



(PRISM EMPLOYEE BENEFITS (PTY) LTD)

hereinafter referred to as the "FSP"

CONFLICT OF INTEREST MANAGEMENT POLICY



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1. Document Management

DOCUMENT MANAGEMENT
Title: Conflict of Interest Management Policy
Implementation Date: 01/07/2022
Version Status:
Last Review Date:
Next Review Date:

VERSION AND APPROVAL CONTROL					
Version	Type	Summary of actions/changes	Responsible Party	Signature	Date
V 1.0	New	New document produced			
V 1.01	Revised	Approval required			
V 1.02	Approval	Approved			

VERSION TYPE

- ☐ New/Draft/Replacement
 ☐ Amendment
☐ Review (Annual / Ad Hoc)
 ☐ Approved



2. Introduction

In terms of the Financial Advisory and Intermediary Services Act 37 of 2002 (FAIS Act), General Code of Conduct for Authorized Financial Services Providers and Representatives 2003, as amended by Board Notice 43 of 2008, Board Notice 58 of 2010 and GN 706 of 26 June 2020, our office is required to take all reasonable steps to identify, monitor and manage all potential or actual Conflicts of Interest.

3. Purpose and Objective

The purpose of this Conflict of Interest Management Policy is to outline a suitable approach and response to the identification and management of Conflicts of Interest. The FSP is obliged to render unbiased and fair financial services to Clients. Accordingly, all employees of the FSP are obliged to comply with the General Code of Conduct and to avoid, and where this is not possible, mitigate any Conflicts of Interest between the provider and a client, or a representative of the provider and a client.

All employees should also take all reasonable steps to avoid any business activities and/or practices that may create Conflicts of Interest between the FSP and the employee's interests, and the interests of clients. In the event that it is not possible to avoid a Conflict of Interest, the FSP will take all reasonable steps to mitigate the impact as well as appropriately disclose any such Conflicts of Interest to clients.

In considering potential Conflicts of Interest, the FSP considers: the structure, ownership, and association of the FSP as well as its business activities, its clients and product suppliers.

Through the Conflict of Interest Management Policy, the FSP has introduced reasonable mechanisms to identify Conflicts of Interest, avoid, mitigate, terminate, disclose, establish processes and implement internal controls in relation to any potential or actual Conflict of Interest, wholly or partially.

The protection of our clients' interests is our primary concern and we undertake to the following:

- to identify the circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests;
- to establish appropriate structures and systems of control to manage those conflicts;
- to implement procedures in place to manage the conflicts that may arise in relation to financial interest received by the FSP and/or its representatives;
- to maintain systems in an effort to prevent harm or impairment to our clients' interests through identified conflicts of interest;
- to appropriately and effectively identify and manage all potential conflict of interest;
- to manage potential conflict through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected clients;
- to ensure compliance and to communicate the consequences of non-compliance



4. Definitions

Associate 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 subparagraphs (ii) to (iv);
 - (vi) a person who is in a commercial partnership with that person;
- (b) in relation to a juristic person, means
 - (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, means
 - (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;



Company has the meaning assigned to it in the Companies Act, 2008 (Act No. 71 of 2008);

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;

Fair Value has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 1973;

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 9 (1) of the Broad Based Black Economic Empowerment Act, (Act 53 of 2003), as amended from time to time;

Holding Company has the meaning assigned to it in the Companies Act, 2008 (Act No. 71 of 2008);

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 an 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 enterprise development contribution;

Qualifying Enterprise Development Contribution has the meaning assigned to it in the FSC;

Sign on Bonus means

- (a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and
- (b) a financial interest referred to in paragraph (a) includes but is not limited to
 - (i) compensation for the -
 - (aa) potential or actual loss of any benefit including any form of income, or part thereof; or



- (bb) cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services;
or
- (ii) a loan, advance, credit facility or any other similar arrangement.

