



ambledown
FINANCIAL SERVICES (PTY) LTD



UNITYHEALTH

Unity Health is a division of Ambledown Financial Services (Pty) Ltd. FSP 10287

FSP No. 10287

CONFLICT OF INTEREST MANAGEMENT POLICY

19 August 2024

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1. INTRODUCTION

The document is formulated in accordance with Section 3(1) of the Financial Advisory and Intermediary Service Act, No. 37 of 2002 (FAIS) regulations, as set forth in BN 80 of 8 August 2003: General Code of Conduct for Authorised Financial Services Providers and Representatives as amended.

In Section 3A(2) of the Code of Conduct, the Registrar outlines obligations for the conduct of Financial Services Providers and their Representatives regarding the management of conflicts of interest that are or may be prejudicial to potential or existing policyholders.

A conflict of interest exists when an Ambledown employee or representative has financial or personal relationships that inappropriately influence their actions or judgements. These actions may also be referred to as dual commitments, competing interests, or competing loyalties. Such relationships can range from negligible to having a significant potential for influencing judgment. Not all relationships constitute a true conflict of interest. However, the potential for conflict of interest can exist regardless of whether an individual believes the relationship affects their judgment. Financial relationships (such as employment, shareholding, commission, profit share, gifts, free holiday, vouchers, etc.) are the most easily identifiable conflicts of interest and are most likely to undermine the credibility of Ambledown and its objectives.

The specifics of each situation will determine whether the nature of the interest qualifies as a potential conflict. These specifics include the amount of business involved, the extent to which the employee or representative could influence Ambledown's decisions regarding the transaction, and whether the interest could affect the objectivity or business judgment of the employee or representative.

Other forms of conflicts can occur for reasons such as personal relationships.

Conflict of interest situations must be avoided. However, when it is not possible to avoid any action or reward that may create a potential conflict of interest, appropriate steps must be taken to mitigate the impact, and it must be properly disclosed to the client.

This Policy seeks to outline the management of any such conflicts of interests:

- The mechanisms used to identify such conflicts,
- The measures for avoidance and disclosure, and, where avoidance is not possible, to provide the reasons for it,
- The processes and procedures for compliance with the Policy, and
- The consequences of non-compliance to the Policy.

The Policy contains details of the types of financial interests received by Ambledown or its representatives and the basis on which they are received.

This policy applies to all employees (permanent and temporary), contractors, suppliers, and representatives of Ambledown involved in the daily operational business of Ambledown. This policy should be read in conjunction with Ambledown's Disciplinary Code and Practice (Code Of Practice). A copy of the policy can be accessed through Ambledown's Compliance Handbook.

2. DEFINITIONS

“Ambledown”

refers to Ambledown Financial Services (Pty) Ltd a company duly incorporated and registered according to company laws of the Republic of South Africa, registration number 2004/006271/07 represented by its employees and or representatives.

“Associate”

a) in relation to a natural person, means –

- i) a person who is recognized in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
- ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
- iii) a parent or stepparent of that person;
- iv) a person in respect of which that person is recognized 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;
- v) a person who is the permanent life partner or spouse or civil union partner of a person referred to in subparagraphs (ii) to (iv);
- vi) a person who is in a commercial partnership with that person.

b) in relation to a juristic person –

- i) 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;
- ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
- iii) which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person-
 - aa) had such first-mentioned juristic person been a company; or
 - bb) in the case where that other juristic person, also, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
- iv) means any person in accordance with whose directions or instructions the board of directors or members of, or in the case where such juristic person is not a company or close corporation, the governing body of such juristic person is accustomed to act;

c) in relation to any person –

- i) means any juristic person of which the board of directors or members, or in the case where such juristic person is not a company or close corporation, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
- ii) includes any trust controlled or administered by that person.

“Client”

A specific person or group of persons, excluding the general public, who is or may become subject to a financial service rendered intentionally by the FSP’s.

