



CONFLICT OF INTEREST MANAGEMENT POLICY

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Policy Owner	NFB Insurance Brokers (Borders) (Pty) Ltd (NFBIB)
Responsible Business Unit	NVest Financial Holdings Group Compliance
Date Policy Adopted by Board of directors	

KNOWLEDGE INTO COVER

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NFB Insurance Brokers (Border) (Pty) Ltd. | Reg.No. 1996/010593/07 | An authorised financial services provider (FSP No. 8932)
A member of the NVest Financial Holdings Group of Companies



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1. DEFINITIONS

1.1 CONFLICT OF INTEREST

Conflict of Interest means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client:

- 1.1.1 influence the objective performance of his, her or its obligations to that client; or
- 1.1.2 prevent a provider or 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:
 - 1.1.2.1 a financial interest;
 - 1.1.2.2 an ownership interest;
 - 1.1.2.3 any relationship with a third party.

1.2 FINANCIAL INTEREST

Financial Interest means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- 1.2.1 an ownership interest;
- 1.2.2 training, that is not exclusively available to a selected group of providers or representatives, on:
 - 1.2.2.1 products and legal matters relating to those products;
 - 1.2.2.2 general financial and industry information;
 - 1.2.2.3 specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
- 1.2.3 a recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

1.3 IMMATERIAL FINANCIAL INTEREST

Immaterial Financial Interest means 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:

- 1.3.1 a provider who is a sole proprietor; or
- 1.3.2 a representative for that representative's direct benefit;
- 1.3.3 a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

1.4 OWNERSHIP INTEREST

Ownership Interest means

- 1.4.1 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
- 1.4.2 includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

1.5 THIRD PARTY

Third Party means

- 1.5.1 a product supplier;
- 1.5.2 another provider;
- 1.5.3 an associate of a product supplier or a provider;
- 1.5.4 a distribution channel;
- 1.5.5 any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to a provider or its representatives.

1.6 ASSOCIATE

Associate means

- 1.6.1 in relation to a natural person:
 - 1.6.1.1 a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
 - 1.6.1.2 a child of that person, including a stepchild, adopted child and a child born out of wedlock;
 - 1.6.1.3 a parent or stepparent of that person;
 - 1.6.1.4 a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
 - 1.6.1.5 a person who is a spouse, life partner or civil union partner of a person referred to above;
 - 1.6.1.6 a person who is in a commercial partnership with that person.
- 1.6.2 in relation to a juristic person:
 - 1.6.2.1 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; (applicable to NFBIB)
 - 1.6.2.2 which is a close corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act;
 - 1.6.2.3 which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
 - 1.6.2.3.1 had such first-mentioned juristic person been a company, or
 - 1.6.2.3.2 in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other person been a company;

- 1.6.2.4 means any person in accordance with whose directions or instructions the board of director of or, in the case where such juristic person is not a company, the Board of such juristic person is accustomed to act.
- 1.6.3 in relation to any person:
 - 1.6.3.1 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 Board is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
 - 1.6.3.2 includes any trust controlled or administered by that person.

1.7 DISTRIBUTION CHANNEL

Distribution Channel means:

- 1.7.1 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;
- 1.7.2 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;
- 1.7.3 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

2. PURPOSE OF A CONFLICT OF INTEREST MANAGEMENT POLICY

In terms of Section 3A(2) of the FAIS General Code of Conduct, every financial services provider, other than a representative, must adopt, maintain and implement a conflict of interest management policy which complies with the provisions of the Financial Advisory and Intermediary Services Act, 37 of 2002.

In terms of section 3(b) of the FAIS General Code of Conduct, a provider and a representative must avoid, and where this is not possible, mitigate any conflict of interest between the provider and a client, or a representative of the provider and his, her or its clients.

NFBIB and its representatives are committed towards acting within the best interests of our clients and to avoid all conflict of interests in relation to the provision of financial services. Where we are unable to avoid a conflict of interest, we will take all necessary precautions to ensure that any actual or potential conflict of interest is mitigated and adequately disclosed to our clients.