Subsidiary means a subsidiary as defined in Section 1(3) of the Companies Act, 1973 (Act No. 61 of 1973);

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;

5. Legislative Framework

The General Code of Conduct for Authorized FSP's and Representatives, 2003 states:

Section 3 Specific Duties of the Provider

- (1) When a provider renders a financial service -
 - (b) a provider and a representative must avoid and where this is not possible mitigate, any conflict of interest between the provider and a client or the representative and a client;
 - (c) a provider or a representative must, in writing, at the earliest reasonable opportunity -
 - (i) disclose to a client any conflict of interest in respect of that client, including -
 - (aa) the measures taken, in accordance with the conflict of interest management policy of the provider referred to in section 3A (2), to avoid or mitigate the conflict;
 - (bb) any ownership interest or financial interest, other than an immaterial financial interest, that the provider or representative may be or become eligible for;
 - (cc) the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to a client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest; and
 - (ii) inform a client of the conflict of interest management policy referred to in section 3A (2) and how it may be accessed.
 - (f) the provider involved must not deal in any financial product for own benefit, account or interest where the dealing is based upon advance knowledge of pending transactions for or with



clients, or on any non-public information the disclosure of which would be expected to affect the prices of such product.

- (5) A provider may not describe itself or the financial services it renders as being "independent" if -
- (a) the provider or its associate is a significant owner of any product supplier or its associate in respect of whose products the provider renders financial services;
 - (b) any product supplier in respect of whose products the provider renders financial services or an associate of such product supplier is a significant owner of the provider or its associate; or
 - (c) the provider directly or indirectly receives or is eligible for any financial interest from a product supplier in respect of whose products the provider renders financial services, other than a financial interest referred to in section 3A (1) (a) (i), (ii), (vi) or (vii);
 - (d) any other relationship exists between the provider and any product supplier in respect of whose products the provider renders financial services that gives rise to a material conflict of interest.

Section 3A. Financial Interest and Conflict of Interest Management Policy

- (1) (a) A provider or its representatives may only receive or offer the following financial interest from or to a third party -
- (i) commission authorised under the Long term Insurance Act, 1998 (Act No. 52 of 1998) or the Short term Insurance Act, 1998 (Act No. 53 of 1998);
 - (ii) commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998);
 - (iii) fees authorised under the Long term Insurance Act, 1998 (Act No. 52 of 1998), the Short term Insurance Act, 1998 (Act No. 53 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998);
 - (iv) fees for the rendering of a financial service in respect of which commission or fees referred to in subparagraph (i), (ii) or (iii) is not paid, if -
 - (aa) the amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representatives in exchange for the fees are specifically agreed to by a client in writing; and
 - (bb) those fees may be stopped at the discretion of that client;
 - (v) fees or remuneration for the rendering of a service to a third party;
 - (vi) subject to any other law, an immaterial financial interest; and
 - (vii) a financial interest, not referred to under subparagraph (i) to (vi), 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.
- (b) A provider may not offer any financial interest to a representative of that provider -
- (i) that is determined with reference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or



- (ii) for giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
 - (iii) 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.
- (bA) For purposes of subsection (1) (b) (i), a provider must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the –
 - (i) achievement of minimum service level standards in respect of clients;
 - (ii) delivery of fair outcomes for clients;
 - (iii) quality of the representative's compliance with this Act;as agreed between the provider and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.
- (c) For the purposes of this section, where the same legal entity is a product supplier and a provider, paragraph (a) does not apply to the representatives of that entity. That entity is subject to sections 3A (1) (b) and 3A (1) (bA), in respect of its representatives.
- (d) A provider or its representatives may only receive or offer the financial interests referred to in subsections (a) (iii), (iv) and (v) if -
 - (i) those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;
 - (ii) the payment of those financial interests does not result in the provider or representative being remunerated more than once for performing a similar service;
 - (iii) any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated; and
 - (iv) the payment of those financial interests does not impede the delivery of fair outcomes to clients.
- (1A) (a) A Category I provider that is authorised or appointed to give advice may not receive a sign-on bonus from any person.
- (b) No person may offer or provide a sign-on bonus to any person, other than a new entrant, as an incentive to become a Category I provider that is authorised or appointed to give advice.
- (2) (a) Every provider, other than a representative, must adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the Act.
- (b) A conflict of interest management policy must -
 - (i) provide for the management of conflicts of interest as defined in section 1, and -
 - (aa) mechanisms for the identification of conflicts of interest;
 - (bb) 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;