"Conflict of Interest"

Any situation where Ambledown, an employee or a Representative has an interest that may in rendering a financial service to a client, influence the objective performance of his / her / its obligations to that client or where it prevents him / her / it from rendering an objective, unbiased and fair financial service to that client, or from acting in the best interests of that client. This includes but not limited to receiving any form of

- i. a financial interest;
- ii. an ownership interest;
- iii. relationship with a third party.

It is generally understood that the word “objective” refers to a situation in which an individual’s personal feelings or opinions are completely removed from the equation. The term "objective performance" of an FSP or a representative's obligations implies a situation in which financial services are rendered without any undue 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.

“Distribution Channel”

- a) 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;
- b) 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;
- c) 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.

“Financial Interest”

A financial interest includes cash, a cash equivalent, voucher, gift, services, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive, or valuable consideration other than:

- a) an ownership interest
- b) training by a Product Supplier on products, legal matters relating to those products, general industry information and technical systems which training is not made exclusively available to a

selected group of providers or Representatives excluding travel and accommodation costs associated with the training.

- c) a recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

“FSP”

Ambledown Financial Services (Pty) Ltd, the Financial Services Provider authorised in terms of the Financial Advisory and Intermediary Services Act, 37 of 2002, FSP registration number 10287

“Immaterial Financial Interest”

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:

- a. a provider who is a sole proprietor;
- b. a Representative for that Representative’s direct benefit;
- 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.

“Ownership Interest”

An equity ownership interest, for which fair value was paid by the owner, other than equity or ownership interest held by an approved nominee on behalf of another person and includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

“Product Supplier”

Any person or juristic person who issues a financial product by virtue of an authority, approval or right granted to such person or juristic person under any law;

"Third Party"

- a) a Product Supplier;
- b) an FSP other than Ambledown;
- c) an associate of a Product Supplier or Ambledown;
- 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 Ambledown or its Representatives.

3. PROCEDURES FOR MANAGEMENT OF CONFLICT OF INTEREST

3.1. IDENTIFICATION

To identify a possible conflict, Ambledown will perform:

- 3.1.1 An analysis of the distribution channel,
- 3.1.2 An analysis of Third party relationships,
- 3.1.3 An assessment of the types of financial interest received or offered,
- 3.1.4 Alignment of the receipt of immaterial financial interests with the gift policy and record them accordingly,

- 3.1.5 Annual or regular reviews of all disclosures under FAIS to ensure appropriate identification and disclosure of Conflict of Interest.

3.2. MANAGING CONFLICTS OF INTEREST

The following points are considered when managing conflict of interest:

- 3.2.1 Ambledown's policy is to provide specific training and educational material on how conflict of interest may arise and how they can be avoided to its employees, representatives, and, where appropriate its associates.
- 3.2.2 All financial interests received by employees and representatives are recorded and monitored as part of the overall risk monitoring process.
- 3.2.3 Once a conflict has been identified, all information that has led to, resulted in, or caused the conflict of interest will be disclosed to Executive Management and the Compliance Officer.
- 3.2.4 It is assessed whether the conflict is actual or perceived, the value of the conflict or exposure, and potential reputational risk.
- 3.2.5 The Executive Management will decide whether it is viable to proceed with the transaction or activity, or if the conflict is too severe, decline to engage in the transaction.
- 3.2.6 Where a conflict of interest cannot be avoided, employees and representatives are required to make a written disclosure of the conflict to existing and potential clients at the earliest reasonable opportunity, along with the measures taken to mitigate the situation. The disclosure may be communicated via appropriate electronic media and shall include:
- i. The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest,
 - ii. Sufficient detail to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest,
 - iii. The measures taken to avoid or mitigate the conflict,
 - iv. Any ownership interest or financial interest, other than an immaterial financial interest, that Ambledown or its representatives may be eligible for or may become eligible for,
 - v. A reference to Ambledown's Conflict of Interest Management Policy and how it may be accessed, and
 - vi. Any such disclosures must be approved by Executive Management.
- 3.2.7 Every existing and potential client has the right to ask the employee or representative for further details regarding such disclosures. A client's rights (or potential rights) and the protection offered under the Code may not be waived.

