

Collective Internal Policy on Managing Potential Conflict of Interests and Insider Trading



TOTAL RISK ADMINISTRATORS (PTY) LTD
(The Company)

INTRODUCTION

The company conducts its business honestly and ethically wherever we operate in the world. We constantly improve the quality of our services, products and operations and strive to create and maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates is in the company's best interest. The company will not compromise its principles for short-term advantage. The ethical performance of this company is the sum of the ethics of the men and women who work here; thus, we are all expected to adhere to high standards of personal integrity.

CONFLICT OF INTEREST

Officers, directors, and employees of the company must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients or affiliates. This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients at a cost to the client.
- An outcome in service delivery or a transaction executed that may differ from the real interest of the client.
- Any non-cash incentives that may be received by the business from affecting any predetermined transaction and/or product.
- Effecting a transaction and / or product that may result in a benefit to another party other than the client.

Officers, directors and employees must be particularly careful to avoid representing the company in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.

REPRESENTATIVE INCENTIVES AND REMUNERATION

Any incentive as contemplated in this section must be linked to a particular incentive exercise and be approved by the CEO in writing prior to being implemented. All incentive projects must be disclosed to clients of the company who are approached with a view to doing business with them in relation to the incentive project and every incentive project must be attached to this policy, together with a description of the nature and basis of participation and any other rules as well as the duration of the incentive project.

GIFTING

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Officers, directors and employees shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.

In order to further ensure the adherence to this requirement, the official policy of the business is as follows:

Any gifts or gratuities over the value of R1 000 in the aggregate from any other person, including such person's associate as defined in Financial Services Board Notice 58 of 2010 may not be accepted by any person within the organization and neither may such gifts or incentives be given by any person in the company, to any third party.

No gifts or gratuities may be accepted or given without written consent from Frank Thayer, the CEO of the company, and all such gifts and accompanying documentation must be registered in the non-cash incentive/ gifts register. In exercising his discretion, the CEO must have regard to any commission regulations or other laws which may be breached by the receipt of such gift. A written statement from the giver explaining the reason for and purpose of the gift must accompany any request for authorisation. This provision applies, without limiting the generality of the foregoing, also to invitations to any functions, including lunches, dinners, training interventions and prize givings.

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The gifts register shall be a book with fixed and numbered pages, similar to a minute book and all entries shall be made in chronological order in the book. No pages may be removed from the book. The gifts register shall be audited by the company's internal auditor or accountant on a monthly basis for the purpose of determining whether any gifts or incentives exceeded the aggregate value of R1 000.00. The results of the audit shall be communicated to the CEO. In determining whether any gift or incentive is to be allowed, the CEO shall have regard to this report.

INSIDER TRADING

Officers, directors and employees of the company will often come into contact with, or have possession of, proprietary, confidential or business-sensitive information and must take appropriate steps to assure that such information is strictly safeguarded. This information - whether it is on behalf of our company or any of our clients or affiliates - could include strategic business plans, operating results, marketing strategies, customer lists, personnel records, upcoming acquisitions and divestitures, new investments, and manufacturing costs, processes and methods. Proprietary, confidential and sensitive business information about this company, other companies, individuals and entities should be treated with sensitivity and discretion and only be disseminated on a need-to-know basis.

Misuse of material inside information in connection with trading in the company's securities can expose an individual to civil liability and penalties. Under current legislation, directors, officers, and employees in possession of material information not available to the public are "insiders." Spouses, friends, suppliers, brokers, and others outside the company who may have acquired the information directly or indirectly from a director, officer or employee are also "insiders." The Act prohibits insiders from trading in, or recommending the sale or purchase of, the company's securities, while such inside information is regarded as "material", or if it is important enough to influence you or any other person in the purchase or sale of securities of any company with which we do business, which could be affected by the inside information. The following guidelines should be followed in dealing with inside information:

- Until the material information has been publicly released by the company, an employee must not disclose it to anyone except those within the company whose positions require use of the information.

Officers, directors and employees will seek to report all information accurately and honestly, and as otherwise required by applicable reporting requirements.

Officers, directors and employees will refrain from gathering competitor intelligence by illegitimate means and refrain from acting on knowledge which has been gathered in such a manner. The officers, directors and employees of the company will seek to avoid exaggerating or disparaging comparisons of the services and competence of their competitors.

Violation of this Code can result in disciplinary action being taken against the person, including possible termination of services. The degree of discipline relates in part to whether there was a voluntary disclosure of any ethical violation and whether or not the violator cooperated in any subsequent investigation.

MANAGEMENT OF CONFLICTS

Lesser Conflicts

When any staff member of the company suspects a potential conflict of interest, that member shall be obliged to discuss the matter with his/her immediate superior. The content of the discussion as well as any decision made must be minuted. The superior and staff member will accept joint responsibility for the decision taken unless the decision is put forward for ratification to a more senior person in the company. In assessing whether a conflict is material or of a lesser nature, regard must be had to the impact that such a conflict will have on the company's reputation, financial loss and internal erosion of ethical standards.

All decisions made must be reported on a weekly basis to the CEO, by the most senior person involved in that decision.

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Material Conflicts

Material conflicts must be discussed with the CEO before any decision is made. Only the CEO or person authorised by him may make the final decision regarding a material conflict.

MEASURES TO AVOID CONFLICT OF INTEREST

- No person may offer or provide a sign-on bonus to any person, other than a new entrant, as an incentive to become a Category I provider that is authorised or appointed to give advice. A “New Entrant” defined means a person who has never been authorised as a financial services provider or appointed as a representative by any financial services provider.
- A category I provider that is authorised or appointed to give advice may not receive a sign-on bonus from any person. A “Sign -on Bonus” defined means any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and a financial interest referred to the definition of a new entrance includes but is not limited to-
 1. Compensation for the-
 - (a) Potential or actual loss of any benefit including any form of income, or part thereof; or
 - (b) Cost associated with the establishment of a provider’s business or operations, including the sourcing of business, relating to the rendering of financial services; or
 2. A loan, advance, credit facility or any other similar arrangement

MANAGEMENT AND MITIGATION

The executive committee of the company will review all conflicts on a quarterly basis and make recommendations regarding steps to avoid a recurrence of those aspects. The CEO will accept responsibility for the implementation of all steps necessary. Notice of the attention paid to conflict of interest must be contained in the minutes of the meetings of the executive committee and the relevant extracts of the minutes must be made available to the company’s compliance officer on request, the purpose of which is to enable the compliance officer to report on compliance with this policy.

Where a conflict is identified and a decision made, the nature of the decision must be communicated to the third party in writing as soon as possible. This applies regardless of whether the decision was made to cease doing business or continue with the business at hand despite the existence of the conflict. It is important for the preservation of the corporate integrity that these disclosures are made at all times.

LIST OF ASSOCIATES AND THIRD PARTIES

At the date hereof, the company structure and relationships are as follows:

1. All shares in Total Risk Administrators (PTY) LTD are held by Frank Thayer and Geoff du Preez .
2. It is recorded that the company operates an Insurance business.

STAFF TRAINING AND GENERAL AWARENESS

All the company’s staff must be trained on this policy. A copy of the policy must be provided to each staff member at inception of that staff member’s duties and updated versions must be circulated as and when they are updated. Moreover, all the company’s clients - existing and future, must be made aware of the existence of this policy. The policy must be posted on the company’s website under the section “Internal company policies”. It is the responsibility of the administration manager to ensure that the provisions of this paragraph are adhered to.