

EQUIPAGE INSURANCE BROKERS' FAIS CONFLICT OF INTEREST (COI) MANAGEMENT POLICY

Applicable to Equipage Insurance Brokers – FSP. 17491

1. STATUTORY DEFINITIONS OF COI

“Conflict of Interest”	<i>means</i>	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: <ul style="list-style-type: none">(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 best interests of that client, including, but not limited to:<ul style="list-style-type: none">(i) a financial interest;(ii) an ownership interest;(iii) any relationship with a third party.
“Financial interest”	<i>means</i>	any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than: <ul style="list-style-type: none">(a) an ownership interest;(b) training, that is not exclusively available to a selected group of providers or representatives, on:<ul style="list-style-type: none">(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.
“Immaterial financial interest”	<i>means</i>	any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 (one thousand rand) in any calendar year from the same third party.
“Third party”	<i>means</i>	a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel and any other person who in terms of an agreement provides a financial interest to a provider or its representatives.

2. POLICY STATEMENT

Equipage Insurance Brokers is committed to complying with the regulatory requirements governing conflicts of interest under the FAIS General Code of Conduct and ensuring that conflicts of interest are appropriately managed in the best interests of Equipage Insurance Brokers' clients, policyholders and partners.

3. THE MANAGEMENT OF COI

3.1 Mechanisms for the identification of COI

Prior to concluding new business arrangements, Equipage Insurance Brokers shall consider whether the proposed arrangement will present any potential conflicts of interest. It will be the responsibility of the Director/General Manager, entering into the relationship on behalf of Equipage Insurance Brokers, to ensure that this identification process is carried out and appropriately documented before the relationship progresses.

The Director/General Manager will be accountable for ensuring that the necessary reviews of all existing business arrangements are conducted at least annually to assess the existing and any potential further conflicts of interest in the light of changing circumstances, operational processes and procedures that may have been implemented since the commencement of the business.

3.2 Measures for the avoidance and mitigation of identified COI

Whenever any potential conflicts of interest are identified, the department/division responsible for the relationship will consider whether any practical means exist for avoiding such conflicts of interest. Where this is not practical, the Director/General Manager will consult with the Compliance Officer to devise appropriate and adequate measures to mitigate and manage the identified conflicts of interest.

These measures will be documented and communicated to all staff involved in managing the relationship so as to ensure that the associated risks are appropriately managed.

3.3 Measures for the disclosure of COI

Wherever potential conflicts of interest are identified, the Director/General Manager will ensure that appropriate disclosures are made to potential clients. The following aspects are included in the disclosure information and documentation provided:

- the existence of the conflict of interest;
- a description of what the conflict is;
- its impact;
- the measures taken to mitigate and manage it; and
- the customer's free choice whether he/she wishes to continue with purchasing the product.

3.4 Processes, procedures and internal controls to facilitate compliance

The Director/General Manager will be required to ensure that the policy is implemented in their departments/divisions and will on an annual basis warrant to the Compliance Officer in writing that they have met their obligations under this policy and describe the steps taken to do so.

Training for all affected staff will be provided by the Compliance Officer to ensure that they understand their responsibilities under this policy.

The Compliance Officer will monitor compliance with this policy and will perform the necessary reviews, in consultation with Management, so as to ensure that appropriate procedures and processes are in place.

The Compliance Officer will facilitate an annual review of this policy so as to ensure that it remains relevant and appropriate to meet the statutory requirements.

4. FINANCIAL INTERESTS OFFERED TO EQUIPAGE INSURANCE BROKERS' REPRESENTATIVES

Equipage Insurance Brokers may offer its representatives sales incentives, in addition to their basic salary, based upon a combination of:

- the quantity of business introduced, and
- the quality of the service rendered to customers (as measured by Equipage Insurance Brokers' quality assurance process).

No sales incentives may be offered to representatives for:

- giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients; or
- giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
- 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.

5. FINANCIAL INTERESTS OFFERED BY EQUIPAGE INSURANCE BROKERS TO THIRD PARTIES

Equipage Insurance Brokers may only receive or offer the following financial interests from or to third parties:

- commission authorised under the Long-term or the Short-term Insurance Acts;
- fees that are reasonably in line with the service being rendered and authorised under the Long-term or the Short-term Insurance Acts;
- fees for the rendering of a financial service in respect of which commission or fees referred to above are not paid, if those fees:
 - (a) are specifically agreed to by a client in writing; and
 - (b) may be stopped at the discretion of that client;
- fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably in line with the service being rendered;
- any immaterial financial interest as defined in the FAIS General Code of Conduct; and
- any other financial interest, for which consideration that is reasonably in line with the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

6. BASIS OF REPRESENTATIVE'S REMUNERATION

- Every Representative shall be remunerated on such basis as may be determined in each instance and shall in all instances be based on the performance of the specific Representative: provided however that [Name of Provider] shall not reward or in any manner remunerate any Representative for:
 - giving preference to the quantity of business secured for [Name of Provider] to the exclusion of the quality of the service rendered to clients; or
 - giving preference to a specific product supplier, where the Representative in question may recommend more than one product supplier to a client; or
 - giving preference to a specific product of a product supplier, where the Representative in question may recommend more than one product of that product supplier to a client.

7. LIST OF EQUIPAGE INSURANCE BROKERS' ASSOCIATES

Equipagé has working relations with the following licensed financial service providers, based solely on standard industry accepted agreements

- FSP 17698 - THE HOLLARD INSURANCE COMPANY LIMITED
- FSP 15491 - RENASA INSURANCE COMPANY LIMITED

The above are registered insurers.

Sub-agency Brokers, a brokerage whose submission of insurance business to one of the above insurer is facilitated through Equipagé

- FSP 3075 - FNB FINANCIAL ADVISORY, A BUSINESS UNIT OF FIRST NATIONAL BANK, A DIVISION OF FIRSTRAND BANK LIMITED
- FSP 9414 - OPTISURE BROKERS (PTY) LTD
- FSP 14826 - KOBIE SPANGENBERG EN GENOTE (EDMS) BPK
- FSP 10896 - TJ OLIVIER & MANS INSURANCE BROKERS (PTY) LTD
- FSP 8576 - GENERAL & MEDICAL GROUP CC
- FSP 14995 - GENESIS INSURANCE BROKERS (PTY) LTD
- FSP 13603 - TUCKER DAVIS INSURANCE BROKERS CC
- FSP 6003 - NUVISION INSURANCE BROKERS (PTY) LTD
- FSP 120 - ROWLIN NATIONAL BROKERS (PTY) LTD
- FSP 14571 - GOODSURE BROKERS (PTY) LTD
- FSP 1109 - CRM INSURANCE BROKERS CC
- FSP 5856 - REID RAETZER INSURANCE BROKERS (PTY) LTD
- FSP 1691 - GL BROKING ENTERPRISES CC
- FSP 41158 - SUCCESSION FINANCIAL PLANNING ADVISORY SERVICES (PTY) LTD
- FSP 7700 - MERCHANT INSURANCE BROKERS CC
- FSP 43495 - RISK SURE GROUP (PTY) LTD
- FSP 11119 - LEON STEENKAMP BROKERS CC

8. CONSEQUENCE OF NON-COMPLIANCE WITH THIS POLICY

Failure to comply with the provisions of this policy by any staff member or FAIS representative shall constitute serious misconduct and shall result in disciplinary action being initiated against such staff member or representative.