



**RCS GROUP
INSURANCE DEPARTMENT**

CONFLICTS OF INTEREST POLICY

RCS Cards (Pty) Ltd is a financial services provider licensed in terms of the Financial Advisory and Intermediary Services Act, No. 37 of 2002 (the Act), as amended, (licence number FSP no. 44481). Together with its holding company and the subsidiaries of its holding company (collectively referred to herein as "RCS Group"), RCS Cards is committed to ensuring that adequate arrangements are in place for the management of Conflicts of Interest that may arise wholly or partially in relation to the provision of any Financial Services, as defined below.

This document records the Conflicts of Interest Policy (Policy) of RCS Group and is only applicable with regards to all insurance business activities undertaken by RCS Group in terms of the Act. For the avoidance of doubt, no provision of this Policy shall be so construed as to place an obligation on any person who is not an Interested Person, as defined below, and who is not involved in the activities of the insurance business.

1. DEFINITIONS

Compensation: Any direct or indirect remuneration including, but not limited to, any type of non-cash incentive such as gifts or favours.

Conflict of Interest: Any situation in which RCS Group or its Representative has an actual or potential interest that may, in rendering a financial service to a customer:

- (a) influence the objective performance of his, her or its obligations to that customer; or
- (b) prevents RCS Group or its Representative from rendering an unbiased and fair financial service to that customer, or from acting in the interest of that customer;

including, but not limited to –

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

Financial Services: The giving of any recommendation, guidance or proposal of a financial nature to any customers in relation to a short-term or long term insurance product, or the rendering of intermediary services, as defined in the Act, or both.

For the avoidance of doubt, Financial Services shall specifically exclude the provision of credit by RCS Group in terms of the National Credit Act, No. 34 of 2005, as amended (NCA).

Interested Person: Any director, member, trustee, partner, agent, representative or employee of RCS Group involved in the provision of Financial Services, who has a direct or indirect Personal Interest as defined below.

Personal Interest: An Interested Person has a personal interest if that person has, directly or indirectly, through business, investments or other means:

- a) an ownership or investment interest in any entity with which RCS Group has a business transaction or arrangement related to the insurance business activities of RCS Group;
- b) a legal or beneficial interest in a financial product offered by RCS Group in terms of the Act that is the subject of financial advice on the same financial product;
- c) a potential ownership or investment interest in, or arrangement for Compensation with any entity or individual with which RCS Group is negotiating a business transaction or arrangement; or
- d) received or is entitled to receive Compensation.

Representative: Person appointed as such in terms of the provisions of the Act.

Responsible Person: The person appointed in terms of clause 2 of this Policy.

2. RESPONSIBLE PERSON

2.1 The Chief Executive Officer (CEO) together with the Chief Financial Officer (CFO) of RCS Cards, or their nominee(s), shall appoint a Responsible Person, who shall ensure

that this Policy is implemented, applied and that the requirements of this Policy are met.

- 2.2 The Responsible Person shall be the Key Individual, as appointed from time to time, and as defined in the Act.
- 2.3 The CEO together with the CFO shall also appoint an alternative Responsible Person, being the Compliance Manager, who will assume the responsibilities of the Responsible Person in his or her absence.

3. CONFLICTS MANAGEMENT PROCESS

- 3.1 All Interested Persons must immediately disclose to the Responsible Person, preferably in writing, any Conflicts of Interest that they become aware of, as well as any Personal Interest that may lead to a Conflict of Interest. Disclosure in terms of this clause shall include a possible Conflict of Interest or Personal Interest pertaining to another Interested Person.
- 3.2 Notwithstanding disclosure in terms of clause 3.1 above, the Responsible Person must take steps to indentify and investigate any possible Conflict of Interest that comes to his/her attention.
- 3.3 The Responsible Person must deal with any Conflict of Interest that is brought to his/her attention in any manner whatsoever in the following manner:
 - a) Investigate whether the circumstances meet the definition of a Conflict of Interest in terms of this Policy; and if so:
 - b) Instruct the relevant RCS Group employee(s) involved in the creation of the transaction, contract or arrangement to investigate an alternative transaction, contract or arrangement that would not result in a Conflict of Interest; and:
 - c) If an alternative transaction, contract or arrangement can reasonably be attained under circumstances that would not give rise to a Conflict of Interest, the Responsible Person shall determine, after exercising due diligence, whether RCS Group can obtain a more advantageous transaction, contract or arrangement with reasonable efforts from a person or entity that would not give rise to a Conflict of Interest and advise the abovementioned RCS Group employee(s) accordingly; or
 - d) If an alternative transaction, contract or arrangement is not reasonably attained under circumstances that would not give rise to a Conflict of Interest, the Responsible Person shall determine, after exercising due diligence, whether the transaction, contract or arrangement is in the best interest of RCS Group and any affected customer(s), and accordingly make



