



Policy / Procedure	Effective Date	April 2011
Conflict-of-Interest Management Policy	Revision	Annually
	Reference Documents	FAIS Act, FSP General Code of Conduct JSE Debt Listing Requirements
	Final Approver	The Board of LomHold (Pty) Ltd "LomHold"



1. Context:

LomHold (Pty) Ltd has various entities in the Group of Companies of which LomHold (Pty) Ltd is the holding company (hereinafter referred to as the Lombard Insurance Group), which are Authorised Financial Services Providers and are thus governed by the Financial Advisory and Intermediaries Act 37 of 2002 (FAIS Act), together with the General Code of Conduct for Authorised Financial Services Providers as amended from time to time.

Furthermore, within the Lombard Insurance Group, and more particularly in respect of Lombard Insurance Company Limited, certain debt instruments have been listed on the Johannesburg Securities Exchange. In terms of Section 7 of the JSE's Debt Listing Requirements, Lombard Insurance Company Limited must have a current policy dealing with the conflicts-of-interest of its directors and executive management and how such conflicting interests can be identified and managed or avoided.

This policy is consequently drafted to meet the aforementioned regulatory compliance requirements.

2. To which of the Lombard Insurance Group Companies is this Conflicts-of-Interest Policy applicable?

A current register of any conflicts-of-interest and/or personal financial interests must be maintained the entities mentioned herein and this policy must be made available on the website of Lombard Insurance Company Limited.

This policy is applicable to Lomhold (Pty) Ltd, Lombard Insurance Company Limited and any other subsidiary in the Lombard Insurance Group that is an authorised financial services provider registered in terms of the FAIS Act.

3. Effective date of this policy?

Lombard's original policy was adopted by the Board in April 2011 and this policy is subject to annual review by the Board.

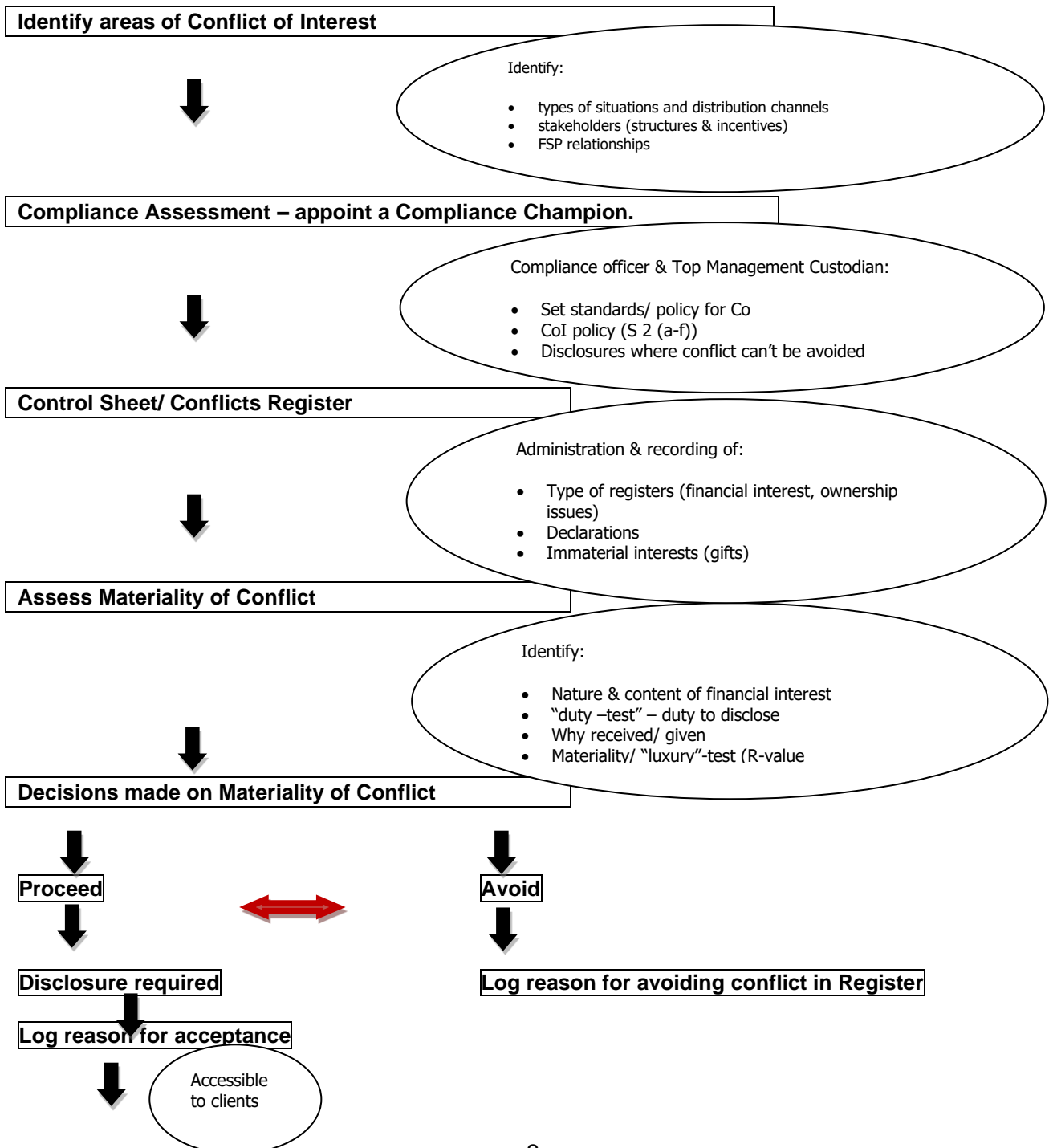
4. What is the current status of this policy?