- 3.2.8 If Executive Management decides that the particular conflict can be mitigated, they must agree on the controls that need to be implemented to mitigate the conflict. The controls must be documented in the Conflict of Interest register.
- 3.2.9 The Risk and Compliance Officer maintains a Conflict of Interest register with the identified conflicts. The register is reviewed annually for completeness and relevance. The identifies the conflict, the severity of the conflict, and documented controls to mitigate the conflict.
- 3.2.10 The Risk and Compliance Officer, along with the Executive Management, will annually review this document and conduct a "peer review" against industry standards for all disclosed conflicts and relationships that could be perceived as potential Conflicts of interest. Disclosure and review of such conflicts are crucial in the context of financial interests, where both Ambledown, its employees, and representatives may benefit at the expense of the client or potential client.
- 3.2.11 The Risk and Compliance Officer, in consultation with the Executive Committee, will use the information disclosed in the conflict of interest and financial interest statements as a basis for either accepting or declining new business or managing existing business.
- 3.2.12 Where a previously deemed unavoidable actual or potential conflicts of interest is subsequently deemed avoidable, such actual or potential conflict of interest shall be avoided immediately.
- 3.2.13 Ambledown's Compliance Officer shall report on the status of the actual or potential conflict of interest in their compliance report submitted to the Financial Sector Conduct Authority.

3.3 FINANCIAL INTEREST

Ambledown and its representatives confirm that they will only receive or offer financial interest from a third party in the form of:

- 3.3.1 Commission as authorised under the Short-Term Insurance Act 1998 and/or Long-Term Insurance Act 1998,
- 3.3.2 Fees authorised under the Short-Term Insurance Act 1998 or Long-Term Insurance Act, provided those fees are reasonably in line with the service being rendered and include a reasonable rate of return,
- 3.3.3 Fees authorised under the Short-Term Insurance Act or Long-Term Insurance Act for rendering a financial service in respect of which commission or fees referred to above are

not paid, provided those fees are specifically agreed to by a client in writing and may be stopped at the client's discretion,

3.3.4 Fees or remuneration for the rendering of a service to a third party if:

- i. The fees or remuneration 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 Ambledown 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,
- iv. The payment of those financial interests does not impede the delivery of fair outcomes to clients,

3.3.5 An immaterial financial interest (subject to any other law),

3.3.6 A financial interest not referred to above for which consideration, fair value, or remuneration reasonably commensurate with the value of the financial interest is paid by Ambledown or its representative at the time of receipt.

Ambledown confirms that it does not offer any financial interest to any broker for:

3.3.7 Giving preference to the quantity of business secured, to the exclusion of:

- i. The quality of service rendered to the client,
- ii. Delivery of fair outcomes to the client, or
- iii. The quality of the representative's compliance with this Act.

3.3.8 Giving preference to a specific product supplier when a broker may recommend more than one product supplier to a client, or

3.3.9 Giving preference to a specific product of a product supplier, when a broker may recommend more than one product of that product supplier to a client.

4. ASSOCIATES AND THIRD PARTIES

Ambledown Financial Services (Pty Ltd is 100% owned by Ambledown Holding (Pty) Ltd, which is a 50% owned subsidiary of ZABAWA Holdings (Pty) Ltd. ZABAWA Holdings also owns 50.1% of The Unlimited Group (Pty) Ltd. The Unlimited Group markets products administered by Ambledown Financial Services. To ensure there is no conflict of interest, The Unlimited only markets Medical Expense Shortfall products (Gap cover) administered by Ambledown Financial Services and underwritten with one insurer.

