



Independent Risk Distribution
SOUTH AFRICA (Pty) Ltd
2012/093979/07

CONFLICT OF INTEREST POLICY

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INTRODUCTION

1.1. PURPOSE AND OBJECTIVES

The purpose of this policy is to provide an overview on how we handle conflicts of interest within the company. The objective of this policy is to regulate and clarify conflict of interest within the workplace for all employees and to set guidelines in this regard. The policy further sets benchmarks for our employees and members as far as personal activities or interests which conflict or may conflict with their duty and loyalty to the Company.

1.2. SCOPE/FIELD/APPLICATION

This Policy applies to all stakeholders of the Company and exists to reflect our commitment to our policyholders by adhering to fair and ethical treatment of our policyholders and ensuring that conflict of interest is avoided where possible.

The Company ensures that our staff remain up to date on all policies and on how to deal with potential conflicts of interest according to our company values.

1.3. AVAILABILITY

The document is readily available to all stakeholders, and they shall be appropriately and adequately informed of its provisions. Access to internal procedures, documentation and policies is available to external stakeholders on request.

1.4. RESPONSIBILITY AND AUTHORITY

The responsibility of the implementation of this policy lies with all Managers, as well as the Compliance department.

POLICY

This policy reflects that the Company is committed to upholding the highest standards of ethical business conduct and expects the same from its employees, management, and Directors specifically when it could impact the interest of our policyholders. The Policy is intended to assist employees in making the right decisions when confronted with potential conflicts of interest and they are expected to exercise good judgement in all work-related matters.

Our employees are encouraged to avoid placing themselves in a position where personal interests may, or may appear to be, in conflict with those of the Company and our policyholders. This Policy by no means gives an exhaustive analysis of every conflict-of-interest situation that may arise, and only provide guidelines to our employees as to what constitutes or may constitute a conflict of interest to facilitate compliance when the conflict is unavoidable.

2.1. INTRODUCTION

The Company conducts its business honestly and ethically with due regard to the environment, the societies the Company operates in as well as all its stakeholders. The Company continually improves the quality of its services, products and operations and strives to create and maintain its reputation for honesty, fairness, respect, responsibility, integrity, trust, and sound business judgement.

Legal and ethical conduct on the part of officers, Directors, employees, or affiliates is in the Company's best interest.

The ethical performance of the Company is the sum of the ethics of the men and women who work here; thus, employees are all expected to adhere to the high standards of personal integrity.

2.2. CONFLICT OF INTEREST DEFINED

A conflict between an employee's interest and those of the Company could arise in several situations, including but not limited to the following:

- Where an employee acquires or has acquired an interest in an entity which is not owned or controlled by the Company, including, without limitation, by being a shareholder, member, Director, owner, trustee, or partner. This does not apply to investments in shares which are listed on a registered stock exchange.

- Doing business on behalf of the Company with any current or potential supplier, advisor, customer, competitor, or business associate of the Company in which the employee has an interest of any nature whatsoever.
- Accepting personal favours or any form of preferential treatment from any current or potential supplier, advisor, customer, competitor, or business associate of the Company.
- Entering into any agreement, arrangement or understanding with any third party to the detriment of the Company.
- Contracting with any third party, who is a current or potential supplier, advisor, customer, competitor, or business associate of the Company in his personal capacity or other than as a representative of the Company.
- Engaging in activities in his private capacity or other than as a representative of the Company which may impact adversely on his ability to fulfil his obligations to the Company whether as an employee, officer, or Director, with integrity and in the best interests of the Company.

2.3. GUIDELINES TO PERSONAL CONFLICTS

- An actual conflict of interest does not need to be present to constitute a violation of this Policy or the Company's Code of Conduct; an employee must also avoid activities or situations that create the appearance of a conflict of interest.
- All employees are expected to declare in writing to the Human Resources Department who will then declare to the Compliance Department via email to ensure record keeping, of their conflicts or potential conflicts of interests in companies/businesses that have no connection to the Company.
- Employees may not use the Company's business connections to in any way influence a personal gain.
- The Company employees shall:
 - At all times act in a fair and impartial manner.
 - Place the business needs of the Company first above their personal needs when dealing with matters related to the Company business.
 - Avoid financial, business, and other transactions or situations in which their personal interests might conflict with the Company business.
 - Conduct all business relationships in a professional, impartial, and competitive manner.
 - Avoid business dealings and personal relationships that cause or may cause conflicts of interest (actual or potential) or create the appearance of a conflict with their obligations to the Company.
 - Advise their Supervisor/Manager in writing of any outside activities, financial interests or relationships that may either involve such employee in a conflict of interest or the appearance of one.

