CONFLICT OF INTEREST MANAGEMENT POLICY

FSP NAME	Groups Are Us (Pty) Ltd
FSP NUMBER	45735
FSP ENTITY	Credit Life And Funeral Cover Insurance
PHYSICAL ADDRESS	Groups Are Us Building 34 Newton Street Newton Park Gqeberha 6055
TELEPHONE NO	041 004 0114
POLICY DATE	31 March 2025
AUTHOR	Rigert du Toit

Contents

1. INTRODUCTION

In terms of the Financial Advisory and Intermediary Services Act, 2002, Groups Are Us (Pty) Ltd is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage any Conflict of Interest (COI).

Section 3A(2)(a) of the FAIS General Code of Conduct (GCOC) stipulates that every financial services provider, other than a representative, must adopt, maintain and implement a Conflict of Interest Management policy that complies with the provisions of the Act.

2. PURPOSE

The purpose of this policy is to comply with these obligations and provide for mechanisms to be put in place to identify, mitigate and manage the conflicts of interest to which Groups Are Us (Pty) Ltd is a party. In addition, to ensure alignment between the values of the organisation and the conduct of its people by safeguarding clients' interests and ensuring the fair treatment of clients.

Groups Are Us (Pty) Ltd is committed to ensuring that all business is conducted in accordance with good business practices. To this end, Groups Are Us (Pty) Ltd conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimise and manage all real and potential conflicts of interests. Like any financial services provider, Groups Are Us (Pty) Ltd is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients' interests is our primary concern and so our policy sets out how:

- 2.1. we will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients' interests;
- 2.2. we have established appropriate structures and systems to manage those conflicts; and
- 2.3. we will maintain systems in an effort to prevent damage to our clients' interests through identified conflict of interest.

To achieve the objectives set out above, this policy sets out the rules, principles and standards of the Groups Are Us' (Pty) Ltd Conflict of Interest Management procedures, by documenting them in a clear and understandable format.

3. SCOPE OF APPLICATION

Groups Are Us (Pty) Ltd is a private company with branches in Pretoria, Port Elizabeth and Durban. Groups Are Us (Pty) Ltd provides credit life cover, and voluntary funeral life cover, underwritten by Sanlam Developing Markets and Clientèle Life Assurance Company Limited.

This policy is applicable to Groups Are Us (Pty) Ltd, all providers of Groups Are Us (Pty) Ltd, key individuals, representatives, associates and administrative personnel. Groups Are Us (Pty) Ltd, is committed to ensuring compliance with this policy and the processes will be monitored on an ongoing basis.

Any non-compliance with the policy will be viewed in a severe light. Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable. Avoidance, limitation or circumvention of this policy via an associate will be deemed as non-compliance.

4. UNDERSTANDING CONFLICT OF INTEREST

4.1. WHEN IS IT A CONFLICT OF INTEREST

A conflict of interest means any situation in which the FSP or one of our representatives has an actual or potential interest that may, in rendering a financial service to our clients:

- Influence the objective performance of obligations to that client; or
- prevents us from rendering an unbiased and fair financial service, or
- prevents us from acting in the interests of that client.

4.2. ACTUAL AND POTENTIAL CONFLICTS OF INTEREST

An "actual or potential interest" includes but is no limited to:

- A **financial interest**, which includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration which exceeds R1000 per calendar year.
- An **ownership interest** which means any equity or proprietary interest and any dividend, profit share or similar benefit derived from that equity or ownership interest.
- Any **relationship with a third party**, meaning any relationship with a product supplier, other FSP's, an associate of a product supplier or an associate of the FSP. A third party also includes any other person who, in terms of an agreement or arrangement, provides a financial interest to the FSP or its representatives.
- An **immaterial financial Interest**, which is any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 in any calendar year from the same third-party in that calendar year received by –
  - a provider who is a sole proprietor; or
  - a representative for that representative's direct benefit; or
  - a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

4.3. WHAT TYPE OF INTEREST MAY WE GIVE AND RECEIVE?

Groups Are Us (Pty) Ltd and our representatives may only offer to and receive specific financial interests from a third party, which includes the following:

4.3.1. Commission as authorised under the Long-term Insurance Act (52 of 1998), the

Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998).