5. MITIGATING CONTROLS

Ambledown has various internal policies and controls in place to manage and mitigate possible conflicts of interest:

- 5.1 An employee or a representative will complete the Staff And Representative Declaration: Financial Interest And Gifts Declaration Form annually and, at a specific or earliest reasonable opportunity disclose any conflict of interest in respect of that client. The disclosure must include:
- i. Measures taken, in accordance with the Conflict of Interest Management Policy, to avoid or mitigate the conflict,
 - ii. Any ownership interest or financial interest, other than an immaterial financial interest, that the provider of representative may become eligible for,
 - iii. The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest, and
- 5.2 An employee or representative must inform the client of the Conflict of Interest Management policy and how it may be accessed.
- 5.3 All relevant personnel (Key Individuals and Representatives) are required to immediately disclose in writing to Executive Management and the Compliance Officer any actual or potential conflicts of interest as soon as they become aware of such situation.
- 5.4 The Executive Management conducts annual reviews on all contracts held with third parties to assess whether the contractual relationship in any way influences Ambledown:
- i. Objective performance towards its client,
 - ii. Ability to render fair and unbiased financial services to its clients,
 - iii. Ability to act in the best interest of the client.
- 5.5 The Conflict of Interest Register will be maintained to record all possible interests that may result in conflicts. It will be available for viewing upon request. The register identifies all conflicts and the mitigation controls put in place to manage them. The register is updated when a conflict becomes apparent and reviewed at least annually.
- 5.6 The Personal Interest Register will be maintained to record all possible personal interests that may result in conflict or impairment in judgement. The register should be completed by every employee or representative and will include their business interests to the extent that such interests might cause an actual or perceived conflict of interest.
- 5.7 The Gift Register will be maintained to record all gifts received by every employee or representative, regardless of size or value, that may result in conflict of interest or impairment in judgement.
- 5.8 Disclosure: All employees and representatives are required to read this policy and complete a Disclosure of conflict of interest form. They must also sign a Declaration form

confirming that they have read and fully understand the provisions of the document and its application.

- 5.9 Staff Performance Reviews are conducted bi-annually with the intention of ensuring that, as a minimum, employee performs up to the expected levels of service and upholding the positive company culture when dealing with stakeholders, specifically clients. Data collected through the performance reviews is compiled and used by the Remuneration Committee when deciding on appropriate levels of reward and remuneration of employees.

Consequences of non-compliance

- 5.10 All employees who do not comply with this Policy will be subject to Ambledown's internal employee disciplinary procedures.
- 5.11 All representatives who do not comply with this Policy will be subject to the processes and procedures applicable to representatives under the FAIS Act, which may lead to debarment and/or dismissal.
- 5.12 Where there is reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest through the proper communication channels, the FSP will investigate and take any appropriate steps it deems necessary to limit any financial prejudice that may be suffered by the FSP, its clients, or any other third party.
- 5.13 Avoidance, limitation, or circumvention of this Policy through any means will also be considered non-compliance.

6. ROLES AND RESPONSIBILITIES

Ambledown has adopted a governance process that requires Executive Management to ensure compliance to this Policy:

Managing Executive: Compliance

The managing executive responsible for the compliance function is accountable for the implementation and adherence to this Policy within Ambledown. The managing executive will carry the mandate as outlined by the Board of Directors through the sub-committee responsible for Risk Management.

- 6.1 The Executive Management shall ensure that the Conflict of Interest Management Policy is included in the Compliance Manual.



- 6.2 Where an employee or representative has any concerns about whether an actual or potential conflict of interest might arise in a particular situation, they are required to refer their concern to the Compliance Department.
- 6.3 Executive Management 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.

Compliance Manager

The Compliance Manager is accountable for the maintenance and monitoring of this Policy within the context of changing business practices and the regulatory environment, as per the Risk and Compliance Management Framework, and for reporting to management in accordance with the Risk and Compliance Monitoring Programme.

Existing and potential clients may direct questions and complaints concerning the application of this Policy to compliance@ambledown.co.za.

Managers and Staff

All departmental managers and their respective sub-ordinates are accountable for ensuring compliance with this Policy as an integral part of operations and risk management within their business units.