- Obtain appropriate approval before accepting an officer or Directorship position with another Company or organisation.
- Exercise good judgment when deciding to offer or accept gifts and hospitality.
- Excuse themselves from any decision-making process where such employee(s) have an interest that influences, or is perceived as influencing, their ability to make an objective decision and to fulfil their responsibilities to the Company.
- Employees shall not:
 - Hold positions in organisations that have business dealings with the Company (including competitors, customers, suppliers, employees' own companies or businesses of employees' family members) if they can influence transactions or if the relationship itself creates an actual, potential, or perceived conflict of interest.
 - Hire, promote, or directly supervise a close relative, unless this has been specifically authorised.
 - Offer or accept gifts or hospitality from an organisation involved in a bid or tender with the Company.
 - Request a personal gift or hospitality of a supplier, customer, or partner. This includes both direct requests and giving the impression that the offering of a gift or hospitality would be appropriate or desirable.
 - Misuse the Company's resources or a position or influence at the Company to promote or assist an external activity.
 - Personally, pursue or undertake any opportunities the Company could have an interest in and that are identified through a sub-employee's position at the Company or use of the Company information or property.
- Examples of prohibited conflict of interest include, but are not limited to:
 - Acting independently as a consultant to the Company customer/client while employed by the Company.
 - Having a personal interest or potential for gain in any of the Company's transactions.
 - Doing business for and on behalf of the Company with related parties for their benefit.
 - Using the Company assets, intellectual property, or proprietary information for personal gain.

2.4. MANAGING CONFLICT OF INTEREST

- When any staff member of the Company suspects a potential conflict of interest, that member shall be obliged to discuss the matter with his immediate Supervisor.
- All decisions made must be reported on at least a weekly basis to the Chief Executive Officer and Compliance Department, by the most senior person involved in that decision.

- Material conflicts must be discussed with the Executive before any decision is made. Only the Chief Executive or person authorised by him may take the final decision regarding a material conflict.
- The Company will not be responsible for any illnesses, deaths or damages caused by any form of Conflict of Interest.

2.5. FINANCIAL SERVICES REPRESENTATIVES REMUNERATION

Financial services representatives must render fair and unbiased services and advice to all clients. The Company shall not incentivise representatives in a way that may create a conflict between the interest of a client and a representative.

Representatives shall disclose of all fees and ensure clients fully understand and agree to fees payable and services that they can expect in return for those fees.

The Company shall ensure that the payment of those fees do not result in the provider or representative being remunerated more than once for performing a similar service to the same client on the same cover and the payment of these fees does not impede the delivery of fair outcomes to the client.

2.6. CLINICAL STAFF INCENTIVES AND REMUNERATION

The Company shall not incentivise clinical staff or any staff member performing claim assessments, for refusing treatment, declining valid claims or in any way allowing conflicts between employee remuneration and patient interests.

2.7. GIFTS AND HOSPITALITY

- Offering or accepting gifts and hospitality is a legitimate contribution to building good business relationships. It is important, however, that gifts and hospitality do not duly influence business decision-making or cause others to perceive an undue influence.
- Any gifts or gratuities over the value of R1000.00 in the aggregate same calendar year from any other person, including such person's associate may not be accepted by any person within the organisation and neither may such gifts or incentives be given by any person in the Company, to any third party.
- No gifts or gratuities may be accepted or given without written consent from the Executive of the Company, and all such gifts and accompanying documentation must be registered in the non-cash incentive/gifts register. In exercising his discretion, the Executive must have regard to any commission regulations or other laws which may be breached by the receipt of any such gift.
- A written statement from the giver explaining the reason for and purpose of the gift must accompany any request for authorisation.