In order to ensure the continued demonstration of our commitment, management has adopted a Conflict of Interest Management policy to provide for the effective management of any actual or potential conflicts of interest that may arise wholly or partially, in relation to the provision of financial services.

The purpose of the Conflict of Interest Management Policy is therefore to:

- 2.1 establish internal controls and mechanisms towards the identification of conflicts of interest;
- 2.2 establish measures to avoid conflicts of interest, and where avoidance is not possible, to provide the reasons therefore;
- 2.3 establish measures to ensure that any unavoidable conflicts of interest are mitigated;
- 2.4 establish measures to ensure the proper disclosure of any conflicts of interest;

- 2.5 establish processes, procedures and internal controls to facilitate compliance with the policy;
- 2.6 communicate the consequences of non-compliance with the policy.

3. IDENTIFYING A CONFLICT OF INTEREST

3.1 INDIVIDUAL IDENTIFICATION

Throughout the process of rendering a financial service to a client, a representative must apply his or her mind to answering the following questions:

- 3.1.1 is there any situation that exists that influences the objective performance of my obligations to my client?
- 3.1.2 is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client?
- 3.1.3 is there any situation that exists that prevents me from acting in the best interest of my client?

If the answer to all three questions is “no”, then there is no conflict of interest associated with the financial service and the representative may proceed.

If the answer to any one of the three questions is “yes”, the representative must proceed to answer the following additional questions:

- 3.1.4 is the situation caused as a result of an actual or potential relationship with a third party? (See definition of “third party”)
- 3.1.5 is the situation caused by an actual or potential financial or ownership interest? (See definition of “financial interest” and “ownership interest”)

If the answer to any one of these questions is “yes”, an actual or potential conflict of interest will have been identified.

3.2 FURTHER GUIDANCE ON IDENTIFYING A CONFLICT OF INTEREST

The definition of a Conflict of Interest incorporates the following terminology:

- 3.2.1influences the “objective performance” of his, her or its obligations to that client.
- 3.2.2prevents a provider or representative from rendering an “unbiased and fair financial service” to that client.
- 3.2.3including but not limited to a “financial interest”.

It is generally understood that the word “objective” refers to a situation where an individual's personal feelings or opinions are completely removed from the equation. The “objective performance” of NFBIB or its representative's obligations therefore implies a situation where financial services are rendered without any untoward influences.

The word “bias” or “biased” is understood to mean a form of prejudice towards a particular person or viewpoint, whereas the word “fair” or “fairness” indicates a situation of just circumstances or being treated on an equal footing. An unbiased financial service therefore implies a financial service that does not lend itself to a particular persuasion, where no reasonable justification for such persuasion can be found. Similarly, a fair financial service implies a situation where the same conclusion or outcome will consistently present itself given the exact same set of circumstances.

Subject to section 3A(1)(c) of the FAIS General Code of Conduct, NFBIB and its representatives may only receive or offer the following “financial interest” from or to a “third party”:

- 3.2.4 **commission** and ***fees** authorised under the Short-term Insurance Act ;
- 3.2.5 ***fees** for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if:
 - 3.5.5.1 the amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representatives in exchange for the fees are specifically agreed to by a client in writing; and
 - 3.5.5.2 those fees may be stopped at the discretion of that client;
- 3.2.6 ***fees** or remuneration for the rendering of a service to a third party;
 - (*NFBIB or its representatives may only receive or offer these financial interests if –
 - i. those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;
 - ii. the payment of those financial interests does not result in NFBIB or its representatives being remunerated more than once for performing a similar service;
 - iii. any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated; and
 - iv. the payment of those financial interests does not impede the delivery of fair outcomes to clients.)
- 3.2.7 an immaterial financial interest (subject to any other law);
- 3.2.8 a financial interest, not referred to above for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by NFBIB or its representative at the time of receipt thereof.