The Board has approved the framework as attached hereunder as Annexure A. Further, the policy statement contained in Annexure B is a generic policy and is suitable to be amended to any other FSP licenced entity in the Lombard Insurance Group.

Gareth Neilson acts as the appointed conflict-of-interest champion, who is responsible to evaluate the materiality of any potential conflict situation and who will drive the principles of this Conflict-of-Interest Policy throughout the organisation.

Annexure A

Framework for this Conflict of Interest Management Policy





Monitor compliance



Annexure B: Conflict of Interest Management Policy

1.0 Purpose:

The purpose of this policy is to enable Lomhold (Pty) Ltd to:

- 1.1 ensure management of conflicts-of-interest at a board and management level;
- 1.2 ensure management of conflicts-of-interest internally for the respective FSP's and Lombard's partners, incorporating the respective underwriting managers;
- 1.3 ensure a common, consistent and generic understanding of what a conflict-of-interest is;
- 1.4 ensure a common and consistent manner of disclosing a conflict-of-interest;
- 1.5 ensure a common and consistent manner of dealing with a conflict-of-interest;
- 1.6 ensure that the client/consumer is not exposed to conflict-of-interest situations, and where there are conflicts, these will have been clearly disclosed;
- 1.7 ensure the client/consumer has information available to make an informed decision, and determine whether the advice given to him is being unduly influenced;
- 1.8 ensure that the quality of financial services rendered are not significantly compromised by conflicts-of-interest;
- 1.9 enhance the levels of professionalism of the financial services rendered by the respective entities, underpinning the overall company values;
- 1.10 achieve a balance between addressing consumer needs and achieving a stable, profitable and solvent business model;
- 1.11 achieve adherence to good business ethics, as underpinned by the company values;
- 1.12 engender a client centric culture and an awareness of what schemes could present conflicts-of-interests and encourage behaviour that could result in unsuitable financial services being rendered;



1.13 Comply with section 3A(2)(a) the FAIS General Code of Conduct.

This policy should be read in conjunction with the LIC code of ethics and conduct, SAIA code of conduct, the general guiding principles relating to Treating Customers Fairly and all relevant consumer protection related legislation.