- This provision applies, without limiting the generality of the above. This also refers to invitations to any functions, including lunches, dinners, training interventions and prize giving's.
- The gifts register shall be kept electronically.
- The Company's compliance Manager shall audit the gifts register per the compliance plan to determine whether any gifts or incentives exceeded the aggregate value of R1000.00 in the same calendar year.
- It is prohibited to offer or accept:
 - loans, cash, or personal cheques;
 - gifts, favours or any form of hospitality or entertainment in return for, or in exchange for, business services or information. (Such action may create an actual or perceived conflict of interest or may give the impression of anti-competitive behaviour); and
 - gifts or hospitality of an inappropriate nature (for example, sexually oriented) or at inappropriate venues.
- The Company's employees shall:
 - ensure gifts and hospitality are modest and comply with applicable laws, regulations, and local customs;
 - use good judgement in deciding what is 'modest';
 - ask what the recipient's employer's policy is and take that into consideration in offering gifts or hospitality, especially to government officials;
 - clearly articulate the Company's practices on the offering and accepting of gifts and hospitality at the beginning of new business relationships, especially where cultural norms may be different to those outlined in this Policy and the Company Code of Conduct;
 - assess the potential for a conflict of interest when offering or accepting gifts or hospitality;
 - be prepared to decline politely any offer not in line with our practices; and
 - regard gifts or hospitality received through an intermediary as the same as those given directly.
- Employees shall not:
 - accept or offer prohibited gifts and hospitality;
 - accept or offer gifts, favours or hospitality from any organisation involved in a bid or tender with the Company (this does not include working meals provided by advisors or consultants acting for the Company);
 - request a gift or hospitality of any kind from a supplier, customer, partner, or other party with whom the Company does business with (this includes both direct requests and giving the impression that the offer of a gift or hospitality would be appropriate or desirable);
 - personally, pay for a gift or hospitality to avoid complying with this Policy and the Company Code; and

- make any loans on behalf of the Company to any of its officers, or anyone of its Board of Directors.

2.8. INSIDER KNOWLEDGE

- Officers, Directors, and employees of the Company will often encounter, or have possession of, proprietary, confidential, or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded.
- Proprietary, confidential, and sensitive business information about the Company, other companies, individuals, and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.
- Misuse of material inside information about trading in the Company securities can expose an individual to civil liability and penalties.
- Officers, Directors, and employees shall follow the following guidelines when dealing with inside information:
 - seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements;
 - refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner; and/or
 - seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

2.9. CONFLICT REGISTER

Each Manager is required to keep and maintain a Conflicts and External Engagements Register containing a written record of any declared conflicts of interest or external engagements of employees. Each Manager will ensure that the Human Resources department is sent a copy of the register along with the Compliance department. A consolidated register shall be kept and maintained by the Compliance Office.

RISK IMPLICATIONS

Risk is the consequences of potentially not adhering to the outlined guidelines within this document and how it could negatively affect the business.

3.1. WHAT WOULD HAPPEN IF THE PROCESS IS NOT FOLLOWED?

Risk Type	Risk Description
<i>Financial</i>	Staff accepting excessive corporate gifts and entertainment from an interested third party. Steep fines from regulator.
<i>Operational</i>	Biased favour resulting in unfair work practices.
<i>Human Resources</i>	Biased favour resulting in unfair work practices.
<i>Regulatory/Legal</i>	Bribery and criminal sanctions.

COMPLIANCE AND DEVIATIONS

It is the responsibility of all employees and representatives to comply with all statutory and regulatory requirements, as well as corporate policies. Any deviation from this or related procedure should be communicated, in writing, to the Head of Compliance for inclusion into exception reports. The communication should detail the reason for the deviation and should contain clear instructions of the alternate process to follow.

DEFINITIONS, ACRONYMS, ABBREVIATIONS AND TERMS

The terms in this document should be interpreted as meaning:

No	Term/Acronym/Abbreviation	Definition
(i)	Associate	A person or entity sharing a common connection with an organisation or business.
(ii)	Client	A specific person or group of persons, excluding the public, who is or may become the subject to whom a financial service is rendered intentionally.
(iii)	Conflict of Interest	Any situation in which a provider or representative has an actual or potential interest that may, in rendering a financial service to a client, influence objectivity or prevent unbiased and fair financial services to a client.
(iv)	Personal Interests	Refers to that which can bring a benefit or disadvantage to the staff member or to others. Personal interests include financial interests and interests arising from close personal relationships or involvement in cultural, sporting, religious or social activities. They also include interests that may lead to a tendency or predisposition to favour or to be prejudiced against a person or an organisation.
(v)	Representative	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 mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting, or other service in a subsidiary or subordinate capacity.
	Third Party	A product supplier; Another provider; an associate of a product supplier or provider.

AMENDMENTS AND PROPOSED CHANGES

The Compliance Department is the owner of the policy and is therefore responsible for ensuring that the information in this directive is kept up to date.

Any required amendments, adjustments and proposed changes must be channelled through the Head of Compliance for review prior to approval.

The Governance Department is responsible for the administration of all Company Directive Frameworks and supporting documentation. Only the latest approved version of Company directives, available from the Governance Department, may be used by employees and stakeholders.