



# The Mutual & Federal Group – Conflicts of Interest Management Policy

## Policy Number

20

## Group Policy Owners

D Loxton

T Geldenhuys

## Date/Version

April 2011 / Version 1

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# Conflicts of Interest Management Policy

## 1 Preamble

As a Group, we should maintain the highest ethical standards in carrying out our business activities. Our reputation is one of our most important assets. Maintaining the trust and confidence of all those with whom we deal is accordingly one of our most vital responsibilities, so in all of our operations, our set of core values must be used to guide and direct the way we do business.

We recognise our obligations to those with whom we have dealings, namely shareholders, employees, customers, suppliers, competitors and the wider community. Accordingly this policy sets overall principles and guidelines for practice to be adopted throughout the Group.

We will monitor ethical performance regularly in order to ensure that corrupt or unethical business practices are eliminated.

The cornerstone of ethical conduct is avoiding conflicts of interest. To this end, Old Mutual plc approved a Group Statement on Conflicts of Interest. Mutual & Federal has produced this policy in alignment with the Old Mutual plc statement taking into account local operating conditions in South Africa.

## 2 Purpose

The purpose of this policy is to assist each employee of the Mutual & Federal Group (the Group) to identify and properly address actual and potential conflicts of interest involving the Group.

This policy aims to control the risk of losses as a result of undisclosed or unmanaged conflicts of interest as well as any regulatory sanctions or reputational damage accompanying such risks.

The primary objectives of this policy are:

- To provide guidance on the behaviours expected in accordance with the Group values.
- To promote transparency and to avoid conflicts of interest.
- To ensure fairness in the interests of employees and Mutual & Federal.
- To document the process for the disclosure, approval and review of activities which may amount to actual, potential or perceived conflicts of interest.
- To provide a mechanism for the objective review of personal outside interests.
- To provide guidance on business relationships.

## 3 The Scope

This policy applies to the Mutual & Federal Group as defined in Section 10 of the Group Operating Manual. The policy applies to all employees as well as consultants, vendors, contractors, employees with outside agencies and/or any other parties with a business relationship with the Group, all business dealings and transactions in all countries in which we or our subsidiaries and associates operate. This policy regulates the relationship between the Mutual & Federal Group and its employees as well as employees' relations with customers, suppliers or service providers and intermediaries.

This policy is aligned to the Old Mutual Group Risk Categorisation Model: Operational Risk and Compliance and Regulatory Risk and takes into account local operating conditions and regulatory requirements including, *inter alia*:

- The Companies act 71 of 2008, as amended;

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- The amendment to the General Code of Conduct for Authorised Financial Services Providers and Representatives dealing with Conflicts of Interest, (Financial Advisory and Intermediary Services Act, 2002) ("FAIS COI Code");
- The Prevention and Combating of Corrupt Activities Act 12 of 2004.

This policy regulates processes and procedures in accordance with the existing legal duties and obligations that an employee owes to an employer. It should not, therefore, be interpreted or applied in a manner contrary to such duties and obligations nor is it designed to replace such duties and obligations.

This policy should be read in conjunction with the Group Anti-Bribery and Corruption Policy as well as the Group Whistleblowing Policy.

## 4 Business Ethics/Conduct

- The Group expects all employees:
  - To perform their duties with integrity and in a fair, unbiased manner;
  - Not to place their private interests above that of the Group's interests;
  - Not to compromise the Group and its decision making.
- We believe that integrity in dealings with our customers and suppliers is a prerequisite for successful long-term business relationships. This principle governs all aspects of the approach by the Group to its customers.
- Employees must avoid any activities that they should reasonably be aware may lead to an actual or perceived conflict of interest with the business of the Group. Where an employee believes that an actual or potential conflict of interest has arisen or could arise, the employee must promptly disclose this and seek approval for this to continue. Where this is refused, the employee will be responsible for withdrawing from the activity that caused the conflict.
- In accepting business or entering contracts, employees are expected to observe the highest standards of integrity and to act in the best interests of the Group. Business should not be placed or accepted, or contracts or arrangements entered into, for any improper motive.
- Employees or their families may neither accept nor **solicit** loans, gifts in cash or in kind, free-of-charge services or any other favours from any current or prospective business partner e.g. intermediaries, service providers, suppliers, clients etc. (Please refer to paragraph 7.2. of this policy which provides rules pertaining to gifts and entertainment).
- The provision/acceptance of gifts and corporate hospitality by an employee is acceptable provided that it is not excessive nor could be interpreted as an attempt to materially influence the person receiving the gift/hospitality. Approval from group/regional management is required before any gifts or hospitality can be accepted and such approval is limited to acceptable financial interests as contained in 7.2 of this policy.
- In all advertising and other public communications, untruths, concealment and overstatements must be avoided. We must never deliberately give inadequate or misleading descriptions of products or services.
- We must maintain the confidentiality of information received from customers, suppliers and intermediaries.