3.0 Scope:

This policy applies to Lomhold (Pty) Ltd incorporating Lombard Insurance Company Limited and its respective UMA and partners, including but not limited to all:

- 3.1 boards of directors;
- 3.2 employees, including fixed-term contract employees and temporary employees;
- 3.3 contract workers and their employees working for the Lombard Insurance Group of Companies;
- 3.4 FAIS Representatives;
- 3.5 Juristic representatives;
- 3.6 Associates;.

4.0 General:

4.1 Regulatory background:

4.1.1 The General Code of Conduct for Authorised Financial Service Providers and representatives regulated that, as a general duty of the provider, the provider should disclose to its policyholders the existence of:

- 4.1.1.1 any personal interest in the relevant service, or
- 4.1.1.2 any circumstance which gives rise to an actual or potential conflict-of-interest in relation to such service,

And take all reasonable steps to ensure fair treatment of the client. It further stated that non-cash incentives offered and/or other indirect consideration payable by another provider, a product supplier or any other person to the provider could be viewed as a potential conflict-of-interest.

4.1.2 The desired outcome of current regulations is that consumers be exposed to fewer conflict situations and where there are conflicts, these will have been clearly disclosed. The consumer will be better equipped to assess whether the advice given to him is being unduly influenced.



5.0 Definitions:

5.1 An **associate** means

5.1.1 In relation to a natural person:

- 5.1.1.1 a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
- 5.1.1.2 a child of that person, including a stepchild, adopted child and child born out-of-wedlock;
- 5.1.1.3 a parent or stepparent of that person;
- 5.1.1.4 a person in respect of which that person is recognised in law or appointed by a court as the person legally responsible for the managing the affairs of or meeting the daily care needs of the first-mentioned person;
- 5.1.1.5 a person who is the spouse, life partner or civil union partner of a person referred to in sub para 5.1.1.1 to 5.1.1.5;
- 5.1.1.6 a person who is in a commercial partnership with that person;

5.1.2 In relation to a juristic person –

- 5.1.2.1 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;
- 5.1.2.2 which is a close corporation registered under the Close Corporation Act, 1984 (act 69 of 1984) , means any member thereof as defined in Section 1 of that Act;
- 5.1.2.3 which is not a company or a close corporation as referred to in sub-para i) or ii), means another juristic person which would have been a subsidiary or holding company of the first- mentioned juristic person
 - had such first-mentioned juristic person been a company; or



- 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;

5.1.2.4 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;

5.1.3 in relation to any person –

5.1.3.1 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;

5.1.3.2 includes any trust controlled or administered by that person.

5.2 A **conflict-of-interest** is any situation in which the FSP's or a representative has an actual or potential interest that may, in rendering of a financial service to a client:

5.2.1 influence the objective performance of his, her or its obligations to that client; or

5.2.2 prevent the FSP's or representatives from rendering an unbiased and fair financial service to that client, or from acting in the best interest of that client, including but not limited to:

5.2.2.1 a financial interest;

5.2.2.2 an ownership interest;

5.2.2.3 any relationship with a third party.

5.3 A **distribution channel** is any:

5.3.1 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;



5.3.2 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;

5.3.3 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.

5.4 FAIS means:

5.4.1 the Financial Advisory and Intermediary Services Act 37 of 2002 and the General Code of Conduct for Authorised Financial Service Providers and Representatives as amended.

5.4.2 **Fair value** means fair value as per the financial reporting standards adopted or issued under the Companies Act, 1973.

5.4.3 A **Financial Interest** is defined as any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

5.4.3.1 An ownership interest:

5.4.3.2 Training, that is not exclusively available to a selected group of providers or representatives, on:

5.4.3.3 Products and legal matters relating to those products;

5.4.3.4 general financial and industry information;

5.4.3.5 specialised technological systems of a third-party necessary for rendering of a financial service; but excluding travel and accommodation associated with that training.