NFBIB may not offer any financial interest to its representatives:

- 3.2.9 that is determined with reference to the **quantity of business** secured for NFBIB without also giving due regard to the delivery of fair outcomes for clients; or
- 3.2.10 for giving preference to a **specific product supplier**, where a representative may recommend more than one product supplier to a client; or
- 3.2.11 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.

NFBIB must be able to demonstrate that the determination and entitlement to the financial interest, that may not be offered to representatives as determined by quantity of business secured without also giving due regard to the delivery of fair outcomes for clients, takes into account measurable indicators relating to the-

- 3.2.12 achievement of **minimum service level standards** in respect of clients;
- 3.2.13 delivery of **fair outcomes** for clients;
- 3.2.14 **quality** of the representative's compliance with this policy;

as agreed between NFBIB and the representative, and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.

3.3 INTERNAL CONTROLS TO IDENTIFY CONFLICTS OF INTEREST

NFBIB has implemented the following internal controls to identify actual or potential conflicts of interest that may arise:

- 3.3.1 NFBIB's Board of directors is required to, at each board meeting, confirm that directors are satisfied that all contracts held with third parties do not in any way influence NFBIB's:
 - 3.3.1.1 objective performance towards its clients;
 - 3.3.1.2 ability to render fair and unbiased financial services towards its clients;
 - 3.3.1.3 ability to act in the best interest of the client.
- 3.3.2 NFBIB's Board of directors is required to, at each board meeting, confirm that directors are satisfied that no ownership interest exists between NFBIB and any third party that, in any way, influences NFBIB's:
 - 3.3.2.1 objective performance towards its clients;
 - 3.3.2.2 ability to render fair and unbiased financial services towards its clients;
- 3.3.3 Conflict of Interest declarations are signed by all relevant personnel on a quarterly basis. The purpose of collecting Conflict of Interest declarations is to assist NFBIB and the appointed Compliance Officer to identify actual or potential conflicts of interest;
- 3.3.4 A list of NFBIB's associates is attached as an annexure hereto. The list is reviewed on an annual basis;
- 3.3.5 A list of all third parties in which NFBIB holds an ownership interest is attached as an annexure hereto. The list is reviewed on an annual basis;
- 3.3.6 A list of all third parties that holds an ownership interest in NFBIB is attached as an annexure hereto. The list is reviewed on an annual basis;
- 3.3.7 NFBIB maintains a Gift Register in terms of NVest Financial Holdings(Pty) Ltd (NVFH) Group Ethics Policy. All gifts received from a third party with an estimated value of R50 or more must be reported to NVFH Group Compliance where it is recorded in a Group Gift Register;
- 3.3.8 All relevant personnel (Key Individuals and Representatives) are required to immediately disclose in writing to NFBIB's Board and NVFH Group Compliance, any actual or potential conflict of interest as soon as they become aware of such situation.

4. AVOIDING AND MITIGATING A CONFLICT OF INTEREST

Once an actual or potential conflict of interest has been identified, the following procedures will be followed in order to determine whether the conflict of interest is avoidable:

- 4.1 NFBIB's Board and relevant Key Individuals will convene and evaluate the actual or potential conflict of interest in an open and honest manner;
- 4.2 All information that's led up to and resulting in, or causing the actual or potential conflict of interest will be disclosed to NVFH Group Compliance;
- 4.3 NFBIB's Board and Key Individuals will apply its mind and determine by way of majority vote whether NFBIB is in a position to avoid the actual or potential conflict of interest;
- 4.4 During the evaluation process, NFBIB's Board and relevant Key Individuals will consider the following possible outcomes prior to a finding in favour of unavailability:

