CONFLICT OF INTEREST MANAGEMENT POLICY

For

SPRINGPOINT FINANCE (Pty) Ltd

1. Purpose

The General Code of Conduct for Authorized Financial Service Providers and Representatives ("the Code") Issued under the Financial Advisory and Intermediary Services Act, 2000 (Act No. 37 of 2002) ("FAIS"), requires financial services providers to have a Conflict-of-Interest Management Policy in place to ensure that Conflict of interest is managed appropriately in the business.

The purpose of this policy is to assist Springpoint Finance (Pty) Ltd and its employees to identify potential and actual conflict of interest and to manage it appropriately.

2. Policy Statement

Springpoint Finance (Pty) Ltd is committed to avoiding, and where this is not possible, mitigating any conflict of interest that may arise between Springpoint Finance (Pty) Ltd, as a service provider, and its clients or service providers (Insurers, and underwriting managers) or their representatives, when rendering financial services to policyholders.

3. Who is subject to the policy?

Springpoint Finance (Pty) Ltd employees and Springpoint Finance (Pty) Ltd clients are bound to by this policy.

4. What is a conflict of interest?

"Conflict of interest" is any situation, including financial interest, ownership interest, or any relationship with a third party, in which a provider or FAIS representative has actual or potential interest that may:

- Influence the objective fulfilment of obligations to a client;
- Influence the offering of unbiased and fair advice or service to a client; or
- Prevent the provider or FAIS representative from acting in the best interest of a client.

This may include:

- Real or perceived financial gain resulting from recommendations to clients that prejudice the client;
- An outcome of service delivery or transaction that may not best serve the interest of the client;
- Non-cash incentives that may be received by the business as a result of affecting any predetermined transaction and/ or product; and
- Effecting a transaction and/ or product that may benefit a party other than the client.

Financial interest that is allowed, is subject to prior approval and the total expenditure not exceeding R1000 per FAIS representative during any one year.

5. Mechanisms for identifying conflicts of interest

Appropriate rules have been put in place around the receipt/ offering of financial interest.

All remuneration models for representation are required to be signed off by the compliance department or manager of the affected sales area.

Appropriate training has been developed to enable representatives to identify conflicts of interest situations.

The key individual or staff member in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters. Springpoint Finance (Pty) Ltd will conduct *ad hoc* checks on business transactions to ensure the policy has been complied with.

The Compliance Officer will include monitoring of the Conflict-of-Interest policy as part of his/her general monitoring duties and will report thereon in the annual compliance report.

This policy shall be reviewed annually and updated if applicable. The compliance function is outsourced to an external Compliance officer with no shareholding in Springpoint Finance (Pty) Ltd. The Compliance practice functions objectively and sufficiently independently Springpoint Finance (Pty) Ltd and monitors the process, procedures and policies that Springpoint Finance (Pty) Ltd has adopted to avoids conflicts of interest.

6. Measures for avoidance of conflict of interest

All expenditure incurred that forms part of immaterial financial interest" will require the written consent of the Manager of the relevant Business Unit and must be recorded in the relevant conflict of interest register. "Immaterial financial interest" is a financial interest with an aggregate annual value of R1000 or less given by a third party to the same FAIS representative or FSP.

Examples of expenditure that form part of "immaterial financial interest" and that will be subject to the specific approval and recording in the conflict-of-interest register include items listed in the "allowed, but subject to approval" column in the register.

Where a conflict of interest cannot be avoided, Springpoint Finance (Pty) Ltd.'s representatives are required to make a written disclosure of such a conflict to their existing and potential clients at the earliest reasonable opportunity, together with measures that were taken to mitigate the situation. Any such disclosures are required to be approved by the relevant Compliance Person.

In exercising his discretion, the Compliance Person must have regard to:

- The relevant conflict of interest register;
- Any commission regulations or other laws which may be breached by the receipt of such gift;
- A written statement from the giver explaining the reason for and purpose of the gift, which must accompany any request for authorization.

7. Conflict of interest internal controls

To manage conflicts of interest, Springpoint Finance (Pty) Ltd maintains a conflict of interest register and Internal Gift register.

Springpoint Finance (Pty) Ltd must designate an employee that maintains the register, and will from time to time, advise all staff of the name and contact details of the designated employee.

A person responsible for the maintenance of the conflict-of-interest register must record all disclosures made in the register without delay and, must advise the Compliance Person immediately should the gift exceed the annual limit of R1000 per FAIS representative.

Springpoint Finance (Pty) Ltd may not offer any financial interest to a representative –

- For 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.
- For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
- That is determined with reference to the quantity of business, without also giving due regard to the delivery of fair outcomes for clients.

In relation to delivery of fair outcomes for clients, Springpoint Finance (Pty Ltd must demonstrate that a determination of a representative's entitlement to a financial interest, considers measurable indicators, relating to the:

- Achievement of minimum service level standards in respect of clients
- Delivery of fair outcomes for clients; and
- Quality of the representative's compliance with the FAIS Act.

The measurable indicators are agreed between the FSP and its representative and sufficient weight (significance) are attached to these indicators to materially mitigate the risk of the representative(s) giving preference to the quantity of business secured for Springpoint Finance (Pty) Ltd over the fair treatment of clients.

Springpoint Finance (Pty) Ltd does not offer a sign-on bonus to any person, other than a new entrant, as an incentive to become a provider authorised or appointed to give advice.

8. Reporting of Conflicts of interest

The outcome of the conflict-of-interest register shall be reported to the Board of Directors.

The monitoring of the conflict-of-interest register will be done on a quarterly basis by the Board of Directors and must include recommendations regarding steps that will be taken to avoid a recurrence of such conflict of interest.

9. Non-adherence to the Policy

Non-adherence to this Policy may result in disciplinary action being taken against the employee, nonadherence by the client may result in the termination of all business relating to that client.