
Key Individual Signature & Date

\_\_\_\_\_  
Compliance Officer Signature & Last Review Date

**ANNEXURE C**  
**OWNERSHIP INTEREST**

In terms of Section 3A(2)(b)(v) of the General Code of Conduct, the conflict of interest management policy will include the names of any third parties in which the provider hold an ownership interest.

**Name of 3rd party in which RBS holds an ownership interest:**

**Nature and extent of ownership interest:**

As Key Individual of RBS I, \_\_\_\_\_

confirm the list of names of all third parties in which RBS hold an ownership interest.

\_\_\_\_\_

Key Individual Signature & Date

\_\_\_\_\_

Compliance Officer Signature & Last Review Date

## ANNEXURE E

### **Product Supplier (Insurer) Disclosure Notice**

*(Supplied in terms of Part III Section 4 of the General Code of Conduct)*

**The Insurer we have recommended is:**

<b>Name</b>	[NAME OF PRODUCT SUPPLIER] ("XXXXX")		
<b>FSP Licence No:</b>			
<b>Address-Physical</b>			
<b>Postal</b>			
<b>Telephone</b>			
<b>Contractual Relationship</b>	RBS has a written mandate from [xxxx] to provide financial services on Personal Lines and Commercial products. The [xxxxx] accepts no responsibility for the actions of RBS.		
<b>Conditions or Restrictions</b>	There are no restrictions placed on RBS by [xxxxxx]		
<b>Relationship with other suppliers</b>	RBS has a mandate from the following other product suppliers- 1.		
<b>Compliance Department</b>			
<b>Complaints Department</b>			
<b>Interest</b>	Holding more than 10% of shares of PS	Yes/No	
	Earning more than 30% of commission income from PS	Yes/No	

23

**Reason for recommendation:**

**Why we do business with this product supplier:**

**Description of Financial Interest:**

<b>From Supplier</b>		<b>From Client</b>	
Commission	X	Fees agreed with client	X
Service fees			
Reasonable rate of return			
Profit sharing			

**Conflict of Interest**

**Potential Conflict of Interest:**      Yes      No

**Can it be avoided?**                      Yes      No

**Mitigation:**

- Service improvement – shorter supply line
- Better infrastructure
- Selection and portfolio management (no subsidising)
- Policy wording and cover
- Premium rate stability

<b>ANNEXURE F: Information on Financial Service Provider (FSP): Risk Benefit Solutions (Pty) Ltd ("RBS")</b>	
Full Business and trade names	Risk Benefit Solutions (Pty) Ltd ("RBS")
Registration Number VAT Number	1999/021199/07 4430190183
Postal Address	PO Box 449, Cape Town, 8000 (CPT) PO Box 3111, Randburg, 2125 (JHB)
Physical Address	1 <sup>st</sup> Floor, Soho on Strand, 128 Strand Street, Cape Town, 8001 Unit 6, Peter Place, 24 Peter Place, Bryanston, 2125
Telephone	021 443 4400 0860 00 11 22 (JHB)
Fax	021 443 4444 0860 00 11 33 (JHB)
E mail	info@rbs.co.za
Contact	Michael Petersen – 021 443 4400
Directors	Michael Petersen, David Zetner, Michael Dorrington, Singeon Green, Lesley Richardson, John Kerby, Ian Meldrum, Jeff Singer and Michelle Davadoss
Legal and contractual status	RBS is a private company and employ both the contact persons as Key individuals and accept responsibility for their actions in the rendering of financial services. RBSKB is contracted as an intermediary to various product suppliers (insurers). The suppliers accept no responsibility for the actions of RBS. Details of the product supplier will be provided on the quotation or policy <b>together with any potential conflict of interest.</b>
Compliance Department	Compli-Serve SA Pty Ltd is a registered compliance practice who has outsourced its services under licence Number CO194 to RBS. The contact details are: 0861 273783 (CSERVE)
Financial services	RBSKB is authorised under licence 4903 (30/09/2004) to provide advice and render an intermediary service in the following categories: Category 1 – 1.2. Short term Insurance: Personal Lines 1.6. Short term insurance: Commercial Lines Only general restrictions apply to this licence (copy available)
Insurance	RBS holds Professional Indemnity Insurance for R50 million
Supervision	The contact persons are not rendering service under supervision
Exemptions	None
Complaints	RBS is committed to service excellence and values the relationship with clients. In terms of the FAIS Act you may lodge a complaint and we are committed to an effective and fair resolution of any complaints. You will be provided with a summary of the complaints procedure and your rights with your policy copy and a copy of the full Complaints manual is available if required.
Personal Interest	RBS do not earn more than 30% of total remuneration from, or hold more than 10% of the shares of, nor receive any non-cash incentives or any financial interest from any product supplier other than authorised commissions and fees.
Premium Obligations	The premium you have to pay as well as the frequency and method of payment is reflected on the initial quotation and thereafter on your policy schedule. Non-payment of premium on the due date will lead to cancellation of your policy subject to the 15 day period of grace. The onus is on you to ensure timeous payment of premiums to avoid automatic cancellation of your policy as a contractual consequence.
Excess	The quotation/policy schedule reflects the excess payable by you in the event of a claim. Ensure <b>that you</b> can afford the maximum excess.
Commission and fees	Fees are reflected on the quotation and thereafter on your policy schedule. Commission is prescribed by law at a maximum of 12.5% for Motor and 20% for Non-Motor business of the premium payable to us.
Confidentiality	Your information will be handled confidentially and will only be made available with your authorisation or where we are compelled by law. <b>Underwriting and claims</b> information is shared on an industry wide basis <b>to curb fraud.</b>
Conflict of interest	We will advise you should there be a potential conflict of interest but in all situations your interest will prevail. Our conflict of interest management policy <b>is</b> available <b>on request in electronic form.</b> We do not receive any financial interest other than commission and fees authorised under the Short Term Insurance Act thus avoiding any conflict of interest.

