



RETHINK RETIREMENT

**JUST RETIREMENT LIFE (SOUTH
AFRICA) LIMITED
TRADING AS “JUST”**

CONFLICTS OF INTEREST POLICY

Applicable to: Just Retirement Life (South Africa) Limited
Function: Compliance
Governing Board: Just Retirement Life (South Africa) Limited
Approval Date: 28 September 2016
Approver(s): Just Retirement Life (South Africa) Limited Board

Policy owner: Just Retirement Life (South Africa) Limited Board
Accountable Executive: Legal and Compliance Executive
Policy Manager: Legal and Compliance Executive
Reviewing Body: Executive Committee and the Actuarial Audit and Risk Committee

1 Purpose

- 1.1 This policy sets out the procedures and policies adopted by Just Retirement Life (South Africa) Limited (Just) in order to ensure that it remains compliant with the regulations issued under the Financial Advisory and Intermediary Services Act, 2002.
- 1.2 This policy does not replace the Group Conflicts of Interest Policy. It must be read together with the Group Conflicts of Interest Policy. This policy has specific application in terms of the Financial Advisory and Intermediary Services Act, 2002 in South Africa. The Group policy has broader application and must also be adhered to.

2 Desired Outcomes

- 2.1 Just and its employees must avoid any Conflicts of Interests, unless a Conflict of Interest is an Identified Unavoidable Conflict of Interest.
- 2.2 Just must disclose any Conflicts of Interest, including, in the case of Unavoidable Conflicts of Interests, the steps taken to manage and to mitigate such Unavoidable Conflicts of interests.
- 2.3 Employees must disclose their Personal Financial Interests.
- 2.4 The Legal and Compliance Executive or the Designated Person(s) must monitor compliance by Just and by employees.

3 Procedures to identify Conflicts of Interest

- 3.1 It is the responsibility of all Employees to identify actual or potential Conflicts of Interests. In identifying Conflicts of Interests, cognisance shall be taken of benefits that may be received or that may be paid to Affiliate Companies or Associates.
- 3.2 All new Employees shall be required to disclose Personal Financial Interests within one calendar month from the effective date of their employment by completing a Personal Financial Interests Declaration and submitting the completed declaration to the Legal and Compliance Executive or the Designated Person(s).
- 3.3 All Employees shall be required to complete the Personal Financial Interests Declaration within one calendar month from the effective date of this policy and thereafter, at such intervals as is requested by the Legal and Compliance Executive or the Designated Person(s) provided that such disclosure shall be made at least once every six calendar months.
- 3.4 The identification of actual or potential Conflicts of Interests shall be added as a permanent fixed agenda item of the meetings of the Board and the Actuarial, Audit and Risk Committee and any Conflicts of Interest must be formally recorded in the minutes of the meetings held.

- 3.5 The Legal and Compliance Executive shall be responsible for updating the Conflicts of Interest Register with all Conflicts of Interests identified. Where one or more Designated Person(s) have been nominated, it shall be the responsibility of those Designated Persons to inform the Legal and Compliance Executive of the Conflicts of Interests that have been identified by or reported to them so that the Legal and Compliance Executive is able to maintain the Register.

4 Procedure to determine whether a conflict is avoidable

- 4.1 Once a Conflict of Interest has been identified and it has been entered on the Register, the following procedures shall be followed to determine whether the conflict is avoidable:

4.1.1 The Legal and Compliance Executive, or where appropriate a Designated Person, must ensure that all relevant information that may reasonable be required to determine the nature and the extent of any Conflict of Interest that is identified, is obtained and recorded in the Register;

4.1.2 The Legal and Compliance Executive shall determine whether any Conflict of Interest identified is in fact a Conflict of Interest as defined. The Legal and Compliance Executive may seek guidance from the Actuarial, Audit and Risk Committee. The Legal and Compliance Executive shall also determine whether or not a Conflict of Interest is an Immaterial Conflict of Interest.

4.1.3 Where, in the opinion of the Legal and Compliance Executive and the Actuarial, Audit and Risk Committee as the case may be, a Conflict of Interest is identified, the Legal and Compliance Executive shall determine the effect of the identified Conflict of Interest on Clients and on Just. If the effect of the Conflict of Interest on Just is of such a nature that to avoid the Conflict of Interest would result in Just being: -

4.1.3.1 unable to render services that it is contractually obliged to render to a Client; or

4.1.3.2 unable to render services of the same quality and standard to a Client should it decide to avoid the Conflict of Interest; or

4.1.3.3 unable to render services to Clients at the same costs or fees to a Client; or

4.1.3.4 as a result of inherent structure, contractual obligations or other relevant considerations unable to avoid the Conflict of Interest (i.e. where it is structurally, legally or practically not possible to avoid the Conflict of Interest); then the Conflict of Interest shall be provisionally classified as unavoidable.

