

## POLICY ON CONFLICTS OF INTEREST

**1** The objective of this policy is to provide a framework within which Dialsure can address areas where conflicts of interest may arise. It aims to establish broad principles and guidance. In conjunction with Dialsure's Values, this policy aims to promote the fair treatment of clients and fairness towards employees and suppliers.

### **2** Definitions

- a) "Conflict of interest" is defined as any situation in which a person has an actual or potential interest that may, in rendering a financial service to a client, influence the objective performance of their obligations towards such client; or prevent a person 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 a financial interest, ownership interest or any relationship with a third party.
- b) "Financial interest" is defined as 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. The definition excludes training that is not exclusively available to a selected group of providers or representatives on products and legal matters relating to those products; general financial and industry information; specialised technological systems of a third party necessary for the rendering of a financial service. Travel and accommodation associated with that training may constitute financial interest.
- c) "Ownership interest" is defined as 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. It includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

**3** Regarding the type and the basis on which an Dialsure and its representatives will qualify for a financial interest, they will only receive or offer the following financial interest from or to a third party:

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- a) Commission authorised in terms of the Long-term Insurance Act (No. 52 of 1998), the Short-term Insurance Act (No. 53 of 1998) or the Medical Schemes Act (No. 131 of 1998). Commission is strictly monetary amounts paid to a provider, designated as such, and determined on a basis specified prior to payment.
- b) Fees authorised in terms of the Long-term Insurance Act, the Short-term Insurance Act or the Medical Schemes Act if those fees are reasonably commensurate to a service being rendered.
- c) Fees for the rendering of a financial service in respect of which commission or fees referred to above are not paid, if those fees are specifically agreed to by a client in writing; and may be stopped at the discretion of the client.
- d) Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered.
- e) Subject to other legislation, an immaterial financial interest;
- f) A financial interest not referred to in paragraphs a. to e. above, for which a consideration, fair value or remuneration that is reasonably commensurate with the value of the financial interest, is paid by Dialsure or its representatives at the time of receipt thereof.

**4** The following may be offered:

- a) Services that are essential in enabling Dialsure to prepare, submit and/or finalise transaction documentation, unless it would influence Dialsure in the objective performance of its functions or in the rendering of an unbiased service.
- b) Services that are not essential in enabling the provider do business with Dialsure, but which offer the provider value in terms of enhancing or supplementing its interaction with clients if there is clear proof of benefiting the client and there is no conflict of interest.

**5** Dialsure shall not offer any financial interest to its representatives for:

- a) giving preference to the quantity of business secured to the exclusion of the quality of the service rendered to clients;
- b) giving preference to a specific product supplier, where a representative may

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- recommend more than one product supplier to a client; and/or
- c) 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.

**6** Employees' failure to provide disclosures will be a transgression of the provisions of this policy and will be dealt with in terms of the company's disciplinary procedures. Certain transgressions of this policy may result in civil action or criminal prosecution. All potential transgressions of this policy must be investigated fairly and objectively and be reported by the compliance officer or senior management for a decision.

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