

FinChoice Africa Ltd ("FinChoice") is an authorised financial services provider (FSP no. 46962). FinChoice is a registered credit provider (NCRCP 8162). FinChoice advocates responsible lending, therefore the granting of loans is at the sole discretion of FinChoice and the amount you qualify for depends on your individual circumstances. Guardrisk Life is an authorised financial services provider (FSP no. 76).

1. Introduction

1.1. Why is a FAIS conflict of interest management policy necessary?

To ensure that HomeChoice and its subsidiaries identify, avoid or mitigate conflicts of interest that could negatively affect our customers.

1.2. Who does this policy apply to?

Because HomeChoice (Pty) Ltd (including its FinChoice and FoneChoice divisions) is a registered Financial Services Provider (FSP), this policy applies to HomeChoice, its temporary employees, directors, officers, agents, representatives and independent contractors of HomeChoice and its subsidiaries. Practically the policy will affect FinChoice employees who sell insurance products to clients under GuardRisk.

1.3. Duty to know and understand this policy

All employees have a duty to read and understand this policy. You also have a duty to be aware of potential and actual conflicts of interest and to report them if you are involved in them. If you suspect or know of a conflict of interest, you should report it, even if you are not involved in it. HomeChoice will take the appropriate steps to make sure that its employees and representatives are aware of and have access to this Policy.

2. Scope of this Policy

In terms of the General Code of Conduct for Authorised Financial Services Providers and Representatives ("the Code"), which falls under the Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS"), a conflict of interest management policy must be maintained by all Financial Services Providers ("FSP's").

This Conflict of Interest Management Policy will attempt to provide adequate procedures for the identification, avoidance and/or mitigation of conflicts of interest.

3. What is a Conflict of Interest?

A conflict of interest is any situation in which an FSP, or an employer or representative of that FSP has an actual or potential interest that may, in rendering a financial service to a client:

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

Examples of conflicts of interests include but are not limited to -

- a financial interest;
- an ownership interest;
- any relationship with a third party.

HomeChoice's understanding of "objective performance", "unbiased" and "fair" financial services are derived from the general meaning of the words. The "objective performance" of an FSP's obligations implies a situation where financial services are rendered without the influence of unrelated feelings or opinions. An "unbiased" financial service does not involve a particular preference towards a person or viewpoint unless there is a reasonable justification for such a preference or viewpoint being present.

"Fair" financial services implies a situation where the same conclusion or outcome is consistently reached given the same exact set of circumstances (i.e. equal treatment).

FSP may not offer any financial interest to a representative of that provider for:

- Giving preference to the quantity of business secured for the provider to the exclusion of the quality of the service rendered to clients
- Giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client
- 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

4. Identifying Conflicts of Interest

4.1. Measures for the Identification of Conflicts of Interest

- Details of all HomeChoice's associates (if any) are listed in this Conflict of Interest Management Policy.
- Details of all parties in which HomeChoice holds an ownership interest (if any) are reported on in this Conflict of Interest Management Policy.
- Details of all third parties that hold an ownership interest in HomeChoice (if any) are reported on in this Conflict of Interest Management Policy.
- All immaterial gifts received from and provided to third parties by HomeChoice or its representatives, with an estimated value of R500 (five hundred Rand) or more per gift, are to be recorded in the HomeChoice gift register.
- All employees and representatives of HomeChoice must disclose in writing to their respective manager/supervisor on an on-going basis, any conflicts of interest that they may become aware of.
- Alternatively, employees can report conflicts of interests anonymously via HomeChoice's "Tip-off" service at:

Toll-free phone number: 0800 20 25 96

Toll-free fax: 0800 00 77 88

Email: homechoice@tip-offs.com

- HomeChoice and/or its compliance officer will include a report on its conflict of interest management policy when submitting compliance reports to the Registrar under the FAIS Act.

4.2. Practical guidance on identifying Conflicts of Interest

When rendering financial services to HomeChoice's clients, an employee, representative and/or a key individual must apply their minds to answering the following questions:

- "Is there any situation that exists that influences the objective performance of my obligations to the client?"
- "Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to the client?"
- "Is there any situation that exists that prevents me from acting in the interests of the client?"

If the answer to any one of the above questions is "no", no further action would be required, and the representative can continue rendering the financial service.

If the answer to any one of these questions is "yes", the following three questions must also be answered:

- "Is the situation caused by an actual or potential relationship with a third party?"
- "Is the situation caused by an actual or potential financial or ownership interest?"
- "Is the situation caused by an association relationship?"

If the answer to any one of these questions is “yes”, an actual or potential conflict of interest has been identified and must be reported to the appropriate person (i.e. a supervisor/manager or anonymously via the “tip-off” service) and investigated without delay.

