

Group Conflict of Interest Policy

Contents

- 1. INTRODUCTION**
 - 1.1 PURPOSE
 - 1.2 SCOPE
 - 1.3 IMPLEMENTATION

PART A

- 1. WHAT IS A CONFLICT OF INTEREST?**
- 2. APPROACH TO THE MANAGEMENT OF CONFLICTS OF INTEREST**
 - a. EMPLOYEES
 - b. BUSINESS UNIT EXECUTIVES
 - c. DIRECTORS, PRESCRIBED OFFICERS AND COMMITTEE MEMBERS
 - d. CONTROL FUNCTIONS
 - e. MANAGING INTRA-GROUP CONFLICTS OF INTEREST
- 3. PRINCIPLES RELATING TO SPECIFIC CONFLICTS OF INTEREST**
 - a. GIFTS AND ENTERTAINMENT FROM TRADING PARTNERS
 - b. GIFTS AND ENTERTAINMENT PROVIDED TO TRADING PARTNERS
 - c. INSIDER TRADING
 - d. RECRUITMENT
 - e. MOONLIGHTING
 - f. PROCUREMENT
- 4. COMPLIANCE WITH PART A**

PART B – FAIS ACT

- 1. INTRODUCTION**
 - 1.1 PURPOSE
 - 1.2 SCOPE
- 2. GENERAL PRINCIPLES**
 - 2.1 WHAT IS A CONFLICT OF INTEREST FOR PURPOSES OF THE FAIS ACT?
 - 2.2 FINANCIAL INTERESTS: TIED REPRESENTATIVES
 - 2.3 FINANCIAL INTERESTS: INTERMEDIARIES
- 3. MANAGEMENT OF CONFLICTS OF INTEREST**
 - 3.1 AVOIDING CONFLICTS OF INTEREST
 - 3.2 MANDATORY DISCLOSURE
 - 3.3 TRAINING AND AWARENESS
 - 3.4 CONFLICT OF INTEREST REGISTER AND REPORTING
- 4. COMPLIANCE WITH PART B**

ANNEXURE A: DEFINITIONS FOR PURPOSES OF PARTS A AND B

1. Introduction

The board of directors ("Board") of Sapcor Limited ("Sapcor" / "Sapcor Group") is committed to doing business in an honest and ethical manner. The Board recognises the need to ensure that all business relationships are founded on professional principles and that relationships are kept at arm's length, meaning that the parties in the relationship are independent and otherwise unrelated.

The Board recognises its obligation to oversee those appropriate controls and procedures are implemented within Sapcor Group. These controls and procedures will assist the Sapcor Group in meeting regulatory requirements both in South Africa and internationally

1.1 PURPOSE

The purpose of this policy is to provide a framework for the prevention of conflicts of interest as far as reasonably possible. Where conflicts are unavoidable, the policy provides guidelines on how to deal with the conflicts in an ethical and responsible manner and mitigate potential risks.

1.2 SCOPE

This policy consists of two parts.

Part A of this policy applies to Sapcor and its South African subsidiaries. This includes:

- All executive and non-executive directors
- Senior managers
- Full-time, part-time, or temporary employees
- Independent contractors or consultants, and
- Legal entities controlled by, benefitting from, or acting on the instruction of any of the persons listed above.

Both Part A and Part B apply to all South African domiciled subsidiaries registered as financial services providers under the Financial Services and Intermediary Services Act, 2002 ("FAIS Act"), including all representatives and key individuals.

An entity within the Group may elect to have its own Conflict of Interest Policy in respect of financial crime risk management considering its nature, scale and complexity, and the legislation under which it operates.

Such a policy must be consistent with this policy, specifically Part A, and the Board of Sapcor Limited must approve any deviation from this policy unless the deviation is necessary to ensure compliance with legislative and regulatory requirements, in which case the approval is automatically granted, if the board of directors of a subsidiary has communicated the need for such a deviation to the Sapcor Board.

1.3 IMPLEMENTATION

The Ethics Committee

The Ethics Committee is responsible for managing Part A of the conflicts of interest policy.

The Ethics Committee has the following responsibilities:

- Maintaining the Central Gifts Register on behalf of the Group and submitting reports to the Social and Ethics Committee (or appropriate board committee) every quarter
- Driving awareness and providing appropriate training on this policy
- Maintaining and reviewing the contents of the Conflict of Interest Register every quarter and, where necessary, adopting internal procedures to mitigate future conflict of interests
- Establishing procedures that provide evidence that the persons described in paragraph 1.2 comply with this policy.