4.2 Conflicts of Interests that are identified as avoidable shall be provisionally classified as being avoidable.

5 Treatment of conflicts that are avoidable

- 5.1 Where a Conflict of Interest has been provisionally classified as avoidable the Legal and Compliance Executive shall send an email to the members of the Just

executive management committee providing details of the Conflict of Interest that has been declared avoidable and it shall be the responsibility of the Just executive management committee to ensure that the activity that has been identified as being an avoidable Conflict of Interest is immediately ceased.

- 5.2 Compliance with the instruction to avoid such an activity shall be monitored and shall be included in the report of the Actuarial, Audit and Risk Committee to the board of directors of Just.

6 Procedure to manage avoidable conflicts of interest

- 6.1 Where a Conflict of Interest has been provisionally classified as unavoidable, the Legal and Compliance Executive shall send an email to the members of the Just executive management committee providing details of the Conflict of Interest that has been declared unavoidable and shall document the reasons for such classification in the Register.
- 6.2 A Conflict of Interest that has been finally classified as being unavoidable shall then be disclosed.
- 6.3 In addition to the disclosure of unavoidable Conflicts of Interest, the Actuarial, Audit and Risk Committee shall determine reasonable procedures to be implemented to ensure that the Conflict of Interest is managed in such a way so as to protect the interests of Clients as much as is reasonably possible and further to mitigate any negative impact of such Conflict of Interest on Clients as much as is reasonably possible.

7 Procedure to disclose conflicts of interest

- 7.1 This policy shall be made available to Clients through the publishing thereof on the Just website.
- 7.2 Unavoidable Conflicts of Interests may either be of general application, i.e. where most Clients are affected by such conflicted activity or of specific application where only a particular and identifiable Client or group of Clients are affected.
- 7.3 Unavoidable Conflicts of Interests that are of a general nature will be disclosed to all Clients, such disclosure to be made in such a way that Clients can understand the nature and the extent of the Conflict of Interest. The procedures implemented to mitigate the effect of these Conflicts of Interest will be disclosed in sufficient detail to allow Clients to assess whether the procedures could reasonably be expected to manage and mitigate the effect of such Conflicts of Interest. This policy is not prescriptive about the format of such disclosure to be made, provided that it is made in writing, in plain language and is made as soon as is reasonably possible given Just's business procedures in place from time to time.
- 7.4 Unavoidable Conflicts of Interests that are of a specific nature and that apply in respect of a specific Client or group of Clients only, will be disclosed to those Clients only, in sufficient detail to allow them to determine the nature and extent of the Conflicts of Interest and together with the procedures introduced to manage and mitigate the effects of those Conflicts in sufficient detail to

allow those Clients to assess whether the procedures could reasonably be expected to manage and mitigate the effect of such Conflicts of Interests. This policy is not prescriptive about the format of such disclosure to be made, provided that it is made in writing, in plain language and is made as soon as is reasonably possible given Just's business procedures in place from time to time.

- 7.5 It shall be the responsibility of the Legal and Compliance Executive and where applicable Designated Person(s), to ensure that Conflicts of Interests that are finally classified as unavoidable in the Register are disclosed in accordance with this clause.

8 Procedure to maintain immaterial conflict of interest

- 8.1 Conflicts of Interests will be classified as Immaterial Conflicts of Interest if they meet the requirements for a Conflict of Interest to be immaterial as determined from time to time in FAIS. It is not required for Immaterial Conflicts of Interest to be finally classified as such by the Actuarial, Audit and Risk Committee. Classification at the outset by the Legal and Compliance Executive shall be sufficient.
- 8.2 Immaterial Conflicts of Interest may, however, change into Conflicts of Interest that may be either avoidable or unavoidable. An example would be where incidental expenditure incurred in relation to a particular Financial Service Provider (or one or more of its representatives) could exceed the threshold for Immaterial Conflicts of Interest determined by the Registrar of Financial Services Providers from time to time. To ensure that appropriate record is kept of such instances, it is required that a separate Immaterial Conflicts of Interest Register be kept.
- 8.3 It shall be the responsibility of all Employees to maintain the information to be recorded in the Immaterial Conflicts of Interests Register.
- 8.4 Employees will discharge their duty by emailing the Declaration of Immaterial Conflicts of Interests form, duly completed to the Legal and Compliance Executive or to the Designated Person(s) where applicable within 5 Business Days from the date on which the Employee first became aware of the conflict.
- 8.5 The Legal and Compliance Executive and the Designated Person(s) where applicable, shall update the Register with the declarations received and shall provide a copy thereof at every meeting of the Actuarial, Audit and Risk Committee.
- 8.6 The Actuarial, Audit and Risk Committee shall review the Register and shall, where it becomes necessary to do so, order the reclassification of an Immaterial Conflict of Interest to either an avoidable or unavoidable Conflict of Interest should either the thresholds set out in FAIS be exceeded or the circumstances warrant such reclassification.