4.3.2. Fees as authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998).

4.3.3. "Other fees" specifically agreed to by the client and which can be stopped by the client at their discretion but only if agreed in writing with the client, including details of the amount, frequency, payment method and recipient of those fees, as well as the details of services to be provided in exchange for the fees.

4.3.4. Fees or remuneration for services that were rendered to a third party.

4.3.5. An immaterial financial interest.

4.3.6. Any other financial interest not mentioned above for which a consideration, fair value or remuneration that is reasonably commensurate is paid by that provider or representative, at the time of receiving that financial interest.

4.4. ON WHAT BASIS MAY WE GIVE AND RECEIVE FINANCIAL INTERESTS?

The financial interest referred to in points 4.3.2, 4.3.3, and 4.3.4 above may only be offered or received by Groups Are Us (Pty) Ltd or it's representatives, if:

- The financial interests are proportionate (reasonably commensurate) to the service being rendered, considering the nature of the service, the resources, skills and competencies that are reasonably required to perform it.
- The payment of those financial interests does not result in Groups Are Us (Pty) Ltd, or its representative, being remunerated more than once for performing the same service.
- Any actual or potential conflicts between the interests of clients and the interests of the person receiving those financial interests are effectively mitigated; and
- The payment of those financial interests does not impede the delivery of fair outcomes to clients.

4.5. FINANCIAL INTERESTS FOR REPRESENTATIVES OF THE FSP

Groups Are Us (Pty) Ltd, may not offer any financial interest to a representative of Groups Are Us (Pty) Ltd –

- 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, Groups Are Us (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 in writing between Groups Are Us (Pty) Ltd 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 Groups Are Us (Pty) Ltd, over the fair treatment of clients.

Groups Are Us (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.

The way in which Groups Are Us (Pty) Ltd, remunerates its representatives and complies with these requirements, is set out in section 6 of this policy.

5. PROCESSES AND INTERNAL CONTROLS TO MANAGE CONFLICT OF INTEREST

5.1. IDENTIFICATION OF CONFLICT OF INTEREST

To adequately manage conflicts of interest, Groups Are Us (Pty) Ltd, must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which the policy applies, Groups Are Us (Pty) Ltd, considers whether there is a material risk of unfair treatment or bias for the client, taking into account whether Groups Are Us (Pty) Ltd, or its representative, associate or employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client;
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome;
- has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client;
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the legislated commission or reasonable fee for that service.

Our policy defines possible conflict of interest or examples of conflict of interest as, inter alia conflicts of interests-

- between the FSP and the client.
- between our clients if we are acting for different clients and the different interests conflict materially.
- where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client.
- storing confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients.

All employees, including internal compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify the Key Individual of any conflicts they become aware of. The Key Individual will assess the implications of the conflict and how the conflict should be managed, acting impartially to avoid a material risk of harming clients' interests.

5.2. MEASURES FOR AVOIDANCE AND MITIGATION OF CONFLICT OF INTEREST

To ensure that Groups Are Us (Pty) Ltd can identify, avoid and mitigate conflict of interest situations, Groups Are Us (Pty) Ltd creates awareness and knowledge of applicable stipulations, through annual training and educational material. Where a conflict of interest situation cannot be avoided, these instances are recorded on Groups Are Us (Pty) Ltd's conflict of interest register (**Annexure A**).

Groups Are Us (Pty) Ltd ensures the understanding and adoption of the Groups Are Us (Pty) Ltd's conflict of interest policy and management measures by all employees, representatives, and associates through training on the conflict of interest policy.

The Key Individual will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. Compliance and management then agree on the controls that need to be put in place to manage the conflict. Once a conflict of interest has been identified it needs to be appropriately and adequately managed and disclosed, in line with the below steps.

5.3. MEASURES FOR MANDATORY DISCLOSURE OF CONFLICTS OF INTEREST

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned.

In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients. The Key Individual will ensure transparency and manage conflict of interests. The client must be informed on the Conflict of Interest Policy and where they may access the policy.

