FAIS Supervision Policy
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1. **Introduction**

This policy outlines the Bryte’s approach to giving effect to the Financial Services Board (“FSB”) Board Notice 104 of 2008 – Exemption in respect of Services under Supervision in terms of Requirements and Conditions, 2008.

The exemption prescribes that a person with less than twelve (12) months experience may be appointed as a Representative, subject to the rendering of financial services under supervision until such time that the Representative meets the necessary experience requirements.

2. **Objectives and Purpose**

The objectives and purpose of this policy is to detail and describe the supervision methodology and procedures for Representatives under supervision. Representatives or Supervisees who do not meet the minimum experience, qualification or regulatory exam requirements must render services under supervision until they meet these criteria, as prescribed by the FSB.

The **minimum** experience required in terms of the FAIS Fit and Proper Determination for the various BRYTE product categories are as follows:

<table>
<thead>
<tr>
<th>Product Category</th>
<th>Direct Supervision (Advice)</th>
<th>Ongoing Supervision (Advice)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Short term insurance: Personal Lines</td>
<td>2 months</td>
<td>10 months</td>
</tr>
<tr>
<td>Short term insurance: Commercial Lines</td>
<td>2 months</td>
<td>10 months</td>
</tr>
</tbody>
</table>

In **total** the supervision period cannot exceed a period of **six (6) years**.

3. **Terms and Definitions**

3.1 **Appointment date or Date of Appointment or Appointment as a Representative**

Means the date on which a representative was first appointed by any financial services provider to render financial services in relation to a specific category or subcategory.

3.2 **Customer**

Means a specific person or group of persons, who is or may become the subject to whom a financial service is rendered. Financial service relates to advice provided, in respect of the purchase of any Bryte financial product.

3.3 **Direct Supervision**

Means the supervision of the financial services rendered by a representative under the guidance, instructions and supervision of a supervisor, and which occurs on a regular (ranging between daily and weekly) basis.

3.4 **Interruption of Supervision**

Any interruption of the supervision process for a period of more than six (6) consecutive weeks will not be taken into account for the purposes of calculating the supervision period under this agreement. In total the supervision period shall not exceed a period of six (6) years.
3.5 **Ongoing Supervision**
Means the way in which supervision is exercised after the initial period of services under direct supervision has been completed, but the supervisee still requires supervision, and such supervision occurs on at least a biweekly to monthly basis.

3.6 **Product Training**
Means the way in which Bryte provides training regarding the features, benefits, cost structures, risk profiles and other information required for advice or the rendering of intermediary services for a specific financial product provided.

3.7 **Representative Register or Register of Representatives**
Means the register of representatives that must be maintained by Bryte and that must be submitted to the Registrar in terms of section 13 of the Act.

3.8 **Supervisee**
A Representative who acts under supervision until he/ she meets the prescribed competence requirements for a particular product category.

3.9 **Supervisor**
For Bryte purposes means a Representative or Key Individual who meets the competency requirements prescribed in the FSB exemption.

4. **Supervision Methodology**

4.1 **Supervision Agreement**
A supervision agreement has to be signed between a supervisor and a supervisee which details the processes and procedures regarding the rendering of services under supervision, as stipulated the FAIS Act. As part of the supervision agreement a supervision plan is required to be drafted by the Supervisor, which will outline planned supervision activities.

4.2 **Record Keeping**
Supervisors should ensure that documentary evidence is kept, in respect of all supervision activities performed in a supervision file, which can be accessed easily for monitoring and review purposes.

4.3 **Meetings**
Meetings between the Supervisor and Supervisee have to take place on a regular basis and directly in line with the minimum requirements stipulated by the definitions of direct and ongoing supervision.

The purpose of these meetings should include amongst others:
- An introduction to the business environment relevant to the Supervisee.
- Discussions relating to the Sales processes and procedures and compliance requirements.
- Discussions regarding productivity, activities required to be performed and other expectations.
- Performance reviews in respect of activities agreed on and activities performed.

In addition to the above any combination of the following tools and interventions will be regarded as supervision, although the list is not exhaustive.
4.4 Training Attendance

4.4.1 Product and Other Training
The Supervisee is required to attend all training sessions, in respect of the training provided relevant to the specific products provided by Bryte. For new employees the general induction training provided by the Human Resources Department of Bryte is also compulsory.

4.5 Directed In-Service Training

4.5.1 Month 1
The supervisee should accompany the supervisor for a minimum of four (4) sessions (one per week), the aim being to observe the conduct of the supervisor in practical scenarios; and to observe the practical application of the training described above.

4.5.2 Month 2
The Supervisee must attend the same minimum of sessions as described above (one per week). During these sessions the Supervisee must be allowed to demonstrate whether they can apply what they have learned during the previous work sessions.

4.5.3 Month 3 Onwards to the end of the supervision period
The Supervisee must attend the same sessions as described above. The frequency of these sessions will be based on the discretion of the Supervisor, but as a minimum should occur on a monthly basis.

4.6 Follow-up Calls to Customers
A random sample of follow-up calls to customers could be undertaken by the Supervisor, in order to obtain feedback from customers regarding the quality of advice given by the Supervisee.

4.7 Record of Advice – Sign-Off by Supervisor on Advice Provided
The Supervisor is responsible to assess that the advice given and the resultant business taken up by customers are in line with their needs. The Record of Advice should be reviewed by the Supervisor, in order to ensure the following:
- The relevant needs are recorded in writing and conform to the customer’s needs.
- The product(s) provided is/are recorded in writing and is in line with the customer’s needs and the customer fully understands what he/she has bought.
- The comparison of, and the reasons for, the replacement product of Bryte are recorded.

4.7.1 Inappropriate Advice
In the event that the Supervisor discovers that any incorrect or inappropriate advice have been provided to the customer by the Supervisee, it is the responsibility of the Supervisor to ensure that this is discussed with the customer and the Supervisee and appropriate corrective action is taken to the satisfaction by the customer.

For any future disputes all information and discussions should be recorded in detail.

4.8 Correspondence with Customers
In line with the direct and ongoing supervision frequency intervals, a Supervisor should review written and verbal communications of a Supervisee. This review should include the appropriateness and the professionalism of communications.