- (cc) measures for the disclosure of conflicts of interest;
 - (dd) processes, procedures and internal controls to facilitate compliance with the policy; and
 - (ee) consequences of noncompliance with the policy by the provider's employees and representatives; and
 - (ii) specify the type of financial interest that the provider will offer a representative and the basis on which a representative will be entitled to such a financial interest and motivate how that financial interest complies with sections 3A (1) (b) and 3A (1) (bA);
 - (iii) include a list of all its associates;
 - (v) include the names of any third parties in which the provider hold an ownership interest;
 - (vi) include the names of any third parties that holds an ownership interest in the provider; and
 - (vii) include the nature and extent of the ownership interest referred to in subparagraph (v) and (vi); and
 - (viii) be drafted in an easily comprehensible form and manner.
- (c) A conflict of interest management policy must be adopted by the sole proprietor of a provider, the board of directors of a provider or, in the case where a provider is not a company, the governing body of the provider.
- (d) A provider must ensure that its employees, representatives and, where appropriate, associates are aware of the contents of its conflict of interest management policy and provide for appropriate training and educational material in this regard.
- (e) A provider must continuously monitor compliance with its conflict-of-interest management policy and annually conduct a review of the policy.
- (f) A provider must publish its conflict-of-interest management policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times.
- (3) A provider or representative may not avoid, limit or circumvent or attempt to avoid, limit or circumvent compliance with this section through an associate or an arrangement involving an associate.
- (4) (a) A compliance officer or, where the provider need not, in terms of the Act, have a compliance officer, the provider, must include a report on the provider's conflict of interest management policy in compliance reports submitted to the Registrar under the Act.
- (b) The report referred to in paragraph (a) must report on at least the implementation, monitoring and compliance with, and the accessibility of the conflict of interest management policy.

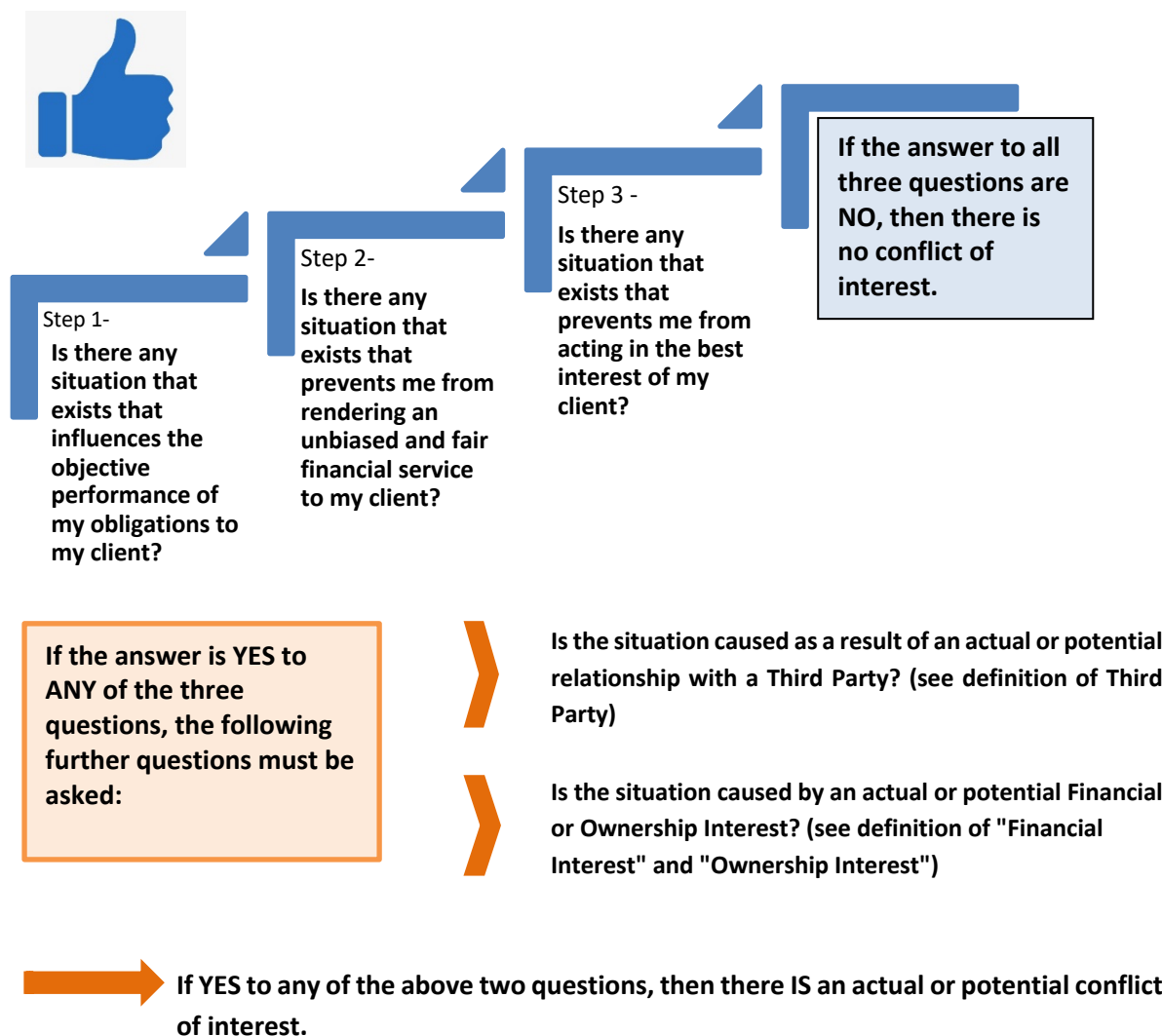
6. Identification of a Conflict of Interest