- 4.4.1 The possible negative impact it will have on NFBIB's clients where the actual or potential conflict of interest is deemed to be unavoidable;
- 4.4.2 The possible negative impact it will have on the integrity of the financial services industry where the actual or potential conflict of interest is deemed to be unavoidable;
- 4.5 Where NFBIB's Board and relevant Key Individuals has determined that the actual or potential conflict of interest is in fact avoidable, the following processes will be followed:
 - 4.5.1 NFBIB's Board will remove the underlying cause or situation that results in the actual or potential conflict of interest as soon as reasonably possible;
 - 4.5.2 Any immediate negative impact or prejudice towards clients pending the removal of the actual or potential conflict of interest will be kept to a minimum;
 - 4.5.3 The reasons why the actual or potential conflict of interest was determined to be avoidable will be recorded in NFBIB's Compliance Manual;
 - 4.5.4 Similar circumstances that have led up to the actual or potential conflict of interest will be avoided in the future;
- 4.6 Where NFBIB's Board and relevant Key Individuals have determined that the actual or potential conflict of interest is unavoidable, the following processes will be followed:
 - 4.6.1 NFBIB's Board will convene and determine the measures that will be implemented in order to mitigate the actual or potential conflict of interest as far as reasonably possible;
 - 4.6.2 The reasons why the actual or potential conflict of interest was considered to be unavoidable will be recorded in NFBIB's Compliance Manual;
- 4.7 Any measures implemented towards mitigating the actual or potential conflict of interest will include the following arrangements:
 - 4.7.1 The status of whether the actual or potential conflict of interest is still deemed to be unavoidable shall be reassessed on a continuous basis;
 - 4.7.2 Where a previously deemed unavoidable actual or potential conflict of interest is subsequently deemed to be avoidable, such actual or potential conflict of interest shall immediately be avoided;
 - 4.7.3 All representatives will be notified of any actual or potential conflict of interest as well as the reasons for its unavoidability;
 - 4.7.4 When rendering a financial service, a representative shall be required to disclose to the client in writing that an actual or potential conflict of interest exists;
 - 4.7.5 NFBIB's Compliance Officer shall report on the status of the actual or potential conflict of interest in NFBIB's compliance report to be submitted to the Financial Services Conduct Authority.

5. DISCLOSURE OF CONFLICTS OF INTEREST

It is acknowledged that while disclosure alone will often not be enough, disclosure must be treated as an integral part of managing conflicts of interest. NFBIB is therefore committed to ensure that clients are fully informed about actual or potential conflicts of interest in relation to the provision of financial services.

NFBIB has adopted the following disclosure measures:

- 5.1 NFBIB shall disclose to a client any conflict of interest in respect of that client;
- 5.2 The disclosure shall be made in writing at the earliest reasonable opportunity. The disclosure may be communicated by way of appropriate electronic media;

- 5.3 The disclosure shall include the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest;
- 5.4 The disclosure shall be made in sufficient detail to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest;
- 5.5 The disclosure shall include the measures taken to avoid or mitigate the conflict;
- 5.6 The disclosure shall include any ownership interest or financial interest, other than an immaterial financial interest, that NFBIB or a representative of NFBIB may be or become eligible for;
- 5.7 The disclosure shall include a reference to NFBIB's Conflict of Interest Management Policy and how it may be accessed.

6. COMPLIANCE MEASURES

The measures implemented towards ensuring NFBIB's continued compliance with the Conflict of Interest Management Policy rests with NFBIB's Board and Key Individuals. NVFH Group Compliance and NFBIB's appointed Compliance Officer will monitor NFBIB's continued compliance with the policy on an ongoing basis.

NFBIB has adopted the following internal controls and processes:

