



**Bryte Insurance Company Limited**

A Fairfax Company

Registration number: 1965/006764/06 VAT number: 4530103581

Authorised Financial Services Provider No. 17703

15 Marshall Street, Ferreirasdorp, Johannesburg, 2001 PO Box 61489, Marshalltown 2107

# **FAIS –** Conflict of Interest Management Policy

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# Introduction

The Financial Advisory & Intermediary Services Act, 37 of 2002 (“the FAIS Act”) is a crucial instrument in assisting with the advancement of consumer protection.

In this regard, the Act prescribes that financial services providers are required to render financial services honestly, fairly, with due skill, care, diligence and in the interest of policyholders.



## Purpose

The Bryte code of conduct is the cornerstone of our culture. It defines our values, who we are, what we strive to be and how we behave. It inspires Bryte employees in a collective pledge of excellence and integrity in all we do. It guides us in protecting our reputation and living up to the Bryte Commitment so that we can deliver on our promises to our customers, our people, our shareholders and the communities in which we live and work.

In line with our commitment, the FAIS Act imposes a duty on certain entities and individuals to avoid or mitigate any situation in which a conflict of interest exists or may arise and to declare any such conflict of interest.

## Applicability and Scope

This policy applies to all employees of Bryte within the Republic of South Africa.

The policy specifically applies to conflicts of interest in relation to the interest of policyholders, as opposed to the interests of Bryte, or any FSP Bryte has dealings with in a business relationship.

This policy does not apply to conflict of interest situations which may arise between the personal interests of Bryte employees and the interests of Bryte.

The latter situation is specifically dealt with in the relevant Group Policy\*.

Non-compliance with this policy could result in disciplinary action being taken against employees and/or could result in the cancellation of business relationships with external parties.

\* Related Bryte Policies

Group Policy: Conflict of Interests and External Engagements

# Key

## Key Definitions as defined in the Financial Advisory and Intermediary Services Act



“A financial service”, as defined in the FAIS Act means any service contemplated in paragraph (a), (b) or (c) of the definition of “financial services provider”, including any category of such services.

“Associate”, means any wholly owned subsidiary company of Bryte. The subsidiary companies of Bryte are Bryte Life SA Limited and Bryte Risk Finance SA Limited.

“An authorised financial services provider”, as defined in the FAIS Act means any person, other than a representative, who as a regular feature of the business of such person:

- (a) Furnishes advice;
- (b) Furnishes advice and renders any intermediary service; or
- (c) Renders an intermediary service.

“A representative”, as defined means any person, including a person employed or mandated by such first mentioned person, who renders a financial service to a customer for or on behalf of a financial services provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service:

- (a) Does not require judgement on the part of the latter person; or
- (b) Does not lead a customer to any specific transaction in respect of a financial product in response to general enquiries.

“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 customer:

- (a) Influence the objective performance of his, her or its obligations to that customer; or
- (b) Prevent a provider or representative from rendering an unbiased and fair financial service to that customer, or from acting in the interests of that customer, including, but not limited to:
  - (i) A financial interest;
  - (ii) An ownership interest;
  - (iii) Any relationship with a third party.

“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.

“Immaterial financial interest”, means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1,000 in any calendar year from the same third party in that calendar year received by:

- (a) A provider who is a sole proprietor;
- (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.

“Product supplier”, means any person who issues a financial product by virtue of an authority, approval or right granted to such person under any law.

“SA Fire House”, SA Fire House Limited owns 100% of the shares in Bryte Insurance Company South Africa Limited.

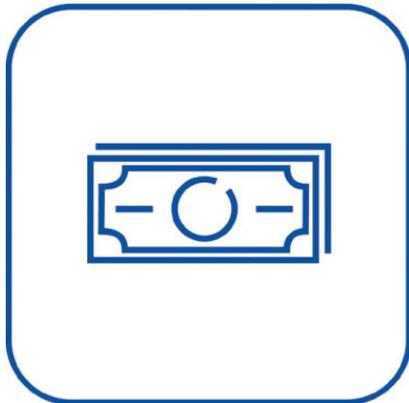
“Third Party”, means:

- (a) A product supplier;
- (b) Another provider;
- (c) An associate of a product supplier or 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.

“Bryte”, means Bryte Insurance Company Limited.

# Allowable and Prohibited Financial Interests

Bryte is committed to fair and responsible business and prohibits all forms of bribery, or corruption and any business conduct that could create the appearance of improper influence.



## Allowable Financial Interest

Financial Interests that are allowed in respect of financial services providers, their representatives, or other third parties who are employed by different legal entities:

- Any commission and fees payable in terms of the Short Term Insurance or Long Term Insurance Acts.
- Commission or fees other than the fees mentioned above, if the commission and fees:
  - Are specifically agreed to by a customer;
  - May be stopped at the discretion of that customer.
- Any other fees or remuneration which is reasonably commensurate to the services being rendered.
- Any immaterial financial interest, unless prohibited by any other law.

## Prohibited Financial Interests

Financial Interests that are prohibited, in respect of financial services providers, their representatives, or other third parties who are employed by different legal entities:

- Any financial interest that exceeds a value of R1,000 (one thousand rand) per annum. This includes the aggregated value of any number of financial interests received during the course of 1 (one) calendar year.
- A financial interest for giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to customers.
- A financial interest for giving preference to Bryte, where a representative may recommend more than one product supplier to a customer.
- A financial interest for giving preference to a specific product of Bryte, where a representative may recommend more than one product of Bryte to a customer.
- Those which constitute any business conduct that could create the appearance of unfair or improper influence.
- Any cash or cash equivalents.

# Conflict of Interest

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## Measures for Identifying Conflicts of Interest

Ethical conduct is a key component when analysing and identifying whether a conflict of interest exists. In this regard we follow an ethical decision model:

- Is it legal?
- Who else could be affected by this e.g. policyholders, business partners?
- Is it the right thing to do?
- Is this within my authority limits and acceptable for my company?
- Would I be embarrassed if others knew I took this course of action?
- Is it in our customers' and our company's overall long-term interest?

Other factors to consider when identifying a conflict of interest include, but are not limited to:

- An analysis of relationships and distribution models used by Bryte.
- Remuneration models used for business partners.
- The reasons for awarding a financial interest to any party.

## Avoidance and Mitigation

Conflicts of interest must be avoided and, where this is not possible, must be mitigated.

Mitigation can take place in the following manner:

- Control measures put in place to ensure that customers are not adversely affected.
- Examples of control measures include: obtaining senior management approval, appropriate documentation of decisions, increased disclosure to customer and using Bryte's reporting channels to report any improper conduct.

## Reporting and Disclosures

### External:

Confidential reporting of any improper conduct should be made using the appropriate reporting channels provided.

### Internal:

The recording of and request for approval of any immaterial financial interests received by, or offered to, any representatives of Bryte from, or to other FSPs, or representatives of other FSPs should be made using the appropriate guidelines stipulated in the Group Policy Anti-Bribery and Corruption.

Ownership and financial interests (other than immaterial financial interests) have to be disclosed to customers.

Bryte Ethics Line – Deloitte Tip-Offs  
Anonymous:

- 0800 167 464 (Free Call)
- 0800 00 77 88 (Free Fax)
- bryte@tip-offs.com (Email)
- www.tip-offs.com (web form)