- This must include annual declarations by all persons referred above.

Compliance Function

The Compliance Officer is responsible for managing Part B of the conflicts of interest policy in respect of Sapor's South African domiciled subsidiaries registered as financial services providers under the FAIS Act.

PART A

1. What is a conflict of interest?

A conflict of interest occurs when there is a direct or indirect conflict, in fact or in appearance, between the interests of a person described in paragraph 1.2 and the interests of Sapcor. It applies to financial, economic, and other interests in any opportunity from which Sapcor may benefit, or which may be to the detriment of Sapcor, including the use of Sapor's confidential information.

Actual conflict arises in situations where financial considerations or other personal or professional considerations compromise an individual's objectivity, judgment, integrity, and/or ability to fulfil his or her responsibilities to Sapcor and his or her actions could lead to compromising Sapcor in any way.

Apparent (or perceived) conflicts are situations or relationships that could reasonably appear to other parties to involve a conflict of interest. Apparent conflicts exist in situations where a person has financial interests, personal relationships, or associations with an external entity, individual or organisation, such that the person's activities within Sapcor could appear to be biased. This applies to the following people:

- A person described in paragraph 1.2
- Any family member of a person referred to in paragraph 1.2 above
- A close personal relation.

Potential conflicts refer to situations that do not necessarily constitute or appear to constitute a conflict of interest, but where there is a reasonable possibility of an actual or apparent conflict of interest arising in the near future.

Any reference to a conflict of interest in this policy includes an apparent or potential conflict of interest.

2. Approach to the management of conflicts of interest

As a general rule, conflicts of interest must be avoided at all times. Where it is impossible to avoid a conflict of interest, the conflict must be disclosed to the appropriate persons and managed in accordance with this policy.

A. EMPLOYEES

Employees must avoid conflicts of interest where they have an interest in or stand to benefit from any transaction to which Sapcor is also a party. This applies whether the employee has an interest or stands to benefit:

- Individually
- In association with their family members
- In association with business partners
- In relation to external or internal business interests.

Employees must disclose any business interests that may be in conflict with the business of Sapcor. Non-disclosure of a conflict of interest may result in disciplinary action against the employee.

All employees must report a perceived or actual conflict of interest to their direct manager or any senior manager in their branch. If an employee cannot report the conflict to his or her manager or a senior manager in their branch, the employee may report the conflict to the Ethics Committee.

All instances of non-compliance must be reported in line with the applicable whistleblowing policy and process. This process outlines that there are three avenues available to Sapcor employees to report a concern:

1. Reporting to your branch manager
2. Reporting directly to senior management

B. BRANCH MANAGERS

The branch managers have the following responsibilities:

- Ensuring that the staff members in their business unit/branch are aware of the contents of this policy and that they participate in training initiatives
- Prescribing internal procedures consistent with this policy for the employees of each business to manage conflicts of interest where necessary
- Actively seeking to identify, mitigate and document conflicts of interest in their branch, including any conflicts of interest in connection with any current or planned activities
- Assessing any conflicts of interest reported or disclosed to them to determine if a conflict of interest exists
- Consulting the Ethics Committee, where necessary, and determining the best course of action to resolve, manage, or avoid the conflict of interest, including further escalation to a higher management authority where necessary
- Reviewing – every year or more regularly, if required – any reported conflicts of interest to ensure these are being managed in accordance with any agreed course of action.

C. DIRECTORS, PRESCRIBED OFFICERS AND COMMITTEE MEMBERS

At the beginning of each board meeting, all members have to declare whether any of them has any conflict of interest in respect of a matter on the agenda. Subject to legal provisions, any such conflicts should be managed proactively, as determined by the governing body.

If a director of a company has a personal financial interest in a matter to be considered at a board meeting or knows that a related person has a personal financial interest in the matter, the director must, among

other things, disclose the interest and its general nature to the board before the matter is considered at the meeting. If the director is present at the meeting, he or she must then leave the meeting immediately after making the required disclosures. The director may not vote on the matter in question.

Where the chairperson of a board or board committee may have a conflict of interest or a perceived conflict of interest that may impact on that chairperson's independent decision making, a lead independent director must be appointed by the remainder of the board or board committee to chair that specific meeting.