The responsibility for the identification of a conflict of interest rests with the representatives, employees and individual members of the governing body of the FSP.

The three-step inquiry



When rendering a financial service to a client, a representative and FSP must ask the following questions:



On an annual basis, the FSP and the Representatives must complete Annexure A.

Further guidance on identifying a Conflict of Interest

Where an employee is in a potential conflict of interest situation this must be reported to the Compliance Department as soon as practicably possible. The Compliance team will give guidance and advice to assist the employee to avoid or mitigate the conflict.

In determining whether there is or may be a conflict of interest to which the policy applies, we consider whether there is a material risk of damage to the client, taking into account whether the brokerage or an employee thereof –



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

Internal Controls to Identify Conflict

- The Key Individual of the FSP conducts annual reviews on all policies/contracts in order to ensure that the contract does not influence the FSP's objectives towards clients.
- The Key Individual will conduct ad hoc checks on business transactions to ensure the conflict of interest policy has been complied with.
- The FSP ensures that it maintains a Financial Interest Register. All Incentives and Immaterial Financial Interests received from or offered to a third party is recorded in the respective registers accordingly.
- All relevant personnel to sign a declaration to update the FSP and the Compliance Officer of any conflicts of interest (please see Annexure A)
- A list of all associated attached to the FSP is annexed to this policy (please see Annexure B).
- A list all third parties in which the FSP holds ownership interest is annexed to this policy (please see Annexure C).
- A list of all third parties that hold an ownership interest in this FSP is annexed to this policy (please see annexure D).
- The Key individual conducts annual reviews on all relationships with third parties to ensure that there is not influence on the FSP's ability to render unbiased and fair financial services to clients.
- The Compliance Officer will include monitoring of the Conflict of Interest Management Policy as part of the general monitoring duties and will report thereon in the compliance monitoring reports.
- All employees, including representatives and key individuals are required to read Board Notice 58 of 2010 and confirm same in writing.



7. Management of Potential or Actual Conflict of Interest

In managing conflicts of interest, our procedure is to:

- Identify the conflicts of interest;
- Assess and evaluate those conflicts; and
- Decide upon, and implement, an appropriate response to those conflicts.

The following is a list of possible management strategies to manage the potential or actual conflict of interest:

- Avoid the conflict of interest;
- Mitigate the impact;
- Where this is not possible, full disclosure of the Conflict of Interest;
- Implement a strategy to manage the conflict of interest where it cannot be avoided.