9 Procedures regarding gifts

- 9.1 As a general rule, Employees shall not solicit nor accept Gifts from any third party.
- 9.2 However, it is recognised that from time to time third parties may wish to show

appreciation for efforts on the part of Employees by providing Employees with small or financial immaterial Gifts that are neither designed nor intended to create any Conflicts of Interests. Any Employee who receives such a Gift shall declare such Gift, together with the value of the Gift received in the Immaterial Conflicts of Interests Register by forwarding the details thereof to the Legal and Compliance Executive and/or a Designated Person.

- 9.3 Where the value of the Gift is not known or where the value of the Gift is not easily determinable, the Employee shall notify the Legal and Compliance Executive and/or the Designated Person who shall make a best estimate regarding the value of the Gift.
- 9.4 The Legal and Compliance Executive, who may receive guidance from the Actuarial, Audit and Risk Committee regarding this, may in his or her sole and absolute discretion declare a Gift to be inappropriate.
- 9.5 Where a Gift is declared inappropriate, for whatever reason, the Legal and Compliance Executive shall instruct the Employee that has received the Gift to return it to the originator. In this instance the Gift will be treated as an avoidable Conflict of Interest and the procedures contained in clause 5 will be followed.
- 9.6 No Gift the value of which exceeds R 1000,00 (one thousand rand) or such other lower limit as either the Legal and Compliance Executive or the Actuarial, Audit and Risk Committee may from time to time determine, may be retained by an Employee.

10 Entertainment Expenditure

- 10.1 As a general rule, no Employee shall incur any expenses in relation to the entertainment of Financial Services Providers or representatives of Financial Services Providers.
- 10.2 However, it is recognised that from time to time incidental expenditure is incurred where such individual expense is financially immaterial. To ensure that such incidental expenditure is properly recorded and to ensure that it does not present a Conflict of Interest (or a potential Conflict of Interest), every Employee who incurs such expenditure shall complete the relevant declaration and shall forward such declaration to the Legal and Compliance Executive or a Designated Person.
- 10.3 Whilst it is preferable for the declaration to be completed and submitted to the Legal and Compliance Executive and/or a Designated Person prior to the expenditure being incurred, in order to prevent any inadvertent non-compliance with this policy, it is recognised that an Employee will incur incidental expenditure of this nature is not always known before that expenditure has to be incurred. It is thus preferable but not compulsory for incidental expenditure of this nature to be pre-approved by the Legal and Compliance Executive or the Designated Person(s)

11 Purpose

- 11.1 The Legal and Compliance Executive, and where applicable, the Designated Person(s) shall ensure that all Employees are aware of this policy and receive sufficient training thereon to ensure that they are able to comply with their

duties in terms hereof.

- 11.2 The Risk Executive shall conduct periodic reviews, the frequency of which is to be determined from time to time by the Actuarial, Audit and Risk Committee, on adherence by Employees, the Legal and Compliance Executive and where applicable Designated Persons, to this COI Policy.
- 11.3 The Legal and Compliance Executive shall monitor adherence with this COI Policy by:
 - 11.3.1 Reviewing all relevant documentation to ensure that appropriate disclosure has been made;
 - 11.3.2 Ensuring that the Registers required in terms of this COI Policy are kept up to date;

12 Consequences of non compliance

Material non-compliance with this policy, such as the failure to disclose a Conflict of Interest or refusal to avoid a Conflict of Interest that has been classified as an avoidable Conflict of Interest may result in disciplinary steps being taken against the individual(s) concerned. The sanction for such failure may, in serious cases, include dismissal.

13 Types and bases of remuneration

- 13.1 Just shall not pay any remuneration to any Financial Services Provider or to a representative (either its own or that of a third party Financial Services Provider) other than what is permissible in accordance with the legislation applicable from time to time to Just.
- 13.2 No Employee shall be remunerated in any way as an incentive for that Employee the effect of which will be the creation of a Conflict of Interest with the best interests of any Client.

14 Registers

- 14.1 The Registers may be amended from time to time to deal with practical issues and with changes in legislation.
- 14.2 The Legal and Compliance Executive may, at his or her discretion, add such additional Registers as circumstances may from time to time require.

15 Appointment of designated persons

- 15.1 Designated Persons may be appointed from time to time to assist the Legal and Compliance Executive (and to whom certain duties of the Legal and Compliance Executive may be delegated) with the implementation and monitoring of this policy. The Legal and Compliance Executive or the Actuarial, Audit and Risk Committee may designate one or more persons from time to time to be Designated Persons.
- 15.2 A Designated Person must be a person with sufficient knowledge and

understanding of FAIS and of this policy to enable that person to discharge his or her delegated duties in terms of this policy. A Designated Person must be a senior employee.

- 15.3 It is recorded that, from the effective date of this policy, Justine Wyatt, the Just Legal and Compliance Executive, shall be a Designated Person.

16 Training

The Legal and Compliance Executive and/or the Designated Person(s) shall be responsible for ensuring that Employees receive training regarding the Conflict of Interest regulations issued under FAIS and this policy.

END OF POLICY