his/her decision as to whether to enter into the transaction, contract or arrangement in conformity with such determination.

- 3.4 If a Conflict of Interest is only disclosed to or becomes known by the Responsible Person after RCS Group has entered into the transaction, contract or arrangement that is the subject of a Conflict of Interest, the Responsible Person must refer the matter to the CEO and/or CFO who will make the appropriate decisions in relation to that transaction, contract or arrangement, after consultation with the Responsible Person.
- 3.5 All Conflicts of Interest reviewed by the Responsible Person and any decisions taken in response to such review must be documented by the Responsible Person and available for review by the compliance officer, CEO and CFO, if requested.
- 3.6 Representatives will not solely be remunerated based on the quantity of business secured over the quality of service provided to customers, or for any other reason prohibited by the General Code of Conduct for Authorised Financial Service Providers and Representatives.

4. DISCLOSURE REQUIREMENTS

- 4.1 Where appropriate or deemed necessary by the Responsible Person, RCS Group shall disclose a Conflict of Interest to third parties, including customers. It is acknowledged that while disclosure alone will often not be enough, disclosure shall be treated as an integral part of managing Conflicts of Interest. RCS Group or its Representative shall ensure that customers are adequately informed, to the satisfaction of the Responsible Person, about any Conflicts of Interest that may affect the provision of Financial Services to them.
- 4.2 Disclosure about Conflicts of Interest should always:
- a) be timely, prominent, specific and meaningful to the customer;
 - b) occur before or when the Financial Service is provided, but in any case at a time that allows the customer a reasonable time to assess its affect;
 - c) refer to the specific service to which the conflict relates;
- 4.3 If a customer is of the opinion that a Conflict of Interest disclosed in terms of this Policy is material and detrimental to his/her financial interests, such customer shall be referred to the appropriate individual within the insurance business in order to resolve the matter.

5. NON-COMPLIANCE WITH THIS POLICY & THE CONSEQUENCES THEREOF

- 5.1 If an Interested Person, Representative or any person with obligations in terms of this Policy fails to comply with the provisions hereof, he/she may face disciplinary charges or any other sanction deemed appropriate.
- 5.2 The CEO, CFO and, where appropriate, the Responsible Person shall afford that person the opportunity to explain the alleged failure to comply.
- 5.3 If after hearing the explanation and making such further enquiries as may be warranted in the circumstances, the CEO, CFO and, where appropriate, the Responsible Person determine that there has been non-compliance with this Policy, it shall take appropriate disciplinary and corrective action.

6. REVIEW OF THE CONFLICTS OF INTEREST POLICY

- 6.1 This policy will be annually reviewed, internally or by an outside party such as an auditor or compliance officer, and where necessary, updated to ensure that the arrangements remain adequate to identify, assess, evaluate and successfully control Conflicts of Interest.
- 6.2 The Responsible Person must oversee this Policy and ensure that it meets all legal requirements.

7. ASSOCIATES & OWNERSHIP INTEREST

The entities in Annexure "A" below are, as at the date of this Policy, associates, as defined, of RCS Cards. It is recorded that RCS Investment Holdings holds 100% of the shares in RCS Cards.

Signed and adopted by the Board of Directors on this 9th day of September 2015


JJ Snyman
Director

Annexure "A"