5.4. ONGOING MONITORING OF CONFLICT OF INTEREST MANAGEMENT

The Key Individual or staff member in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters. Groups Are Us (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. Groups Are Us (Pty) Ltd's compliance function consists of an internal compliance department and also an external compliance company with no shareholding in Groups Are Us (Pty) Ltd. The Compliance function functions objectively and sufficiently independently of Groups Are Us (Pty) Ltd and monitors the process, procedures and policies that Groups Are Us (Pty) Ltd has adopted to avoids conflicts of interest.

5.5. TRAINING AND STAFF

Comprehensive training on the Conflict of Interest is provided to all employees and representatives as part of specific and/or general training on the FAIS Act and GCOC.

Training will be incorporated as part of all new appointees' induction. Ongoing and refresher training on Groups Are Us (Pty) Ltd's Conflict of Interest management processes and policy is provided on an annual basis.

5.6. REGISTERS

With regard to existing third-party relationships, being the product suppliers listed in our Contact Stage Disclosure letter, we confirm that there are no circumstances which could lead to a potential conflict of interest. Should any conflicts arise with regard to any of these, prior to entering into any business transaction with you, we undertake to disclose these in the registers below.

All gifts, financial interest, immaterial financial interest and any other conflict of interest situations as outlined in this policy, must be recorded in Groups Are Us (Pty) Ltd's Conflict of Interest register, attached as Annexure A.

6. REMUNERATION POLICY

This section of the Policy specifies the type of and the basis on which a representative of Groups Are Us (Pty) Ltd will qualify for a financial interest that Groups Are Us (Pty) Ltd offers and motivates how that financial interest complies with the requirements of this policy.

7. INTRODUCTION TO REMUNERATION POLICY

The Remuneration Policy addresses remuneration on an organisation wide basis and is one of the key components of the Human Capital strategy, both of which fully support the overall business strategy.

7.1. REMUNERATION POLICY PURPOSE

The Groups Are Us (Pty) Ltd remuneration philosophy is to recruit, motivate, reward and retain employees who believe in, and live by, our culture and values. We endeavour to encourage entrepreneurship by creating a working environment that motivates high performance so that all employees can positively contribute to the strategy, vision, goals and values of the group.

Our philosophy, supported by a robust performance management practice, strives to set our employees' total remuneration package at a competitive level by benchmarking to the market, and providing incentives geared to agreed performance outcomes, where appropriate.

We believe the long-term success of the group is directly linked to the calibre of employees that we employ and the working environment that we create. It is, therefore, imperative that we make a concerted effort to align the best interests of our employees with that of our other stakeholders.

7.2. REMUNERATION POLICY PRINCIPLES

The group remuneration policy is based fundamentally on the following principles:

- The remuneration policy is aligned to the overall business strategy, objectives and values of the group without being detrimental to the interests of its customers.
- The remuneration policy contains arrangements for ensuring that executive remuneration is fair and responsible in the context of overall group remuneration and performance.
- The remuneration policy, procedures and practices are consistent with, and supportive of, effective risk management.
- Salaried employees may receive financial incentives, in the form of bonuses or commission, aimed at employee retention or for reaching performance targets on a monthly, quarterly or yearly basis, as determined by the Directors.
    - The incentives are determined in line with market practices and includes fixed, variable, short- and long-term incentives.
    - The fixed (guaranteed) component of the incentive includes a base salary.
    - Incentives aimed at encouraging retention are clearly distinguished from those relating to rewarding performance.
    - Incentives are based on targets that are stretching, verifiable and relevant. Multiple performance measures are used to avoid manipulation of results or poor business decisions.
- The fixed (guaranteed) component of the reward includes a base salary.
- Incentives aimed at encouraging retention are clearly distinguished from those relating to rewarding performance.
- Incentives are based on targets that are stretching, verifiable and relevant. Multiple performance measures are used to avoid manipulation of results or poor business decisions.
- In recognition that certain activities or projects expose the group to risks over an extended period of time, certain variable incentives are staggered, to be paid in deferred instalments over an appropriate period, thus recognising the time horizon of risk exposure.
- The remuneration policy offers flexibility for the customisation of remuneration and benefits, i.e. work/life balance and specific business needs.
- It is recognised that the group has a large number of sales employees whose primary remuneration structure is based on commission. Commission structures may differ between divisions.
- The remuneration policy makes provision for a pay-for-performance system whereby employees, for example, those in sales and client service environments, are remunerated through a larger proportion of variable pay determined on the basis of predefined quantitative and qualitative measures.

