

Conflict of Interest (COI) Management Policy for IUA Business Solutions (Pty) Ltd FSP no 15737

Management policy statement:

IUA Business Solutions (Pty) Ltd FSP no 15737 recognises the importance of operating in an open and transparent fashion in all aspects of the operation of our business. This includes dealings with other financial service providers, product suppliers (insurers), distribution channels and any other person that provide us with financial interest as part of the delivery of the financial service. We undertake to make every effort to ensure that we act in the best interest of our clients and in no way to allow our own interest, potential or actual to influence our objective performance and the delivery of unbiased and fair financial services to our clients.

A handwritten signature in black ink, appearing to read 'P. Rowe', with a stylized flourish extending to the right.

Paul B. Rowe

Chief Operating Officer

To whom does this policy apply?

Our policy applies to all employees, which will include:

- a) Senior management
- b) Middle management
- c) Junior management
- d) Permanent staff
- e) Contract staff
- f) Temporary staff

What do we deem to be a Conflict of Interest?

The cornerstone of our policy is based on the definition found in the Financial Services & Intermediary Services Act (FAIS). It defines a conflict as:

“any situation in which a provider or representative has an actual or potential interest that may in rendering the 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.*

Where can these potential conflict situations arise within our business?

- 1) Any product supplier (Insurer) with whom there is a business/ownership relationship.
- 2) Any other FSP's with whom there is a business/ownership relationship.
- 3) Any distribution channel with whom there is a business/ownership relationship.
- 4) Any other person or company that has a relationship (business /ownership) with us.
 - Any of above could be deemed Associate companies or 3rd party companies who may have an ownership interest in us. These companies are listed in a separate annexure in this policy.
- 5) With ourselves as a result of employment contract and remuneration policies.
- 6) Any other relevant relationship that may exist within the company.

How will we assess whether or not there are conflict situations within our business?

We will develop a management tool that will assist us in documenting the various relationships and arrangements that we currently have in place. These management tools will assist us to establish if a relationship/ arrangement creates a conflict or potential conflict in our business. If it is found that a relationship/arrangement does create a conflict or potential conflict, a decision will be taken as to whether this relationship/arrangement is to be avoided or mitigated. The decision will be recorded accordingly. These sections will be reviewed as part of the ongoing monitoring process followed by

our compliance officer and forms the basis of an ongoing reporting strategy to both ourselves and should the need arise to the Financial Services Board.

To assess what conflict situation we have we will firstly identify all situations that may lead to a conflict or potential conflict situation.

The situations we will scrutinise:

- 1) Associate relationships
 - companies with whom we have a relationship based subsidiary or holding company status
- 2) Third Party relationships
 - Product suppliers (insurers)
 - Other FSP's
 - Distribution channels
 - Suppliers outside the insurance environment (IT, stationery etc.)
- 3) Ownership interest
- 4) Financial interest paid from or to entities within these relationships
- 5) Immaterial financial interest paid to or from entities within these relationships
- 6) Staff remuneration policies

Above process will allow us to assess all our relationships and the assessment will be documented.

The data that will be collected will be reviewed to establish if a conflict or potential conflict was established.

If a conflict or potential conflict is established we will have to decide how to deal best with it. The options will be as follows:

- Avoidance – take away the situation which creates the conflict.
- Mitigate – put measures in place that acknowledge the conflict situation but implement measures to reduce its potential impact.
- Disclosure – formally provide details of the situation and what has been done to reduce or eliminate the situation itself.

Our strategy is where possible to avoid such conflict i.e. prevent it by physically removing the conflict situation.

In the case where we cannot avoid the conflict situation (ACTUAL OR POTENTIAL) the situation will be mitigated. We will thus put controls and measures in place to reduce the risk of a conflict arising.

In the event of disclosure of conflicts (includes potential conflicts) which involves our clients the standard that will be adopted will be of a higher level of formality. This formal disclosure will be given to our clients at “the earliest reasonable opportunity”.

Our disclosures will be clear, concise and effective.

Our disclosures will include:

- What conflicts (actual or potential) we have

- The measures we will be taking to avoid or mitigate the conflict
- Ownership interests
- Financial interest
- Details of the relationship and/or arrangements that exists that create the conflict (includes potential conflict)
- How to obtain our Conflict of Interest Management Policy

The results of the process and its ongoing monitoring

We have summarised the results in three (3) specific annexures:

- 1) Management policy summary of our conflict situations and actions taken
- 2) Associate companies – a listing of all such companies
- 3) 3rd Party companies with whom there is an ownership interest

How will we ensure that the policy will be understood and adhered to by all role players?

- ❖ This policy has been developed in conjunction with and formally approved by management. The adherence to and breach thereof are a standing agenda item on management meetings.
- ❖ Training for all affected staff will be provided to ensure that they understand their responsibilities under this policy.
- ❖ The policy will be published within the company and will be readily available to all staff, clients and other interested parties.
- ❖ Management and representatives will sign formal declarations relating to the understanding and agreement to adherence to this policy.
- ❖ Our compliance program will facilitate an annual review of this policy to ensure that it remains relevant and appropriate to meet the statutory requirements.
- ❖ Failure to comply with the provisions of this policy shall constitute an obligation to report non-compliance to the authorities.