5.4.4 **An immaterial financial interest** is 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:

5.4.4.1 A provider who is a sole proprietor; or

5.4.4.2 A representative for that representative's direct benefit;



- 5.4.4.3 A provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.
- 5.4.5 **FSP** means an Authorised Financial Service Provider and in terms of the current Lomhold (Pty) Ltd structure, refers to Lombard Insurance Company Ltd,
- 5.4.6 An **ownership interest** is defined as
- 5.4.6.1 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; and
- 5.4.6.2 includes any dividend, profit share or similar benefit derived from that ownership interest.
- 5.4.7 A **product supplier** is any person who issues a financial product by virtue of an authority, approval or right granted to such person under any law;
- 5.4.8 **Representative** means any person employed or mandated by such first mentioned person, who renders a financial service to client for and on behalf of a FSP, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting or other services in a subsidiary or subordinate capacity, which service:
- 5.4.8.1 does not require judgement on the part of the latter person; or
- 5.4.8.2 does not lead a client to any specific transaction in respect of a financial product in response to general queries.
- 5.4.9 A **relationship with a third party** is deemed to be a relationship with:
- 5.4.9.1 a product supplier;
- 5.4.9.2 another provider;
- 5.4.9.3 an associate of a product supplier or a provider;



5.4.10A **distribution channel**

5.4.10.1 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.

5.4.11**Uma** means Underwriting Management Agent.

6.0 Principles:

- 6.1 The FSP's under LomHold (Pty) Ltd subscribe to the principles embedded in the FAIS code of conduct, and in light of our corporate values and ethics we aim to:
 - 6.1.1 Protect the client, consumer and policyholder at all times;
 - 6.1.2 Act in the best interest of the clients with due care and diligence as per general code of conduct;
 - 6.1.3 Ensure client receives appropriate and suitable financial advice;
 - 6.1.4 Ensure client has enough information available to be able to make an informed decision
- 6.2 Achieve a balance between Lombard need to make a profit and the need of the consumer to receive appropriate and suitable financial advice;
- 6.3 Avoid conflict-of-interest;
- 6.4 Minimize and mitigate the potential adverse impact of conflicts-of-interest on clients;
- 6.5 Disclose conflicts-of-interest in a transparent and effective manner;
- 6.6 Manage the disclosed conflicts-of-interest in a transparent, consistent and effective manner;
- 6.7 Achieve consistency in the application of the principles of management of conflicts-of-interest across competing product types and across business lines;
- 6.8 Avoid encouraging behavior that could result in unsuitable financial services being rendered;



- 6.9 Comply with legislation and industry standards and Lombard values and ethics.

7.0 The policy:

- 7.1 The FSP's and representatives must avoid any conflicts-of-interest and; where this is not possible must mitigate any conflict-of-interest between the FSP's and the client or between the representative and the client. To ensure that conflicts-of-interest and potential conflicts-of-interest are managed as follows:
 - 7.1.1 The FSP's are committed to rendering financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry;
 - 7.1.2 The FSP's will disclose to the client, in writing, at the earliest opportunity, the existence of any personal interest in the relevant service, or the existence of any circumstance which gives rise to an actual or potential conflict-of-interest in relation to such service, and will take all reasonable steps to ensure fair treatment of the client.
- 7.2 The FSP's define a conflict-of-interest as any situation in which the company or a representative has an actual or potential interest that may, in rendering a financial service to a client:
 - 7.2.1 influence the objective performance of his, her or its obligations to that client; or
 - 7.2.2 prevent the FSP or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interest of that client.