- 6.1 NVFH Group Compliance shall ensure that the Conflict of Interest Management Policy is kept in NFBIB's Compliance Manual;
- 6.2 NFBIB's Board and Key Individuals shall ensure that all relevant personnel read the Conflict of Interest Management Policy and understand their duties in respect thereof;
- 6.3 NFBIB's Board and Key Individuals shall ensure that all personnel, and where appropriate, associates are made aware of the contents of the Conflict of Interest Management Policy and NVFH Group Compliance shall provide personnel with training and educational material where deemed appropriate;
- 6.4 NVFH Group Compliance shall ensure that all Conflict of Interest declarations are signed by relevant personnel on a quarterly (3 monthly) basis;
- 6.5 Where an employee or representative have any concerns whether or not an actual or potential conflict of interest might arise in a particular situation, the employee or representative will be required to refer his or her concern to NFBIB's Board, the appropriate Key Individual and/or NVFH Group Compliance;
- 6.6 NFBIB's Board and Key Individuals shall ensure that a list of all NFBIB's associates is annexed to the Conflict of Interest Management Policy and that a review of the list shall be conducted annually;
- 6.7 NFBIB's Board and Key Individuals shall ensure that a list of all the parties in which NFBIB holds an ownership interest is annexed to the Conflict of Interest Management Policy and that a review of the list shall be conducted annually;
- 6.8 NFBIB's Board and Key Individuals shall ensure that a list of all third parties that holds an ownership interest in NFBIB is annexed to the Conflict of Interest Management Policy and that a review of the list shall be conducted annually;
- 6.9 NVFH Group Compliance shall continue to maintain a Group Gift Register and shall ensure that all staff are reminded regularly to report all gifts received from a third party with an estimated value of R50 or more;
- 6.10 NFBIB's Board and Key Individuals shall ensure that proper disclosures are made to clients regarding actual or potential conflicts of interest;
- 6.11 The Conflict of Interest Policy shall be regularly reviewed by NVFH Group Compliance and the appointed Compliance Officer, and where necessary, updated to ensure that the measures contained herein remain effective;

- 6.12 NFBIB's Board shall publish its Conflict of Interest Management Policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times;
- 6.13 NFBIB's Board shall ensure that the Conflict of Interest Management Policy is reviewed on at least an annual basis.

7. CONSEQUENCES OF NON-COMPLIANCE

Where there is reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest via the proper communication channels, NFBIB will proceed to investigate and take any appropriate steps it deems necessary to limit any financial prejudice that may be suffered by NFBIB, its clients or any other third party.

Where an investigation concludes that an employee or representative of NFBIB has indeed failed to disclose an actual or potential conflict of interest, NFBIB shall immediately take appropriate disciplinary steps and corrective actions against such employee or representative. Any failure by an employee to comply with the Conflict of Interest Management Policy will be considered serious form of misconduct and a dismissible offence.

8. ANNEXURE A: LIST OF ASSOCIATES

In terms of Section 3A(2)(b)(iii) of the General Code of Conduct, a Conflict of Interest Management Policy must include a list of all the FSP's associates.

Associate's Name	Type of Relationship
NVest Financial Holdings (Pty) Limited	Group Holding Company
NFB Private Wealth Management (Pty) Ltd	Group Company – manages investment portfolios on behalf of clients of the group (FSP 16300).
NFB Asset Management (Pty) Ltd	Group Company – manages unit trusts, white-labelled offshore funds and model portfolios; such funds being held by NFB clients (FSP 25962).
NVest Securities (Pty) Ltd	Group Company – manages equity portfolios on behalf of clients of the group (FSP 44699).
Independent Executor and Trust (Pty) Ltd	Group Company – administers deceased estates and trusts.
NFB Finance Brokers Western Cape (Pty) Ltd	Group Company – at this stage only a cost centre.
NVest Properties (Pty) Ltd	Group Company – property holding company and deals in Commercial Paper.
NFB AM International	NFBAM subsidiary based in Mauritius (30% shareholding).
Ci Holdings (Pty) Ltd	NFBAM associate (12.5% shareholding).
The Hollard Insurance Company (Hollard Select Broker)	Binding Authority
The Hollard Insurance Company (Hollard Broker Markets)	Delegated authority to issue documentation and process claims
Bryte Insurance Company	Binding authority
Old Mutual Insure	Delegated authority to issue documentation
Santam Insurance Company	Delegated authority to issue documentation
Santam Insurance Company Hospitality division	Delegated authority to issue documentation
AIIG Insurance Company	Delegated authority to issue documentation
Discovery Insure	Limited Binding authority

9. ANNEXURE B: OWNERSHIP INTERESTS HELD BY NFBIB

In terms of Section 3A(2)(b)(v) of the General Code of Conduct, a Conflict of Interest Management Policy must include the names of any third parties in which the FSP holds an ownership interest.