Directors must be particularly careful to avoid representing Sapcor, or a subsidiary of Sapcor in any transaction with any party with whom there is any outside business affiliation or relationship. They must also avoid using their Sapcor contacts to advance their private business or personal interests at the expense of Sapcor, its clients or affiliates.

D. CONTROL FUNCTIONS

Control functions should operate without conflicts of interest; where a conflict arises, it must be brought to the attention of the Board for resolution.

E. MANAGING INTRA-GROUP CONFLICTS OF INTEREST

The board will manage the resolution of any potential intra-Group conflicts of interest.

3. Principles relating to specific conflicts of interest

A. GIFTS AND ENTERTAINMENT FROM TRADING PARTNERS

Receiving gifts or invitations to events is often an important part of maintaining and developing business relationships. In order to maintain sound working and business relationships with all trading partners, the Board has adopted the principles detailed below

All gifts from trading partners should be free from undue influence and given in the ordinary course of business. The persons described in paragraph 1.2 of the Introduction, are prohibited from soliciting, accepting or receiving any gifts, whether directly or indirectly, other than in accordance with the guidelines below:

Category	Definition	Requirements
Cash or cash equivalents	Cash, cheques, coupons, bank deposits, stock, loans items of a redeemable value, gift certificate or any similar item.	No employee is permitted to accept any cash or cash equivalents from a trading partner.
Gifts	Branded promotional items, such as branded pens, calendars and memory sticks, received from time to time.	No approval is required, and these gifts do not have to be recorded in the relevant Gifts and Entertainment Register. If more than one gift is received from the same trade partner in a three-month period, all gifts received from that trade partner must be recorded in the relevant Gifts and Entertainment Register. This is irrespective of the value of the gifts, and approval is required from the responsible line manager.
	Non-branded promotional items with an estimated value of less than R500 (or the equivalent of this amount in the applicable jurisdiction).	No approval is required, and these gifts do not have to be recorded in the relevant Gifts and Entertainment Register. If more than one gift is received from the same trade partner in a three-month period, all gifts received from that trade partner must be recorded in the relevant Gifts and Entertainment Register. This is irrespective of the value of the gifts.
	Non-branded promotional items with an estimated value of more than R500 but less than R1 000 (or the equivalent of these amounts in the applicable jurisdiction).	Approval is required from the responsible line manager, and the gift must be recorded in the relevant Gifts and Entertainment Register. If more than one gift is received from the same trade partner in a three-month period, all gifts received from that trade partner must be recorded in the relevant Gifts and Entertainment Register. This is irrespective of the value of the gifts.
	Non-branded items with an estimated value of more than R1 000 (or the equivalent of this amount in the applicable jurisdiction).	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.
Business gifts	Valuable items, offered without obligation, as an expression of appreciation or goodwill	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.
Events and hospitality	Invitation to a hosted event, including travel arrangements, with an estimated value of more than R500.	Approval is required from the responsible executive and the event and hospitality details must be recorded in the relevant Gifts and Entertainment Register.

Travel and accommodation	Paid for or partly paid for trips by trading partners for product updates and / or training.	Any travel by an employee, at the invitation of a trading partner will only be allowed if the travel costs is paid for by Sapcor, unless the invitation is to a hosted event and part of the invitation include travel arrangements. Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.
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Gifts and invitations have to be disclosed in the relevant Gifts and Entertainment Register, even in cases where the gifts and entertainment were offered but not accepted from trade partners.

Where a decision was made regarding the acceptance of a gift or entertainment, the nature of the decision must be communicated to the trade partner in writing as soon as possible. This applies regardless of whether the decision was made to decline or accept the gift or entertainment. This is important for the preservation of Sapor's corporate integrity and ethical standards

B. GIFTS AND ENTERTAINMENT PROVIDED TO TRADING PARTNERS

The giving of gifts, or invitations to events, is often an important part of maintaining and developing business relationships. In order to maintain sound working and business relationships with all trading partners, the Board has adopted the principles detailed below.