8.0 What is not allowed?

- 8.1 The FSP's deem any financial interest such as cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration to be a conflict-of-interest. Travel and accommodation costs associated with training are also deemed to be a conflict-of-interest.
- 8.2 The FSP's deem an ownership interest such as



- 8.2.1 Any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or proprietary interest held as an approved nominee on behalf of another person; and
- 8.2.2 Any dividend, profit share or similar benefit derived from that ownership interest, to be a conflict-of-interest.
- 8.3 The FSP's recognize that a relationship with a third party could pose a potential conflict-of-interest situation.
- 8.4 A relationship with a third party is deemed to be a relationship with:
 - 8.4.1 A product supplier being any person who issues a financial product by virtue of an authority, approval or right granted to such person under any law;
 - 8.4.2 Another authorized financial services provider or representative;
 - 8.4.3 An associate of a product supplier or a provider;
- 8.5 A distribution channel as listed below:
 - 8.5.1 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;
 - 8.5.2 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;
 - 8.5.3 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;
 - 8.5.4 Any person who in terms of an agreement or arrangement with a person referred to in paragraphs 8.1 to 8.4 above provides a financial interest to a provider or its representatives.
- 8.6 Giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to the clients; or



- 8.7 Giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
- 8.8 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.

9.0 What is allowed:

- 9.1 The FSP's or its representatives may only receive or offer the following financial interest from or to a third party, -
 - 9.1.1 Commission authorized under the long-term insurance act; the short-term insurance act or the insurance act;
 - 9.1.2 Commission authorized under the medical schemes act;
- 9.2 Fees authorized under the long-term insurance act, the short-term insurance act, insurance act or the medical schemes act, if those fees are commensurate to a service being rendered; (look at binder arrangements and binder regulations)
- 9.3 Fees for the rendering of a financial service in respect which commission or fees referred to in i), ii) or iii) is not paid, if those fees -
 - 9.3.1 Are specifically agreed to by a client in writing; and
 - 9.3.2 May be stopped at the discretion of a client;
- 9.4 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;
- 9.5 Subject to any other law, an immaterial financial interest; and
- 9.6 A financial interest, not referred to in sub para i) to v), 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,

10.0 And ensure then that it is appropriately disclosed.

- 10.1 The FSP's note that an immaterial financial interest is any financial interest with a determinable monetary value, the aggregate of which does not exceed r1000 (or any other amount legislated) in any calendar year from the same third party in that calendar year received by:



10.1.1a provider who is a sole proprietor;

10.1.2or a representative for that representative's direct benefit; and

10.1.3a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives. These do not need to be disclosed but do need to be recorded.

10.2 Training, that is not exclusively available to a selected group of providers or representatives, on

10.2.1Products and legal matters relating to those products;

10.2.2General financial and industry information; and

10.2.3Specialized technological systems of a third party necessary for rendering of a financial service; but excluding travel and accommodation associated with that training, is allowed.

11.0 What must we do:

11.1 The FSP's will, in writing, at the earliest reasonable opportunity disclose to a client any conflict-of-interest in respect of that client, including-

11.1.1the measures taken, in accordance with the conflict-of-interest management policy of the FSP to avoid or mitigate the conflict;

11.1.2any ownership interest or financial interest, other than an immaterial financial interest, that the FSP or representative may be or become eligible for;

11.1.3the 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.

11.2 The FSP will, in writing, at the earliest reasonable opportunity inform the client of the conflict-of-interest management policy and how it may be accessed.

12.0 What will happen:

12.1 If there is non-compliance with the policy by the FSP's employees and representatives:



12.1.1 Non - compliance will be deemed to be a basis for summary dismissal and the employee will be subject to immediate disciplinary procedures in terms of the employment contract;

12.1.2 Non - compliance by a representative will be deemed to be a material failure to comply with FAIS and may be subject to debarment.

13.0 Procedures:

13.1 Who must do what?

13.1.1 The board will appoint a conflict-of-interest champion who will be responsible for evaluating the materiality of the conflict and drive the principles throughout the organisation.