## 5 Definitions

### 5.1 Who are employees?

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For purposes of this policy, employees include Directors, company officers, permanent staff, fixed-term contractors on the payroll and temporary workers and consultants who are not on the payroll, but who are engaged for a period of at least one month.

### 5.2 What is a conflict of interest?

A **conflict of interest** occurs when your obligations to the Group or its clients could be influenced or compromised by self-interest, a prior commitment, competing loyalties or an inability to be objective.

A conflict of interest can arise out of:

- A financial interest;
- An ownership interest;
- Any relationship with a third party; or
- A relationship with an associate.

In terms of the FAIS Conflicts of Interest Code, it is important to remember that it is primarily the intermediary, who is rendering the financial services (advice or intermediary services) to the customer, who must not be placed in a situation of a conflict of interest. The Group is, therefore, committed to not offering any financial or ownership interest to an intermediary or having a relationship with a third party which would actually or have the potential to:

- Influence the objective performance of his, her or its obligations to that customer; or
- Prevent the intermediary from rendering an unbiased and fair financial service to that customer or from acting in the best interests of that customer.

### 5.3 What is a financial interest?

A **financial interest** includes:

- Cash or cash equivalents;
- A voucher;
- A gift;
- A service;
- An advantage;
- A benefit;
- A discount;
- Domestic or foreign travel;
- Hospitality;
- Accommodation;
- A sponsorship;
- Other incentive or valuable consideration.

### 5.4 What is an ownership interest?

An **ownership interest** means:

- Any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person;
- Includes any dividend, profit share or similar benefit derived from that equity or ownership.

### 5.5 What is a relationship with a third party?

A **third party** includes:

- Another insurer or a FAIS representative of an insurer;
- An intermediary or a FAIS representative of an intermediary;

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- Any other authorised financial services provider or a FAIS representative of such authorised financial services provider ;
- A financial services provider (FSP);
- A supplier;
- An associate of any of the abovementioned parties.

### 5.6 Who or what is an associate?

An **associate in relation to a natural person** includes:

- Your spouse, life partner or civil union partner as recognised in law or the tenets of religion;
- Your child, stepchild, adopted child or child born out of wedlock;
- Your parent or stepparent;
- A person who has been appointed or is recognised by a Court as the person legally responsible for managing your affairs or meeting your daily needs;
- A person who is the spouse, life partner or civil union partner of any of the abovementioned persons;
- A person with whom you are in a commercial partnership;
- Companies to which a Director is connected.

An **associate in relation to a juristic person** includes:

- Where the juristic person is a **company** (company A) -
  - any subsidiary or holding company (holding company B) of company A;
  - any other subsidiary of that holding company B;
  - any other company of which holding company B is a subsidiary.
- Where the juristic person is a **close corporation** registered under the Close Corporations Act, 1984 - any member of the close corporation as defined in section 1 of that Act.

### 5.7 What is the two-tier principle?

This principle requires that approval is given by a manager two levels above the employee in question.

## 6 How do you identify a conflict of interest?

Ask yourself the following question: "Does the financial interest which I have or will receive, my ownership interest/s or my relationship with a third party, influence or have the potential to influence the objectivity or independent performance of my duties and responsibilities to the Group".