All gifts should be for a genuine purpose, free of undue influence and given in the ordinary course of business. The persons described in paragraph 1.2 of the Introduction are prohibited from providing any gifts to a trading partner other than in accordance with the guidelines below:

Category	Definition	Requirements
Cash or cash equivalents	Cash, cheques, coupons, bank deposits, stock, loans items of a redeemable value, gift certificate or any similar item.	No employee is permitted to give any cash or cash equivalents to a trading partner.
Gifts	Branded promotional items, such as branded pens, calendars and memory sticks, received from time to time.	May only be provided if approved by the executive responsible for the business unit prior to ordering the items. Approval is also required from the cost centre manager. Relevant details of these gifts must be recorded in the relevant Gifts and Entertainment Register.
	Non-branded promotional items of any value.	Approval is required from the relevant executive responsible for the business unit and the cost centre manager.

		Relevant details of these gifts must be recorded in the relevant Gifts and Entertainment Register.
Business gifts	Valuable items, offered without obligation, as an expression of appreciation or goodwill.	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.
Events and hospitality	Invitation to a hosted event, including travel arrangements.	Approval is required from the responsible executive and the event and hospitality details must be recorded in the relevant Gifts and Entertainment Register.
Travel and accommodation	Paid for or partly paid for trips to trading partners for product updates and / or training.	Approval is required from the responsible executive and the gift must be recorded in the relevant Gifts and Entertainment Register.

C. INSIDER TRADING

All persons described in paragraph 1.2 of the Introduction are able to acquire knowledge regarding the results of the company before the results are published. The Companies Act (71 of 2008) and the Financial Markets Act (19 of 2012) state that any person who trades directly or indirectly in a security based on unpublished price-sensitive information can, in certain circumstances, be guilty of an offence.

D. RECRUITMENT

Sapcor does not approve of nepotism and understands that all applicants have the right to apply for vacant positions. Therefore, where family members, friends or business associates of a person referred to in paragraph 1.2 of the Introduction apply for vacant positions, the guidelines contained in HR policies and processes must be followed.

E. MOONLIGHTING

Moonlighting refers the situation where someone holds a second job while in the service of their employer. All persons described in paragraph 1.2 of the Introduction who engage in moonlighting activities must ensure that they do not get involved in any activity that could lead to a potential conflict of interest.

To avoid potential conflicts of interest, employees must follow the procedures outlined in the HR policies and processes.

F. PROCUREMENT

The persons described in paragraph 1.2 who are involved in procuring goods and services on behalf of Sapcor may not directly or indirectly accept any reward from any person. This applies whether the reward is for themselves or for any other person. The persons may also not provide, offer or make available any gift or invitation to an event that will, or can be perceived to:

- Influence the recipient's judgement on a specific matter
- Cause the recipient to favour one client, supplier or trading partner over another
- Expect the recipient to take certain actions or expect the recipient not to take any action
- Influence the recipient to conduct himself or herself in a certain manner.

When on-boarding suppliers through procurement procedures, all branches must avoid any conflicts of interest between Sapcor, the interest of its stakeholders and the business of the person performing the outsourced activity. If this is not possible, procurement departments must mitigate these conflicts of interest.

It is the responsibility of the branch managers to collect annual declarations from their staff members confirming that no reward was or will be collected from any person as discussed above.

Disciplinary steps will be taken against any person who accepts any reward that is subject to the above, whether for himself or herself, or on behalf of any other person.

If any person knows about or suspects a contravention of this section, he or she must report it to the Ethics Committee

4. Compliance with Part A

Sapcor views any non-compliance with this policy and its obligations in terms of legislation in a serious light.

The Ethics Committee (or where no Ethics Committee is established, the Compliance Officer) must monitor compliance with this Part. Any breach or perceived breach of or non-compliance with this policy must be communicated to the relevant executive as soon as possible. The relevant executive, with input from key stakeholders, will consider the appropriate action required. If the executive and stakeholders cannot reach an agreement on the appropriate action, the matter must be escalated to the Ethics Committee. The Ethics Committee will decide whether the breach or non-compliance is sufficiently material to be escalated further, and if so, where it should be escalated to.

PART B – FAIS Act

1. Introduction

1.1 PURPOSE

Financial services providers (FSPs) authorised under the FAIS Act must take all necessary steps to eliminate any practices and services that may create a conflict of interest between their interests and the interests of an existing or potential client. The General Code of Conduct for Authorised Financial Services Providers and Representatives under the FAIS Act (GCOC), details the regulatory requirements for conflicts of interest.

The GCOC requires all FSPs to disclose to their clients the existence of actual and potential conflicts of interest

The purpose of this Part of the Policy is to address conflict situations that may arise between Sapcor, its registered representatives, other independent FSPs and Sapcor clients.