13.1.2 Key individuals in all divisions will be responsible for the identification and recording of conflict-of-interest situations:

13.1.2.1 *Identify* areas where potential or actual conflict-of-interest situations can arise by analysing all relationships and arrangements -

- With whom can the FSP potentially have a conflict-of-interest?
- With product suppliers i.e. Insurers and their associates with whom the FSP has a business (financial interest paid to or from) or ownership relationship
- With other FSP's and their associates with whom there is a business (financial interest paid to or from) or ownership relationship?
- With a distribution channels with whom there is a business (financial interest paid to or from) or ownership relationship
- With any other person who has an arrangement /agreement with a product supplier, FSP or distribution channel and provides a financial interest to the FSP or a representative, with whom there is a business (financial interest paid to or from)



or ownership relationship e.g. Panelbeaters, assessors

- With any service provider with whom there is a business (financial interest paid to or from) or ownership relationship
- With the FSP's staff as a result of their employment contracts or remuneration policies
- With any other relevant relationship outside insurance that may exist in the company.

This process will be done as an initial once off and then annually, and then before any new relationship is then entered into, or any existing relationship is changed.

13.1.2.2

Mechanism to identify and assess conflict-of-interest –

- *Record* the information on the management tools for documenting the relationships and arrangements.
- *Assess* whether these are to be avoided or mitigated and record decision accordingly.
- *Refer* any contentious issues to the conflict-of-interest champion for decision.

14.0 Test and basis to review situation:

14.1 The following tests will assist in determining the materiality of the conflict-of-interest:

14.1.1 Does this or can this be perceived to encourage behaviour that would result in or potentially result in the client, customer or consumer receiving inappropriate and unsuitable financial advice due to the advisor being unduly influenced in giving that advice. Is it specifically excluded as a:

14.1.1.1 Financial interest



14.1.1.2 An ownership interest

14.1.1.3 Any relationship with a third party?

14.1.2 Does this or can this be perceived to:

14.1.2.1 Influence the objective performance of the advisors obligations to the client,

14.1.2.2 Prevent the advisor from rendering an unbiased and fair financial service to that client, or from acting in the best interest of the client.

14.1.2.3 Is it specifically excluded as a:

- Financial interest
- An ownership interest
- Any relationship with a third party?

14.1.3 Determine whether the conflict-of-interest can be

14.1.3.1 avoided, and if it can't be avoided then

14.1.3.2 record reason for why it can't be avoided , and the measures taken to mitigate or reduce the impact or influence of the conflict-of-interest on the client.

14.2 Record these conflict-of-interest situations on the management tools.

14.2.1 Record the immaterial financial interest (system driven at authorisation stage).

14.2.2 Identify any financial interest received and offered, as well as any immaterial financial interest, and record these on management tools.

14.2.3 Identify any ownership interest and record these on management tools.

14.2.4 Gifts and entertainment register reflecting gifts given and received are to be kept and updated by the individual staff member who gives and or receives the respective gift, incentive or object of financial interest as defined above.



14.3 The key individual will be responsible to report such actual or potential conflict-of-interest situations to the conflict-of-interest champion and compliance officer.

14.4 Any unclear matters will be resolved by the conflict-of-interest champion.

15.0 Policy detail

15.1 The FSP will disclose:

15.1.1 All associates

15.1.2 Names of any third parties in which the group holds an ownership interest (including the nature and extent of ownership interest)

15.1.3 Names of any third parties that hold an ownership interest in the group (including the nature and extent of ownership interest)

16.0 Obligations, monitoring, publication and compliance review

16.1 The FSP's will:

16.1.1 ensure that its employees, representatives and, where appropriate, associates are aware of the contents of its conflict-of-interests management policy.

16.1.2 provide appropriate training and educational material on its conflict-of-interest management policy.

16.1.3 continually monitor compliance with this policy.

16.1.4 publish this policy on its intranet at website www.lombardins.com and have it easily accessible to the public at all times.

16.1.5 annually conduct a review of this policy as part of its compliance reporting to FSCA. LIC will report annually on the policy to the FSCA

17.0 Accountability

17.1 The board of the respective FSP's collectively issue this policy and management sign off as the management of the conflict-of-interest is a management responsibility and top management must buy into it and ensure that all their decisions are informed by the policy.