Name of Third Party in which NFBIB holds an ownership interest	Nature and extent of ownership interest
None	

10. ANNEXURE C: OWNERSHIP INTEREST HELD IN NFBIB

In terms of Section 3A(2)(b)(vi) of the General Code of Conduct, a Conflict of Interest Management Policy must include the names of any third parties that holds an ownership interest in the provider.

Name of Third Party that holds an ownership interest in NFB	Nature and extent of ownership interest
NVest Financial Holdings (Pty) Ltd	80.95% ownership of NFB Insurance Brokers (Border) (Pty) Ltd
Kader Trust	4.76% ownership of NFB Insurance Brokers (Border) (Pty) Ltd
Michelle Wolmarans	4.76% ownership of NFB Insurance Brokers (Border) (Pty) Ltd
Richard Clarke	4.76% ownership of NFB Insurance Brokers (Border) (Pty) Ltd
Andrew Fiebiger	4.76% ownership of NFB Insurance Brokers (Border) (Pty) Ltd

11. ANNEXURE D: TYPE OF FINANCIAL INTEREST AND ENTITLEMENT THERETO

In terms of Section 3A(2)(b)(ii), a Conflict of Interest Management Policy must specify the type of financial interest that the provider will offer a Representative and the basis on which a Representative will be entitled to such a financial interest. The Conflict of Interest Management Policy must also include a motivation regarding how the financial interest complies with sections 3A(1)(b) and 3A(1)(bA).

Form of Financial Interest Section 3A(1)(a)(i) – (vii)	Basis for entitlement to Financial Interest	Compliance with Sections 3A(1)(b) and 3A(1)(bA)
<p>Commission authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998).</p>	<p>Standard Industry Commission</p>	<p><i>NFBIB Marketers are remunerated in accordance with a standard remuneration model whereby marketers receive a percentage of the regulated commission that is received by NFB for business placed by the advisor. The regulated commission received is based on business concluded which is a fair outcome to the clients regulated by TCF principles which NFBIB adhere to. Should business not be in the best interests of the client then business would not be concluded regardless of the impact loss of potential commission that could be generated.</i></p>

<p>Fees authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998).</p>	<p>Binder fees and Outsourced fees</p>	<p><i>NFBIB Marketers do not receive any share of the income generated by Binder and Outsource fees.</i></p>
<p>Fees for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if</p> <ul style="list-style-type: none"> ▪ The amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by the provider or its representatives in exchange for the fees are specifically agreed to by a client in writing; and ▪ Those fees may be stopped at the discretion of that client. 	<p>These are the fees that are earned over and above the commission / binder fees – ie Broker fees</p> <ul style="list-style-type: none"> ➤ The services and the fee is documented on our service level agreement and the client has to explicitly consent to the fee being charged. 	<p><i>The marketers earn a percentage of the broker fee in line with the standard remuneration model.</i></p>
<p>Fees or remuneration for the rendering of a service to a third party.</p>	<p>"third party" means-</p> <ul style="list-style-type: none"> (a) a product supplier; (b) another provider; (c) an associate of a product supplier or a provider; (d) a distribution channel; (e) 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. 	<p><i>We only earn an admin fees from OMI in respect of personal lines business as we work directly on their system. The marketers do not receive a share of this income.</i></p>

<p>Subject to any other law, an immaterial financial interest.</p>	<p>"immaterial financial interest" means 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</p> <p>received by-</p> <p>(a) a provider who is a sole proprietor; or</p> <p>(b) a representative for that representative's direct benefit;</p> <p>(c) a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives;</p>	<p><i>"Gifts" are declared in our gift register. NFBIB ensure that no gifts totalling more than R1000 are received per reportable period per representative.</i></p>
<p>A financial interest, not referred to in the column above, 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.</p>	<p>"financial interest" means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration,</p> <p>other than-</p> <p>(a) an ownership interest;</p> <p>(b) training, that is not exclusively available to a</p>	<p><i>Remember this provision deals with the FSP procuring not receiving.</i></p> <p><i>NFBIB pays the annual golf membership fees of the marketers that play golf on a regular basis.</i></p>

	<p>selected group of providers or representatives, on-</p> <p>(i) products and legal matters relating to those products;</p> <p>(ii) general financial and industry information;</p> <p>(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;</p> <p>(c) a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity;</p>	
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It is not the policy of NFBIB to encourage any form of financial interest as incentive for giving / receiving of business. Refer to the Table below for financial interests, other than those already indicated above, which may be accepted only if specific requirements are met.