7.3. REMUNERATION REVIEW

A review of remuneration is conducted annually. Typically, a variety of factors, such as CPI, affordability, budgets, market movements/ trends, competitor remuneration, scarcity of skills, etc. is considered in order to approve a mandate for the group. In order to take account of factors such as promotions, and significant movements in market pay for specific roles, allowance is made for out-of-cycle adjustments.

7.3.1. MANDATE AND AUTHORITY

- The management of the group shall take into account the Remuneration Policy, and any other relevant documents when considering matters before it.
- The management has full discretion in determining appropriate remuneration policies and practices for the group, including but not limited to, annual remuneration increases, performance bonuses and share incentives for the group.
- The management shall, as deemed necessary, report significant deviations from the principles set forth in the Remuneration Policy, to the shareholders and directors and Key Individuals.

Groups Are Us (Pty) Ltd carries out regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance.

8. ANNEXURES

8.1. ANNEXURE A

Conflict of Interest Register – Business Relationship/Association

GROUPS R US
INSURANCE PARTNERS

Business Relationship / Association

List the different product suppliers, outsource agreements and referral agreements you have with each company, and any associate in relation to a person

	Name	Designation	Company	Nature of Relationship/ Association	Status	Benefits
1						
2						
3						
4						
5						
6						
7						
8						
9						
10						

Conflict of Interest Register – Financial Interest Received

GROUPS R US
INSURANCE PARTNERS

Financial Interest Received

Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1000 per annum) 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.

	Name	Designation	Description	Date Received	From	Reason	Value
1							R
2							R
3							R
4							R
5							R
6							R
7							R
8							R
9							R
10							R

Conflict of Interest Register – Ownership Interest

GROUPS R US
INSURANCE PARTNERS

Ownership Interest

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

	Name	Designation	Company Name	Percentage Ownership	Date Obtained
1					
2					
3					
4					
5					
6					
7					
8					
9					
10					

8.2. ANNEXURE B

DEFINITIONS

1) Associate

(a) In relation to a natural person, means–

(i) a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;

(ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;

(iii) a parent or stepparent of that person;

(iv) a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;

(v) a person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv);

(vi) a person who is in a commercial partnership with that person;

(b) in relation to a juristic person–

(i) 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;

(ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;

(iii) which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person–

(aa) had such first-mentioned juristic person been a company; or

(bb) 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;

(iv) 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;

(c) in relation to any person–

(i) 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;

(ii) includes any trust controlled or administered by that person.

2) Fair Value

Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 61 of 1973.

3) FSC

Means the Financial Sector Code published in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, (Act 53 of 2003), as amended from time to time

4) Distribution channel means

a) 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.

b) 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.

c) 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.

5) New Entrant

Is a person who has never been authorised as a financial services provider or appointed as a representative by any FSP.

6) No-claim bonus means

Any benefit that is directly or indirectly provided or made available to a client by a product supplier in the event that the client does not claim or does not make a certain claim under a financial product within a specified period of time.

7) Measured Entity

Has the meaning assigned to it in the FSC insofar it relates to a qualifying enterprise development contribution.

8) Qualifying Beneficiary Entity

Has the meaning contemplated in the FSC insofar as it relates to a qualifying enterprise development contribution

9) Qualifying Enterprise Development Contribution

Has the meaning assigned to it in the FSC

10) Sign-On Bonus means;

(a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and

(b) a financial interest referred to in paragraph (a) includes but is not limited to–

(i) compensation for the–

(aa) potential or actual loss of any benefit including any form of income, or part thereof; or

(bb) cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services; or

(ii) a loan, advance, credit facility or any other similar arrangement.