



FORSYTH & NASH
INSURANCE BROKERS

CONFLICT OF INTEREST POLICY

Processes and Procedures

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1.	PURPOSE
	<p>Forsyth and Nash Insurance Brokers is committed to avoiding conflicts of interest wherever possible. When avoidance is not feasible, we are dedicated to mitigating and fully disclosing any conflicts that may arise between FANIB, its employees, associates and/or clients during provision of financial services.</p> <p>The objective of this policy is to:</p> <ul style="list-style-type: none"> • Establish procedures to identify, manage and/or avoid Conflicts of Interest. • Ensure that all clients are treated fairly and are not prejudiced by any Conflicts of Interest. • Promote ethical conduct and protect the interests of clients. <p>The Conflict of Interest Policy has been developed in line with the requirements of the provisions of the General Code of Conduct for Authorised Financial Service Providers and Representatives, issued under the Financial Advisory and Intermediary Services Act, 2000 Act No. 37 of 2002 ('the FAIS Act')</p>
2.	REGULATORY TERMINOLOGY AND DEFINITIONS
	<p><i>Important Policyholder Protection Rules' (PPR) definitions:</i></p> <p>Conflict of Interest (COI)</p> <p>Means any situation in which FANIB, or a representative of FANIB, has an actual or potential interest in rendering a financial service to a client that may:</p> <ol style="list-style-type: none"> 1. Influence the performance objective of his/her obligations to that client; or 2. Prevent FANIB or a representative from rendering an unbiased and fair financial service to that client or from acting in the interest of that client, including but not limited to: <ol style="list-style-type: none"> i. A financial interest ii. An ownership interest or iii. Any relationship with a third party. <p>Employees</p> <p>Means full-time and part-time employees, whether temporary or permanent, and includes directors, representatives, juristic representatives, independent contractors and agents of FANIB</p>

Financial Interest

Means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentives or valuable consideration, other than:

- a. An ownership interest
- b. Training that is not exclusively available to selected group FSP's or representatives on:
 - i. Products and legal matters relating to those products
 - ii. General financial and industry information and
 - iii. Specialised technology systems of a third party necessary for the rendering of a financial service, but excludes travel and accommodation associated with that training
- c. A qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.

Gifts

Means any gratuity, favour, discount, entertainment, hospitality, loan, forbearance or other item having monetary value. It includes services as well as gifts consisting of training, transportation, local travel, lodging and meals, whether provided in kind, by purchase of ticket, payment in advance or reimbursement after the expense has occurred.

Key Individual ('KI')

Means the individuals in FANIB that are responsible for managing and overseeing the activities related to the rendering of financial services. These individuals are registered with the Regulator in accordance with the FAIS Act.

Representative

Means any person who renders a financial service to a client for or on behalf of FANIB, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting or other services which service:

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

Senior Management

Means people, so appointed, who are individually or jointly responsible for managing or overseeing the business activities of FANIB on a day-to-day basis.

Third Party

Means:

- a. A product provider
- b. Another FSP or its associated
- c. An associate of FANIB and
- d. Any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to FANIB or its representatives.

Conflicts Officer

Is the person primarily responsible for identifying, recording and managing conflicts of interest within the business.