The FSP will conduct a due diligence to satisfy our self that no conflict of interest exist between the parties or where there is a conflict of interest, that such conflict of interest is properly managed, TCF principles are adhered to and that the product/ or service levels to the clients are what clients may expect and that a conflict of interest that exists does not compromise the level of service.

8. Material Conflicts

Where a conflict will have a serious potential impact on our clients or our business, it must be avoided. Only the CEO / Head of the FSP may make the final decision regarding a material conflict and whether the management process must be followed. Officers, directors, and employees must avoid representing the FSP in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, Key Individuals, Representatives and employees must avoid using their business contacts to advance their private business or personal interests at the expense of the FSP, its clients, or affiliates. Officers, directors, Key Individuals, Representatives and employees must never permit their personal interests to conflict, or appear to conflict, with the interests of the FSP, its clients, or affiliates.

This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients at a cost to the client;
- An outcome in service delivery or a transaction that may differ from the real interest of the client;
- Any non-cash incentives that may be received by the business from affecting any transaction and / or product;
- Effecting a transaction and / or product that may result in a benefit to another party other than the client.



9. Avoiding and Mitigating Conflict of Interest

- Employees who are faced by what is clearly a Conflict of Interest situation, must desist from continuing with any participation in such situation or activities. Should any employee not be certain about an intended transaction of theirs being a possible transgression of this policy, the employee must approach one of the Directors who will evaluate the intended transaction and give guidance accordingly.
- If employees realise that there is a potential or actual Conflict of Interest, the employee must, timeously and fully disclose any such potential or actual existence of a conflict to FSP by reporting same to their immediate superior and/or one of the Directors.
- The FSP will have a committee that will be made up of the management. The Committee will convene to discuss the Conflict of Interest.
- In the evaluation stage the committee must discuss the conflict of interest as well as ways they can mitigate or possibly avoid the conflict of interest. If for some reason the conflict of interest cannot be avoided the committee must undertake to do the following:
- Internal training is done by the committee to educate all staff members on the Conflict of Interest Management Policy, on a regular basis.

10. Gifts and Inducements

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organisation in order to attract or influence any sort of business activity.

Any gifts or gratuities over the value of R1000-00 (annual calendar year total) to or from the FSP and/or its Representatives or to or from a third party, as defined in Financial Services Board Notice 58 of 2010, may not be accepted by any such person.

All gifts or benefits, even of a nominal or token value (such as pens, cups, notepads, chocolates etc.) may be accepted however it must be recorded in the Financial Interest Register (see Annexure E). All gifts, incentives or financial interest offered to a third party must be recorded in the Financial Interest Register (see Annexure F).

The Financial Interest Register shall be reviewed by the FSP regularly to ensure that incentives did not exceed the aggregate value of R1 000.00. The results of the review shall be communicated to the CEO / Head of the FSP. In determining whether any gift or incentive is to be allowed, the CEO shall have regard to this Policy.



11. Qualifying Enterprise Development Contributions

The FSP may receive or offer a qualifying enterprise development contribution to a qualifying beneficiary entity, provided that:

- The FSP meets the concept of a “measured entity” as contained on the Financial Sector Charter (FSC), Government Gazette No. 41287 issued 26 November 2012; and
- The qualifying enterprise and contribution to be provided meets the requirements in the FSC.

12. Sign-On Bonuses

Management and/or key individuals may not conclude discussions with any person, the outcome of which is that sign-on bonuses are offered to such person as an incentive to become a Category 1 provider to render advice.

13. Examples of Activities that the FSP considers as a Conflict of Interest

Personal interests may include working relationships and/or financial interests with immediate family members or relatives.

Activities include outside employment in areas similar to those in which the FSP is involved, such as:

- Outside work for clients, suppliers, vendors, or competitors of the FSP;
- Operating as a supplier to the FSP;
- Activities that have the potential to affect the staff member’s objectivity;
- Activities that could reflect negatively on the reputation of the FSP and its employees;
- Holding a financial interest in a business concern that is a supplier, client, partner, subcontractor, or competitor of the FSP constitutes a conflict of interest under certain conditions;
- Incentive remuneration for placing a quantity of business with only 1 supplier, or for only 1 product of a supplier where a choice is available;
- Participating in any activity that might lead to or give the appearance of unapproved disclosures of the FSP’ confidential information or client confidential information;
- Using an official position to obtain special privileges or advantages from individuals or businesses;
- An employee, officer or director may serve on external non-profit, governmental or for-profit governance boards, however if such service in any way could create an actual or perceived

conflict of interest, the services must be disclosed, and approved by the governing body of the FSP.