Typical examples of conflicts of interest are listed below. This list must not be seen to be exhaustive. It is merely provided to assist you in identifying conflicts of interest:

- **Self-dealing:** For example, if you work in procurement and use your influence to secure a contract with a panelbeater in which you or an associate of yours holds an ownership interest.
- **Accepting benefits:** For example, if you work in claims and accept a case of liquor (financial interest) from a loss adjuster.
- **Influence peddling:** An employee in a position of authority solicits a financial interest in exchange for his/her influence to unfairly advance the interests of a particular party - this may constitute a bribe.
- **Using the property of the Mutual & Federal Group for private advantage:** This could be as blatant as stealing office supplies for home use or it may be more subtle, say, using software which is licensed to your employer for private consulting work of your own.

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- **Outside employment or moonlighting:** An example would be setting up a business which is in direct competition with the business of the Mutual & Federal Group. Another case would be taking on an outside business interest which impacts upon the proper performance of your employment duties.
- **Remuneration:** Employees' remuneration must not be arranged in such a way as would be likely to lead to a material conflict with the duty that the Group owes to its customers. In this regard, the FAIS Conflicts of Interest provisions specifically prohibit a product supplier (i.e. an insurer like Mutual & Federal) from offering any financial interest to its own representatives for giving preference to the quantity of business secured over the quality of service rendered to clients.

Some examples of where you may place an intermediary in a conflict of interest situation under the FAIS Conflicts of Interest Code are as follows:

- **Financial interest:**
  - If you offered an intermediary payment of unsubstantiated fees as an incentive to place more business with Mutual & Federal as opposed to the fees being in respect of reimbursement for the cost of the services rendered plus a reasonable rate of return.
  - If you had a competition where you rewarded intermediaries for the quantity of business placed with Mutual & Federal by way of prizes.
- **Ownership interest:** If Mutual & Federal had to buy shares in an intermediary, such intermediary may not be capable of being as objective or independent when rendering financial services to its customers. Rather it may be incentivised to prefer Mutual & Federal above other insurers.

## 7 How do you manage a conflict of interest?

Employees must **avoid**, and where this is not possible, lessen the impact of (mitigate) any conflict of interest.

### 7.1 When dealing with an ownership interest/relationship with a third party

#### 7.1.1 Reveal/disclose

All employees must fully communicate and disclose any ownership interest or relationship with a third party which may create a conflict of interest situation or that may impair their ability to act with integrity or objectivity in their role at Mutual & Federal.

##### **When to disclose:**

- a) Disclosure must be made by new employees at the commencement of employment.
- b) Disclosure of all conflicts of interest must be made by all employees on an annual basis.
- c) In addition to the above and if applicable, disclosure must be made before undertaking any activity, at the beginning of any negotiations or at the start of any decision-making process, if a conflict of interest situation arises or may arise.
- d) A new disclosure must be made if the facts and circumstances relating to the previously disclosed interest or relationship changed materially, thereby introducing a new undisclosed interest.

##### **How to disclose:**

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- a) Disclosures must be made on the prescribed form which is attached to this policy and marked **Annexure A**. The disclosure must provide sufficient detail to enable an informed decision to be taken.
- b) Directors and company officers also have to complete the Schedule of Interest which is attached to this policy and marked **Annexure B**.
- c) All employees must forward their disclosures to the Group or Regional Manager responsible for their department or area.
- d) After the group or regional manager has considered the disclosures and made a recommendation on their permissibility, these disclosures must be forwarded to the Company Secretary who will make the final decision on the permissibility of the disclosed conflict of interest.
- e) Group and regional managers as well as Executives must forward their disclosures to the Company Secretary who will consider the disclosures and decide on their permissibility.
- f) Conflicts of interest involving the Managing Director must be referred for approval to the Mutual & Federal Chairman of the Board or the CEO of the Old Mutual Group.