18.0 Related policies and standards

- 18.1 FAIS fit and proper affidavit
- 18.2 Lombard FAIS code of conduct
- 18.3 Lombard code of conduct
- 18.4 Lombard gifts register

19.0 Document approvals

- 19.1 This policy be approved by the board of directors of the insurance license and revised annually.

Role	Position	Name of Approver	Approval Signature	Date Approved
Author	Head of Compliance	Ronell Platte		2017/03/23
Final Approver	Chairman of the Board	Miles Japhet		2017/03/23

20.0 Revision History

Effective Date	Rev Letter	Document Author	Description of Change
2011/04/01	000	Ronell Platte	Original Approval by Board
2012/06/13	001	Ronell Platte	Review & Approval by Board
2013/04/10	002	Ronell Platte	Review & Approval by Board
2014/04/02	003	Ronell Platte	Review & Approval by Board



2015/03/18	004	Ronell Platte	Review & Approval by Board
2016/03/16	005	Ronell Platte	Review & Approval by Board
2017/03/23	006	Ronell Platte	Review & Approval by Board
2018/03/28	007	Ronell Platte	Review & Approval by Board
2019/03/14	008	Sithembiso Khumalo	Review & Approval by Board
2020/02/14	009	Tanya Otto	Review & Approval by Board
2021/03/24	010	Stephen Vivian	Review & Approval by Board

Annexure C: Conflict-of-Interest Fleshed out

When a FSP and its representative render a financial service it will avoid and where this is not possible mitigate, any conflict-of-interest

1.0 Who is the authorised FSP and its representative?



- 1.1 Any person employed or mandated by such employer, who renders a financial service to a client for and on behalf of a FSP (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 services in a subsidiary or subordinate capacity, which service does not require judgement on the part of the latter person; or
- 1.2 does not lead a client to any specific transaction in respect of a financial product in response to general queries.

2.0 What does “render a financial service” relate to?

- 2.1 A financial services provider is any person other than a representative who as a regular feature of the business of such person and who is licensed accordingly to perform one or all of the following activities:
 - 2.1.1 furnishes advice; (Advice is defined as any recommendation, guidance or proposal of a financial nature furnished by any means or medium to any client or group of clients;
 - 2.1.2 in respect of the purchase of any financial product
 - 2.1.2.1 furnishes advice and renders any intermediary service; or
 - 2.1.2.2 renders intermediary service(s) only.

3.0 How to treat any potential conflict-of-interest

Any situation in which the FSP or a representative has an actual or potential interest that may, in rendering a financial service to a client -

- 3.1 influence the objective performance of his, her or its obligations to that client; or
- 3.2 prevent the FSP or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interest of that client, including, but not limited to -
 - 3.2.1 a financial interest where *financial interest* is defined as any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation,



sponsorship, other incentive or valuable consideration, other than –

3.2.1.1 an ownership interest;

3.2.1.2 training, that is not exclusively available to a selected group of providers or representatives, on –

3.3 products and legal matters relating to those products;

3.4 general financial and industry information;

3.5 specialised technological systems of a third party necessary for rendering of a service;

3.5.1 but excluding travel and accommodation associated with that training;

3.5.2 an ownership interest – where an 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 an proprietary interest held as an approved nominee on behalf of another person; and

3.5.3 includes any dividend, profit share or similar benefit derived from that ownership interest.

3.5.4 any relationship with a third party. A relationship with a third party is deemed to be a relationship with –

3.5.4.1 a product supplier (this is any person who issues a financial product by virtue of an authority, approval or right granted to such person under any law)

3.5.4.2 another provider (authorized financial services provider or representative)

3.5.5 an associate of a product supplier or a provider;

3.5.6 a distribution channel is-

3.5.6.1 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;



- 3.5.6.2 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;
 - 3.5.6.3 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.
- 3.5.7** 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.