Conflicts of interest are intangible and can only be identified, reported and managed once they have been acknowledged by the employee or representative involved. The legal duty to identify, avoid or mitigate conflicts of interest is therefore, to a large extent, dependent on the particular individual involved. HomeChoice, its employees, representatives and key individuals must therefore apply principles of honest and ethical judgement whenever confronted with a situation that may give rise to an actual or potential conflict of interest.

5. Measures for Avoidance and / or Mitigation of Conflicts of Interest

5.1. General procedure to be followed

Once an actual or potential conflict of interest has been identified and reported, the following measures will be taken in order to determine whether the conflict of interest is avoidable or unavoidable:

- HomeChoice will review the actual or potential conflict of interest in an open and honest manner;
- Information surrounding the actual or potential conflict of interest will be disclosed to all interested parties and specifically to the client;
- Information surrounding the actual or potential conflict of interest will be disclosed to the relevant compliance officer.

The following must be considered during the review process:

- The consequences of avoiding the conflict of interest and whether this would have any negative impact on clients or HomeChoice; and
- The consequences of the unavoidability of the conflict of interest and whether this would have any negative impact on clients or HomeChoice.

5.2. Avoidable conflicts of interest

HomeChoice will, as a matter of principle, always attempt to avoid conflicts of interest. If it has been determined that the actual or potential conflict of interest is avoidable, the following processes will be followed:

- The removal of the underlying cause of the actual or potential conflict of interest must be considered;
- The actual or potential conflict of interest must be removed as soon as reasonably possible;
- Any negative impact on clients owing to the removal of the actual or potential conflict of interest must be kept to a minimum;
- The reason(s) why the actual or potential conflict of interest was determined to be avoidable must be recorded; and
- Similar situations that give rise to actual or potential conflicts of interests must be avoided in the future.

5.3. Unavoidable conflicts of interest.

Where conflicts of interest cannot be avoided, the reasons for the unavoidability must be disclosed to all relevant parties and measures must be taken to mitigate the conflict of interest.

The following mitigation processes must be adhered to:

- All appropriate and available courses of action to mitigate the conflict of interest must be considered;
- The reason(s) why the actual or potential conflict of interest is considered to be unavoidable must be recorded;
- The compliance officer must be informed of the unavoidable conflict of interest, the reasons why it was found to be unavoidable and the measures that were taken to mitigate the unavoidable conflict of interest.

The mitigation of the unavoidable conflict of interest will include the following:

- The actual or potential unavoidable conflict of interest must remain only for as long as it is absolutely necessary;
- Alternative arrangements to a proposed transaction, contract or arrangement that is the subject of the unavoidable conflict of interest must be investigated on a continuous basis;
- If the unavoidable conflict of interest is as a result of an association between HomeChoice and any other person or entity, HomeChoice will need to determine if this association should be continued. If the association is unavoidable, HomeChoice will need to establish how the terms of the relationship can be amended to eliminate the identified conflict of interest;
- All relevant parties must be made aware of the unavoidable conflict of interest, and the reasons for its unavoidability;
- Disclosure of the actual or potential unavoidable conflict of interest must be made to the client at the earliest reasonable opportunity;
- Disclosure of the unavoidable conflict of interest must be made to the Registrar during the submission of the annual compliance reports.

6. Disclosure of Conflicts of Interests

In situations where the avoidance of conflicts of interest are not possible, HomeChoice will make appropriate disclosures to relevant third parties, including clients. HomeChoice is committed to adequately informing its clients about any conflicts of interest that may affect the provision of financial services to them. HomeChoice's clients will be afforded the opportunity to decide for themselves whether a conflict of interest is significant and to what extent they will rely on the advice or intermediary service provided by HomeChoice, its employees or its representatives.

On the discovery and identification of a conflict of interest, and the subsequent determination of its unavoidability, the following disclosure processes will be implemented:

- The actual or potential unavoidable conflict of interest will be disclosed to the client at the earliest reasonable opportunity;
- The disclosure must be made before or when the financial service is provided, but in any case, at a time that allows the client a reasonable time to assess the effect of the conflict and to make an informed decision as to whether to continue with the financial services;
- The disclosure must be formulated in such a way as to be considered prominent, specific and meaningful to the client;
- The disclosure must indicate the nature of the relationship or arrangement with a third party that gives rise to the conflict of interest;
- The disclosure must indicate whether the conflict of interest is based on a financial and/or ownership interest;
- The disclosure must indicate any ownership interest held with a product supplier;
- Where the disclosure is provided orally, the disclosure must be confirmed in writing within 30 (thirty) calendar days. The reasons for the conflict of interest's unavoidability must be made available to the client on request;
- This Policy must be made available to the client on request; and
- Full disclosure of the actual or potential conflict of interest must be made to all the key individuals and the compliance officer.