This Part establishes a framework within which actual or perceived conflicts of interest must be identified, reported and addressed. It also determines the appropriate steps required to manage or mitigate the risk associated with such conflicts.

1.2 SCOPE

Part B of the policy applies to the following FSPs, and their registered representatives, within the Sapcor Group:

- Sapcor (Pty) Ltd
- Sapcor Bloemfontein (Pty) Ltd
- Sapcor Wealth (Pty) Ltd
- Insure Broker Solutions (Pty) Ltd
- Sapcor Financial Solutions (Pty) Ltd
- Sapcor George (Pty) Ltd
- Sapcor Gordonsbaai (Pty) Ltd
- Sapcor Lifestyle Brokers (Pty) Ltd
- Sapcor Nelspruit (Pty) Ltd
- Nautilus Sapcor Mosselbaai (Pty) Ltd

Throughout this Part, any reference to a Sapcor FSP will mean any of the entities referred to above, whether individually or collectively

2. General principles

A. WHAT IS A CONFLICT OF INTEREST FOR PURPOSES OF THE FAIS ACT?

In relation to the rendering of a financial service to a client, a conflict of interest is any situation in which a FSP or a representative has an actual or potential interest that may:

1. Influence the objective performance of the FSP or representative's obligations to that client
2. Prevent a FSP or representative from rendering an unbiased and fair financial service to that client
3. Prevent a FSP or representative from acting in the interests of that client.

Such interests include, but are not limited to:

- A financial interest, which 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 representatives.
- An ownership interest, which means:
 - Any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person; and
 - Any dividend, profit share or similar benefit derived from that equity or ownership interest
- Any relationship with a third party, which means any relationship with:

- o A product supplier
 - o Another FSP
 - o An associate¹ of a product supplier or a provider
 - o A distribution channel; and
 - o Any person who in terms of an agreement or arrangement with a person referred above provides a financial interest to a provider or its representatives.
- An immaterial financial interest is any 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:
 - o A provider who is a sole proprietor; or
 - o A representative for that representative's direct benefit;
 - o 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 Sapcor FSP must ensure that immaterial financial interests received by any tied representative are declared on the respective Sapcor FSP's conflict of interest register.

B. FINANCIAL INTERESTS: MANDATED REPRESENTATIVES

A tied representative will include a person that is employed or mandated by a Sapcor FSP to render financial services to that FSP's Sapcor Group clients.

A Sapcor FSP may not offer any financial interest to a representative of that FSP:

- Where the interest is determined with reference to the quantity of business without also giving due regard to the delivery of fair outcomes for clients. Sapcor must demonstrate that the determination of and entitlement to the financial interest considers measurable indicators relating to the:
 - o Achievement of minimum service level standards in respect of clients
 - o Delivery of fair outcomes for clients
 - o Quality of the representative's compliance with this Act.

The above measurable indicators must be agreed upon between the Sapcor FSP and the representative

C. FINANCIAL INTERESTS: INTERMEDIARIES

An intermediary refers to a representative of a Sapcor FSP where the Sapcor FSP is not also the product supplier³, or a representative of an independent FSP.

A Sapcor FSP and intermediaries may only offer and receive specific financial interests from a third party, which includes the following:

1. Commission authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998)
2. Fees authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998)
3. "Other fees" to which the amount, frequency, payment method, recipient of those fees and details of services to be provided are specifically agreed to in writing by the client and may be stopped by the client at their discretion.
4. Fees or remuneration for services rendered to a third party
5. An immaterial interest

6. Any other financial interest not mentioned above.

The fees referred to in points 3, 4, 5 and 6 above may only be paid if:

- The financial interests are reasonably commensurate (proportionate) to the service being rendered, considering the nature of the service and the resources, skills and competencies reasonably required to perform it
- The payment of the financial interests does not result in the FSP or intermediary being remunerated more than once for performing a similar service
- Any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated
- The payment of those financial interests does not impede the delivery of fair outcomes to clients.

Sapcor may not offer any financial interest to an intermediary:

- That is determined with reference to the quantity of business without also giving due regard to the delivery of fair outcomes for clients. Sapcor must demonstrate that the determination of and entitlement to the financial interest considers measurable indicators relating to the:
 - o Achievement of minimum service level standards in respect of clients
 - o Delivery of fair outcomes for clients
 - o Quality of the intermediaries' compliance with the FAIS Act.
- For giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.
- For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client

3. Management of conflicts of interest

A. AVOIDING CONFLICTS OF INTEREST

All representatives must ensure that as far as possible, any conflict of interest is avoided.