Application to be made by email and all written approvals must be filed with the Gift Register.

FINANCIAL INTEREST	NFBIB POLICY ON ACCEPTANCE	RESPONSIBLE PERSON (S)
Cash / Cash Equivalent	Prior to acceptance, this must be approved in writing by the KI	Michelle Wolmarans
Voucher	Prior to acceptance, this must be approved in writing by the KI	Michelle Wolmarans
Gift	Prior to acceptance of any gift over the value of R50, this must be approved in writing by the KI	Michelle Wolmarans
Service Advantage	Prior to acceptance, this must be approved in writing by the KI - this is especially the case for "favours" from suppliers etc.	Michelle Wolmarans

Benefit	Prior to acceptance, this must be approved in writing by the KI	Michelle Wolmarans
Discount	Prior to acceptance, this must be approved in writing by the KI	Michelle Wolmarans
Domestic or foreign travel / hospitality / accommodation	NFBIB does not condone acceptance of this and it would require authorisation from TWO Key Individuals for acceptance	Michelle Wolmarans and Richard Clarke
Sponsorship	Prior to acceptance, this must be approved in writing by the KI	Michelle Wolmarans
Other incentive	Prior to acceptance, this must be approved in writing by the KI	Michelle Wolmarans
Training	Prior to acceptance, this must be approved in writing by the KI – especially if there is a monetary value attached / or is to take place away from the office – unless the training is open to all FSP's and their representatives of a particular product provider.	Michelle Wolmarans

12. ANNEXURE E: UNAVOIDABLE CONFLICTS IDENTIFIED

TYPE OF UNAVOIDABLE CONFLICT OF INTEREST	RATIONALE AS TO WHY IT IS UNAVOIDABLE	STEPS TO MITIGATE AND METHOD OF DISCLOSURE
<p>NFBIB has entered into below agreements with the mentioned companies</p> <p>Hollard Insurance Company</p> <p>Hollard Select Binder agreement – agreed fee 9%</p> <p>Hollard Broker Markets outsourced agreement – agreed fee 7.5%</p> <p>Bryte Insurance Company</p> <p>Binder Agreement – agreed fee 6.75%</p> <p>Old Mutual Insure</p> <p>Directive 159 (commercial outsourced agreement) – agreed fee 3.5%</p> <p>Personal lines working on insurer platform – agreed fee 2%</p> <p>AIG Insurance Company</p>	<p>These agreements are in the best interest of both parties concerned in order to best ensure that the necessary required functions are effectively carried out and that by having an internal person responsible for these functions, there is much greater control over the effectiveness of the level of service provided (which is very often a problem in the industry) in order to best ensure service levels are delivered to clients. In addition, there are also cost savings to the said companies in respect of outsourcing the functions as well as a benefit to NFBIB</p>	<p>These conflicts are mitigated by means of disclosure to clients. Disclosure is made at the time of entering into the new business and is reflected on the disclosure notice attached to the policy schedule.</p>

Directive 159 (Outsourced agreement)
– agreed fee 3.5%

Discovery Insure

Binder Agreement – agreed fee 3%

Santam Insurance Company

Directive 159 (Outsourced agreement)
commercial lines– agreed fee 4%
(effective 01/02/2020)

Directive 159 (Outsourced agreement)
personal lines – agreed fee 3%
(proposed date TBA)

Santam - Hospitality Division

Directive 159 (Outsourced agreement)
– agreed fee 3%