7. Processes and Procedures for Compliance Facilitation

Internal controls and processes include the following:

- This Policy will be reviewed and updated as and when conflicts are identified, but, at a minimum, annually on the anniversary of the adoption of the Policy;
- Affected staff members will be kept abreast of identified conflicts of interest and the response to each conflict;
- Contracts held with third parties will be reviewed on a regular basis;
- The relevant representatives and key individuals will certify that reported conflicts have been disclosed to affected clients;
- A gift register, recording immaterial financial interests to the value of R500.00 or more received from third parties, will be maintained;
- Records associated with the identification of actual or potential conflicts of interest will be maintained, along with the processes implemented to ensure future avoidance or mitigation of such conflicts and compliance with this Policy;
- Any identified conflicts will be properly disclosed and communicated to affected clients.

8. Consequences of Non-Compliance

Non-compliance with this Policy will result in disciplinary steps (in terms of this Policy, the applicable provisions of FAIS and/or HomeChoice's disciplinary procedures) being taken against the employee, key individual or representative involved.

If there is reason to believe that an employee, key individual or a representative of HomeChoice has failed to comply with this Policy by reporting and disclosing actual or possible conflicts of interest, such individual shall be afforded the opportunity to explain the alleged non-compliance. If, after hearing the response of the individual and making such further enquiries as may be warranted in the circumstances, management determines that the individual is guilty of non-compliance with this Policy, it shall take appropriate disciplinary and corrective action, which may include a disciplinary hearing and subsequent dismissal.

9. Remuneration

As an FSP or representative, HomeChoice and/or its subsidiaries are only entitled to receive or offer the following financial interests:

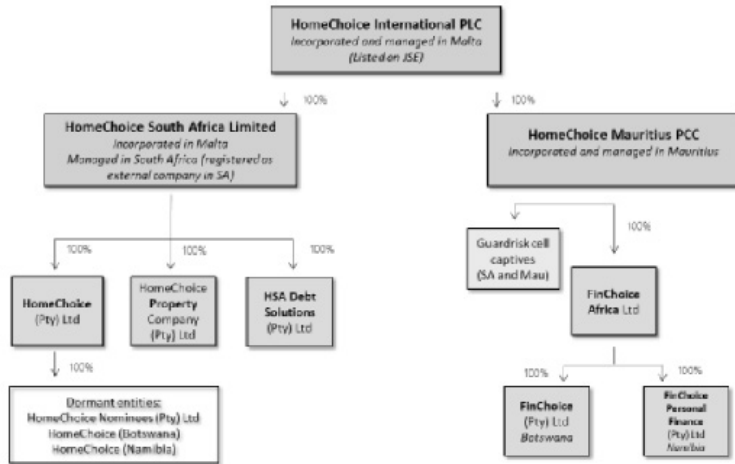
- Commissions as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act;
- Fees as authorised under the Long-term Insurance Act, Short-term Insurance Act and the Medical Schemes Act if those fees are reasonably commensurate to the service being rendered;
- Fees for the rendering of financial services in respect of which the abovementioned commissions and fees are not paid, provided that the client agreed to such fees in writing and the fee may be stopped at any time at the discretion of the client;
- 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;
- An immaterial financial interest, subject to any other law; a financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same third party; and
- 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 that provider or representative at the time of receipt thereof.

HomeChoice receives the following remuneration from product suppliers:

Long Term Insurance Products		Short Term Insurance Products	
Binder Fee:	9%	Binder Fee:	9%
Commission:	5%	Commission:	20%

10. Associates and Ownership Interests

HomeChoice has no associations or ownership interests in any third party and no third party has any ownership interests in HomeChoice. HomeChoice (Pty) Ltd and Finchoice Africa Ltd are subsidiaries of ultimate the holding company HomeChoice International PLC. Underwriting is performed by Guardrisk cell captives, which are owned by HomeChoice Mauritius PCC , which is also a subsidiary of HomeChoice International PLC.



11. Policy Adoption

This policy is adopted by the board of directors of HomeChoice (Pty) Ltd as required by section 3A(2)(c) of the Code.

Review Schedule & Amendments

This Conflict of Interest Management Plan's effective date is 30/05/2019 and must be reviewed on an annual basis in the first quarter and as and when significant changes occur in the business operations or key personnel. The reviewer must ensure and verify that the contact details and continuity arrangements are still current.

Review Date (First Quarter)	
General Comments / Updates	
Next Review Date	
Reviewer Signature	

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