No person may receive or solicit outside employment, including paid service on a governance board, or compensation that would impair the independence of judgment of the individual in performing duties as an employee of the FSP.

14. Disclosures of Conflicts

We as an FSP strives towards ensuring that we are able to appropriately and effectively identify and manage potential conflicts through avoidance, establishing confidentiality barriers or by providing appropriate disclosure of the conflict to affected clients.

We have therefore adopted the following disclosure measures:

- Disclose to the client any Conflict of Interest in respect of that client.
- The Disclosure must be made in writing and can be sent in an electronic format where necessary.
- The Disclosure must detail the following:
 - o The Conflict of Interest and the parties concerned;
 - o Any ownership or financial interest, other than an immaterial financial interest, which the FSP or representative may become eligible for;
 - o Nature of any relationship arrangement with a third party that gives rise to a conflict of interest in sufficient detail to enable the client to understand the exact nature of the relationship or agreement and the conflict of interest.
 - o Details of how the client can access the Conflict of Management policy.
 - o Include steps that will be taken to mitigate or avoid the conflict in line with this policy.

We require our staff members to fully disclose all actual and/or potential and/or perceived conflicts of interest especially with reference to the examples of conflicts as documented in this Policy.

15. Record Keeping

Written records of how conflicts of interest are managed, together with all reports and representative declarations, must be kept for a period of 5 years and be available for inspection by the compliance officer on request.

16. Compliance Measures

We confirm that we confirm that we will only receive financial interest in the form of –

- Commission from product suppliers in terms of the Long Term Insurance Act 52 of 1998 / Short Term Insurance Act 53 of 1998 / Medical Schemes Act 131 of 1998;
- Fees in terms of the above Acts, if these fees are reasonably commensurate to the service being rendered;
- Fees for rendering a financial service in respect of which no commission or fees are paid by the product supplier, only if the amount, frequency, payment method, recipient who will receive those fee are agreed by the client in writing which must include the details of the services provided by the provider or the representative in exchange for the fees and may be stopped at the client's discretion;
- Fees or remuneration for the rendering of a service to a third party;
- Subject to any other law, an immaterial financial interest;
- A Financial Interest (not including commission or additional fees for a financial service where no commission was paid) for which consideration, fair value and remuneration or remuneration that is reasonably commensurate/proportionate to the value of the financial interest paid by the provider/representative at the time of the receipt of the financial interest.

We confirm we will not offer any financial interest to our key individuals or representatives for –

- Favouring quantity of business over or without giving due regard to the delivery of fair outcomes to the client or
- Favouring a specific product supplier when we are required to recommend more than one supplier to a client; or
- Giving preference to a specific product over other products of a product supplier.

We confirm that we will consider the following when determining if Key Individuals and Representatives are entitled to financial interests

- If the Representative /Key Individual Achieved a minimum service level standard in respect of clients?
- If the Representative/key individual has delivered fair outcomes for the client.
- If the Representative/Key Individual is compliant with the Act.
- If there is sufficient weight attached to the indicators to mitigate the risk of representatives giving preference to the quantity of business secured over the fair treatment of clients.



We confirm that we only offer any financial interest to our key individuals or representatives if:

- The Financial interests are reasonably commensurate /proportionate to the services that are being rendered taking into account the nature of the service, skills and competencies reasonably required to perform it.
- The payment of the financial interest does not result in the provider or the representative being remunerated more than once for performing a similar service.
- Any actual or potential conflicts between the interest of clients and the interests of the recipient of the financial interest are mitigated.
- The payment of the financial interest does not impede the delivery of the fair outcomes to clients.