Key Individuals

The appointed Key Individuals are accountable for ensuring compliance by representatives listed on the Representative registers under their control, as required by the provisions of the FAIS Act.

ANNEXURE A:**STAFF AND REPRESENTATIVE DECLARATION: FINANCIAL INTEREST AND GIFTS DECLARATION**

I,.....(full names), hereby confirm that (*cross out whichever is not applicable*)

I have received the gifts and / or financial interests from product suppliers and / or third parties as per the attached schedule.

or

I have not received any gifts or financial interests from product suppliers or third parties in the past twelve months.

I hereby confirm the following:

1. I understand that the receipt of any financial interest can give rise to a conflict of interest that may be prejudicial to Ambledown.
2. I fully understand that I must disclose the receipt of any financial interests to the Executive Management of Ambledown, who will evaluate the nature of the financial interest and decide on a course of action, which may include the return of the reward to the sender.
3. I understand that the failure to follow the above conflicts procedures could compromise the integrity and reputation of Ambledown.

I acknowledge that I understand the above declaration and realise that failure to comply with the relevant internal procedures could, after due process, lead to disciplinary steps and possibly the termination of my contract and/or debarment.

Signed at..... on 20.....

Signed Full names.....

ANNEXURE B:**GIFTS REGISTER – GIFTS RECEIVED**

Date received	Broker / FSP name	FSP No.	Amount	Description of gift



ANNEXURE C:**GIFTS REGISTER – GIFTS GIVEN**

Date given	Broker / FSP name	FSP No.	Amount	Description of gift



ANNEXURE D:**CONFLICT OF INTEREST REGISTER**

Date	Employee	Description of possible conflict	Severity / Impact	Action (to be) taken	Mitigation controls / action	Last reviewed



ANNEXURE E:**PERSONAL INTEREST REGISTER**

Date	Employee	Details of interest	Last reviewed



ANNEXURE F:**TYPE OF FINANCIAL INTEREST & 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).

Please refer back to the definition of “Financial Interest” and specify in the table below which types of financial interest is offered by the provider to its Representatives. Also specify the basis on which these Representatives are entitled to such a financial interest. Lastly, specify how the financial interest afforded to the Representatives comply with sections 3A(1)(b) and 3A(1)(bA).

Form of Financial Interest Section 3A(1)(a)(i) – (vii)	Does the provider offer the described form of Financial Interest to Representatives?	Basis for entitlement to Financial Interest	Compliance with Sections 3A(1)(b) and 3A(1)(bA)
Commission authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Short-term Insurance Act, 1998 (Act No. 53 of 1998).	No - Ambledown representatives do not receive any commissions under the Long-term insurance Act	Not Applicable	Not applicable
Commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998).	No – Ambledown representatives do not receive any commission under the Medical Schemes Act	Not Applicable	Not Applicable
Fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998).	No – Ambledown representatives do not receive any fees authorized under the Long-term insurance Act	Not Applicable	Not Applicable
Fees for the rendering of a financial service in respect of which commission or fees referred to above is not paid, if <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. 	No – Ambledown representatives do not receive any fees, in any circumstances, authorised under the Long-term insurance Act	Not Applicable	Not Applicable

Fees or remuneration for the rendering of a service to a third party.	No – Ambledown representatives do not receive any fees or remuneration from third parties	Not Applicable	Not Applicable
Subject to any other law, an immaterial financial interest.	No – Ambledown representatives do not receive any immaterial financial interest from providers	Not Applicable	Not Applicable
Form of Financial Interest Section 3A(1)(a)(i) – (vii)	Does the provider offer the described form of Financial Interest to Representatives?	Basis for entitlement to Financial Interest	Compliance with Sections 3A(1)(b) and 3A(1)(bA)
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.	No – Ambledown representatives do not receive consideration, fair value or remuneration paid by the provider or representative	Not Applicable	Not Applicable