Where a conflict of interest cannot be avoided:

- Steps must be taken to mitigate the conflict of interest
- The conflict of interest must be disclosed on the respective FSP's conflict of interest register together with the reason as to why the conflict could not have been avoided.

B. MANDATORY DISCLOSURE

- A conflict of interest in respect of a client must be disclosed to that client in writing at the earliest possible opportunity. This disclosure must include the following:
 - o The conflict of interest in respect of the client
 - o What has been done to avoid or mitigate the conflict
 - o Any ownership or financial interest (other than an immaterial financial interest) that Sapcor or a representative of Sapcor may be eligible for or become eligible for
 - o Details about any relationship with a third party that gives rise to conflict of interest. The details must be sufficient to enable the client to understand the exact nature of the relationship or arrangement and the extent of the conflict of interest.
- The client must be informed on the Conflict of Interest Policy and where they may access the policy.

C. TRAINING AND AWARENESS

All representatives (existing and new) and key individuals must be made aware of the Conflict of Interest Policy and the contents thereof. Representatives and key individuals must receive the necessary training on the policy and the policy must be accessible to all representatives and key individuals.

Key individuals and line managers must ensure that they read and understand this policy, the processes and procedures outlined in this policy, and any other documents the policy refers to.

Group Compliance will assist in facilitating conflict of interest training as and where required.

D. CONFLICT OF INTEREST REGISTER AND REPORTING

A Sapcor FSP must implement and maintain a conflict of interest register and a process for disclosure of a conflict by representatives.

Key individuals and line managers must ensure that they:

- Log any perceived or actual conflicts of interest on the Sapcor FSP Conflict of interest (COI) register, in line with the respective FSP register requirements
- Report any instance of non-compliance with this policy to Group Compliance.

In order to monitor on-going compliance with the policy, all representatives, juristic representatives and key individuals must sign an annual Conflict of interest attestation.

The Compliance Officer will monitor all disclosures logged on the Sapcor conflict of interest registers and will report annually on conflict of interest, as required by the FAIS Act.

4. Compliance with Part B

Sapcor views any non-compliance with this policy and any non-compliance with Sapor's legal obligations in a serious light. If an employee or a representative takes any deliberate action to contravene this policy or to breach Sapor's legal obligations, the employee or representative will be subject to disciplinary action.

Necessary actions will be taken at management discretion as and when any non-compliance is identified. All instances of non-compliance with this framework will be included in the regular compliance reporting processes.

Group Compliance will monitor procedures and controls to properly identify and manage potential conflicts of interest, as far as it relates to a conflict as defined by the FAIS Act.

Annexure A: Definitions for purposes of Parts A and B

Associate

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 subparagraphs (ii) to (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 close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
- iii. which is not a company, or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person
 - (aa) had such first-mentioned juristic person been a company; or
 - (bb) in the case where that other juristic 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 governing body 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 governing body 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.

Director means a member of the board of a company within the Sapcor Group or an alternate director. This includes any person occupying the position of a director or alternate director, even if such a position is called something else.

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 interests of that client, including, but not limited to–
 - i. a financial interest;
 - ii. an ownership interest;
 - iii. any relationship with a third party;

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;

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 accommodation associated with that training;
- c) a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity;

FSC

Means the Financial Sector Code published in terms of section (1) of the Broad-Based Black Economic Empowerment Act (Act 53 of 2003), as amended from time to time.

Immaterial financial interest

Means any 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) a provider who is a sole proprietor; or
- b) a representative for that representative's direct benefit;
- c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives;

Measured Entity

Has the meaning assigned to it in the FSC insofar it relates to a qualifying enterprise development contribution

Ownership Interest

Means:

- a) any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person; and
- b) includes any dividend, profit share or similar benefit derived from that equity or ownership interest;

Provider

Means an authorised financial services provider, and includes a representative.

Qualifying beneficiary entity

Has the meaning contemplated in the FSC insofar as it relates to a qualifying in enterprise development contribution.

Qualifying enterprise development contribution

Has the meaning assigned to it in the FSC.

Third Party

Means:

- a) a product supplier;
- b) another provider;
- c) an associate of a product supplier or a provider;
- d) a distribution channel;
- e) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.