

CONFLICT OF INTEREST MANAGEMENT POLICY

1. Purpose and Background

This policy outlines how **Credora Financial Services (Pty) Ltd** ("Credora") identifies, mitigates, and manages conflicts of interest in compliance with the **Financial Advisory and Intermediary Services Act, No. 37 of 2002 (FAIS)** and the **General Code of Conduct** (as amended by Board Notice 58 of 2010).

All Key Individuals, Representatives, and employees are bound by this policy to ensure that Credora acts with integrity, independence, and fairness in all financial service activities.

2. Objective of the Policy

The objectives of this Conflict of Interest Management Policy are to:

- Identify and record potential or actual conflicts of interest;
- Manage and, where possible, avoid conflicts of interest;
- Ensure transparency and fair treatment of clients;
- Protect the integrity of Credora's advice and service process; and
- Promote a culture of ethical conduct within the organisation.

3. Definitions

Conflict of Interest:

Any situation in which Credora or any representative, Key Individual, or employee has a personal or financial interest that may influence the objective performance of their duties, or may prevent them from acting in the best interest of a client.

Financial Interest:

Includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, sponsorship, or other incentive exceeding **R1,000 per provider per annum**, other than:

- An ownership interest; or
- Approved training on products, legal or industry information.

Ownership Interest:

Any equity or proprietary interest for which fair value was paid, including dividends, profit share, or other benefit derived from such ownership.

Immaterial Financial Interest:

Any financial interest with an aggregate value of **R1,000 or less** per provider or representative per calendar year.

4. Mission Statement on Conflict of Interest

Credora Financial Services is committed to conducting business in an ethical, transparent, and client-centric manner.

We recognise that conflicts of interest are inherent in financial services, but we are dedicated to managing these situations so that clients' interests remain paramount at all times.

5. Identification of Conflict of Interest

Potential conflicts of interest may arise when Credora or any of its representatives:

- Receives financial gain at the expense of a client;
- Has an interest in the outcome of a service distinct from the client's;
- Favors one client, insurer, or intermediary over another;

- Receives inducements (financial or non-financial) from product suppliers or service providers; or
- Holds confidential information that could influence advice or transactions.

Credora maintains a **Conflict of Interest Register** to record and monitor all actual or potential conflicts.

6. Acceptable Financial Interests

Credora and its representatives may only receive or offer financial interests as permitted by law, including:

1. Commission as regulated under the **Short-term Insurance Act, 53 of 1998**;
2. Fees authorised under FAIS or agreed to in writing with the client;
3. Fees for services rendered to a third party, if reasonably commensurate;
4. Immaterial financial interests within the R1,000 annual limit;
5. Consideration for services rendered at fair market value; and
6. Approved training and education programs relevant to FAIS and insurance operations.

7. Processes and Internal Controls

To effectively manage and mitigate conflicts of interest, Credora will:

- Conduct ongoing conflict risk assessments across all departments;
- Maintain a **Conflict of Interest Register**;
- Require all staff to disclose external business interests annually;
- Review remuneration structures to ensure no bias toward specific product providers;
- Enforce disclosure of potential conflicts to clients prior to rendering services; and
- Apply disciplinary action for any breach of this policy.

8. Measures for Avoidance and Mitigation

Credora shall:

- Provide **training** on this policy to all staff upon appointment and annually thereafter;
- Conduct **quarterly reviews** of commission and remuneration practices;
- Maintain **full disclosure** to clients of any actual or potential conflicts before advice is rendered; and
- Implement monitoring systems and compliance workflows to identify potential COI indicators.

Where a conflict cannot be avoided or effectively mitigated, **Credora may decline to act** for the client to ensure objectivity and integrity.

9. Disclosure to Clients

Where a conflict of interest exists, Credora will disclose the following information in writing to the client:

- The nature of the conflict;
- Whether the conflict is actual or potential;
- The steps taken to mitigate the conflict; and
- Any monetary value or other benefit involved (where determinable).

10. Representative Incentives

Credora prohibits any Key Individual or Representative from receiving or offering incentives that encourage:

- Quantity of business over quality of service;
- Preference to a specific insurer or product where multiple options exist; or
- Any activity that compromises client interests.

All incentives will be reviewed by the Key Individual to ensure compliance with this policy and FAIS principles.

11. Registers Maintained

Credora maintains the following registers, reviewed quarterly by the Compliance Officer:

1. **Register of Financial Interests Received or Offered**
2. **Register of Ownership Interests**
3. **Register of Business Relationships and Associations**

These registers are available for inspection by clients, the FSCA, or any authorised compliance officer upon request.

12. Training and Monitoring

- All staff, representatives, and Key Individuals are required to undergo annual Conflict of Interest training.
- The Compliance Officer will monitor adherence to this policy through audits and periodic reviews.
- Non-compliance will result in disciplinary action, including potential debarment under FAIS.

13. Ongoing Review

This policy will be reviewed annually by management or whenever material changes to legislation, remuneration structures, or business practices occur.

Updates will be documented, and staff will be notified of revisions.

14. Accessibility

This policy is available in hard copy at Credora's head office and electronically upon request.

A summary of this policy is also available on our client disclosure documents and website.

15. Contact Information

Credora Financial Services (Pty) Ltd

Authorised Financial Services Provider | **FSP No. 43148**

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