TCF

Means Treating Customers Fairly

3.	TREATING CUSTOMERS FAIRLY (TCF)
	<p>TCF is a key component in the way conflicts are managed and the Conflicts of Interest Policy must therefore be read in conjunction with our TCF Policy. The principles of TCF are:</p> <ol style="list-style-type: none"> 1. Customers can be confident they are dealing with businesses where TCF is central to the corporate culture. 2. Products and services marketed and sold in the retail market are designed to meet the needs of identified customers and groups and are targeted accordingly. 3. Customers are provided with clear information and kept appropriately informed before, during and after point of sale. 4. Where advice is given, it is suitable and takes account of the customer's circumstances. 5. Products perform as businesses have led customers to expect, and service is of an acceptable standard and as expected by customers. 6. Customers do not face unreasonable post-sale barriers imposed by businesses to change product, switch providers, submit a claim or make a complaint.
4.	SCENARIO'S WHERE CONFLICT OF INTEREST MAY ARISE
	<p>In respect of all employees, possible conflicts could include:</p> <ol style="list-style-type: none"> 1. An employee owning shares or holding debt or other proprietary interests in any third party or associated company. 2. Holding office, serving on the Board, participating in Management, or being otherwise employed (or formally employed) with any third party or associated company. 3. An employee receiving remuneration of any type whether commission or otherwise for services from another person or company. 4. An employee using FANIB's time, personnel, equipment, supplies or goodwill for purposes other than approved activities, programs and purposes. 5. An employee receiving gifts for birthdays or other special occasion. 6. An employee receiving money, vouchers or anything that can be converted to money from any other person or company 'selling' specific services or products whether in pursuance of the employee's occupation or otherwise. 7. An employee being invited to lunches/dinner/shows and other entertainment events. 8. An employee receiving or accepting special travel or holiday facilities at discounted prices or as an award for providing leads or business to another company. 9. An employee providing leads to businesses owned by family and friends, whether for reward or otherwise. 10. An employee distributing products and/or services provided by businesses owned by family and friends for reward or otherwise. 11. Any activity involving clients by which family and friends can financially benefit. 12. An employee receiving personal gifts or loans from any other companies or persons dealing or competing with FANIB. <p>Receipt of any gift is disallowed except gifts which could not be refused without discourtesy and do not exceed R1000 in any calendar year. No personal gift or money or gift vouchers is allowed under any circumstances.</p> <p>All employees of FANIB are obliged to report actual, perceived or potential conflicts of interest to Charlene Pickup (on behalf of the Conflicts Officer, Richard Neville). The failure of employees to notify the Conflicts Officer may result in disciplinary action being taken against the affected individuals, which may include dismissal if appropriate.</p>

	<p>In respect of FANIB, possible conflicts could include:</p> <ol style="list-style-type: none"> 1. FANIB owning shares or holding debt or other proprietary interests in any third party or associated company. 2. FANIB earning/receiving more than the regulated commission whether arising from additional services provided to the client or the supplier or otherwise. 3. FANIB making payment to another FSP or third party which enables that FSP to earn more than the regulated commission. 4. Arranging agency contracts with selected insurers. <p>The fact that one of the interests described above exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to FANIB's interests or interests of the clients.</p>
5.	<p>ESTABLISHING CONFLICT OF INTEREST MANAGEMENT FRAMEWORK</p>
	<p>Mechanisms for the identification of COI:</p> <ul style="list-style-type: none"> • At New Business stage, any KI or representative shall consider whether the proposed arrangement will present any potential conflict of interest. It will be the responsibility of each KI or representative entering into such arrangement on behalf of FANIB to ensure that this identification process is carried out and appropriately documented before entering into an arrangement with an insurer. • All KI's and representatives will be accountable to ensure that the necessary reviews of all existing business arrangements are conducted at least annually to assess any potential conflict of interest in the light of changing circumstances, operational processes and procedures that may have been implemented since the commencement of the business. <p>Measures for the Avoidance and Mitigation of identified COI:</p> <ul style="list-style-type: none"> • Whenever any potential COI is identified, the KI or representative responsible for the relationship will consider whether any practical means exists for avoiding such COI. Where this is not practical, the KI or representative will consult with the Conflict Manager to devise appropriate and adequate measures to mitigate and manage the identified COI. • The resulting mitigating and managing measures will be documented and communicated to all staff involved in managing the relationship to ensure that the risk of the identified COI is appropriately managed by the affected business unit.

Measures for the Disclosure of COI:

- Wherever potential COI is identified, the KI or representative concerned will ensure that appropriate communication regarding the following aspects is included in the disclosure information and documentation provided to potential customers purchasing products:
 1. The existence of the COI
 2. A description of what the conflict is
 3. Its impact
 4. The measures taken to mitigate and manage it and
 5. The client's free choice whether he/she wishes to continue with purchasing the product.

IN CONCLUSION:

FANIB expects all its employees to maintain the highest standards in carrying out their business activities and adhering to legislative requirements and policies on business conduct. It further expects its employees to act professionally, honestly and ethically in all their dealings with clients, colleagues and third parties.

In the event of non-compliance with the above-mentioned terms of this Policy, and in addition to any civil or criminal consequences, employees and representatives will be subject to appropriate disciplinary action.

UPDATED: 18TH AUGUST 2025