Compliance Officer Reporting

Our compliance officer must include a report on our adherence to our Conflict Of Interest Management Policy in compliance reports submitted to the Registrar under the Act. The report must report on at least the implementation, monitoring and compliance with, and the accessibility of the Conflict Of Interest Management Policy.

17. Consequences of Non-Compliance

All personnel of the FSP are obliged to report every suspected or actual transgression of this Policy to one of the Directors and all employees should avoid any situation that may create or appear to create a situation which could be determined to be a Conflict of Interest. Avoidance, limitation or circumvention of this Policy via an associate will be deemed non-compliance

A violation of this Policy is a serious matter that could cause harm to FSP and could result in disadvantaging certain of clients therefore non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment and/or dismissal as applicable.

REPRESENTATIVE AND FSP DECLARATION OF CONFLICT OF INTEREST

Annual Declaration for the period 01 January 20__ to 31 December 20__

Name of FSP: **Prism Employee Benefits (Pty) Ltd**

FSP No.: **45375**

(Select the appropriate answer)

I am completing this Declaration:

- ☐ in my capacity as a Representative
- ☐ on behalf of the FSP, in my capacity as a Director / Member / Key Individual.

I, (full name) _____ of ID No.: _____
do hereby confirm:

- I understand that if any person who is an Associate to me, has any direct or indirect interest in any company which has business dealings with product suppliers and / or insurers, I shall immediately make a declaration to the FSP and to my clients.
- It is my obligation to avoid situations that may result in a conflict of interest, but where this is unavoidable or impractical, I undertake that all conflicts of interest will be declared immediately to the FSP and to clients.
- All immaterial financial interests which I received or will receive shall be recorded on the FSP's Financial Interest Register.
- It is my obligation to familiarize myself with the FSP's Conflict of Interest Management Policy and to seek guidance when in doubt.
- I have received immaterial financial interest exceeding R1000-00 in the applicable period.
☐ **Yes** ☐ **No** (Note: If Yes, please inform the Key Individual and Compliance Officer immediately.)

Identifying Conflict of Interest:

1. Is there any situation that exists that influences the objective performance of my obligations to my client? ☐ **Yes** ☐ **No**
2. Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client? ☐ **Yes** ☐ **No**
3. Is there any situation that exists that prevents me from acting in the best interest of my client? ☐ **Yes** ☐ **No**



➔ If the answer to ALL three above questions are NO, then there is NO Conflict of Interest.

➔ If ANY of the answers to the above questions are YES, then please answer the following two questions:

- i. Is the situation caused as a result of an actual or potential relationship with a third party?
(see definition of "Third Party") ☐ Yes ☐ No
- ii. Is the situation caused by an actual or potential financial or ownership interest? (see
definition of "Financial interest" and "Ownership Interest") ☐ Yes ☐ No

➔ If YES to ANY of the above two questions, then there IS an actual or potential Conflict of Interest.

To be answered where there IS an actual or potential Conflict of Interest:

- Description of my actual or potential Conflict/s of Interest:

- Reasons why I am not able to avoid the above listed Conflict/s:

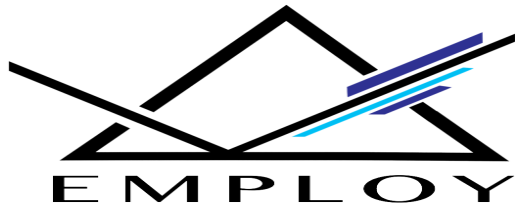
- Measures taken to mitigate the above listed Conflict/s:

I have informed clients of the above Conflict of Interest:

☐ Yes ☐ No ☐ Not Applicable

Signature

Date



OWNERSHIP INTERESTS HELD BY THE FSP

Please refer back to the to the definition of an “third party” and ‘ownership interest’ list all third parties in which the FSP holds ownership interest.

[illegible]



Where the FSP and/or its Representatives receives a Financial Interest / Incentive / Gift from a Third Party

[illegible]



Annexure F

FINANCIAL INTEREST / INCENTIVES / GIFTS REGISTER

Where the FSP and/or its Representatives offers a Financial Interest / Incentive / Gift to a Third Party

No.	Name of Person Making the Offer	Description	Purpose	Offered To	Date Offered	Value	Management Approval (Y/N)