### 7.1.2 Approval

The reviewer receiving the disclosure must determine the correct mode of dealing with any real or apparent conflict of interest. A series of questions, although not exhaustive, can assist the reviewer to determine whether or not to approve and, if so, whether or not to attach any conditions to the approval:

- Are there mechanisms in place to prevent the introduction of bias in future projects, contracts etc?
  - Will the negotiation of the contract or implementation of the project be supervised by someone who has no conflicting interest?
  - Are there means to independently review results?
- a) Where the conflict potential of any ownership interest or relationship with a third party is deemed to be minimal and there is deemed to be no risk of reputational damage to the Group, approval must be recorded on **Annexure A**.
  - b) Any conditions attached to the approval must also be recorded on the form and must be reviewed annually to ensure that the basis on which the approval was granted remains sound.
  - c) The employee applying for the approval may not make any decisions on behalf of the Group until approval has been granted.
  - d) Where the ownership interest or relationship with a third party is judged to be inappropriate, it must be declined. This decision must be recorded in **Annexure A** and communicated in writing to the relevant employee by his line manager.
  - e) Employees have the right to request a review of the decision where approval has been declined or where conditional approval has been granted. Such a request must be in writing, setting out full reasons and include copies of all relevant documents relating to the original disclosure and the decision made. The right to review is to the Managing Director.

### 7.1.3 Absenting yourself

Sometimes it is not enough to know that there is a particular private interest which may influence an employee's judgment. Customers, the Group and other stakeholders expect the employee to stay out

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of conflict of interest situations. Even where approval of the ownership interest or relationship with a third party has been granted, employees must absent themselves from decision-making or advice-giving where there is a private interest.

### 7.1.4 Record keeping

- a) The Company Secretary must retain the original disclosure forms from group and regional managers as well as executives.
- b) Group and regional managers must retain the original disclosure forms of all employees in their department or area.
- c) A copy of all disclosure forms must be kept in the employee's staff file.
- d) In all cases, whether approved or declined, copies of the disclosure forms must be sent to the Compliance Officer.

**Ownership interests or relationships with third parties that require to be disclosed by the Group under the FAIS COI Code is attached hereto in Annexure D, E and F respectively.**

## 7.2 When dealing with a financial interest (gifts and entertainment)

It is unethical, against the law and contrary to good corporate governance for the Group or its employees to offer or provide persons with any financial interest with a view to improperly influencing or inducing such persons in order to obtain a benefit.

On the other hand, the building up of sound business relationships and a thorough understanding of each other's products and services is a business prerequisite.

This policy, therefore, seeks to balance such business objectives with the regulatory imperatives so as to act in the best interests of all stakeholders.

### 7.2.1 What an employee is allowed to accept from a third party

- (a) **No cash or cash equivalent** (vouchers, coupons, shares etc) may be accepted by an employee from any third party.
- (b) **Gifs and hospitality:**
  - **No gifts** may be accepted by any employee from a third party **other than token gifts** (branded pens, note-pads, calendars etc) or **consumable items** (box of chocolates, bouquet of flowers, bottle of wine). In circumstances where approval is obtained, an employee may only accept one such gift from a third party in a calendar year.
  - **Corporate hospitality** (lunches, golf days, spa days, tickets to sporting events etc) is acceptable provided that it is not accompanied by any direct or indirect suggestion, hint or understanding that in return for the hospitality some expected or desired outcome is required.
- (c) **A maximum of R1000 (one thousand Rand) may be received from any intermediary or other FSP or a FAIS representative of any of the aforesaid (if applicable) in any one calendar year.** The R1000 may be spent on the following financial interests:
  - A token gift (branded pens, diaries, calendars etc) or consumable items (box of chocolates, bouquet of flowers, bottle of wine);
  - Golf or spa days provided that all expenses (green fees, caddies, food and refreshments) are taken into account when calculating the total cost;

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- Invitations to sporting events. Once again all expenses, (including food and refreshments), must be taken into account when calculating the total cost.
- (d) If any intermediary or other FSP or a FAIS representative of the aforesaid parties invites you to **lunch, dinner, drinks, breakfast** etc, they must not pay for you. The bill must be split per head and each party must in effect pay for themselves.

All gifts and hospitality received by an employee from a third party must be disclosed to the Company Secretary in order for it to be recorded in the gifts register.

### 7.2.2 What is the Group and its employees allowed to offer to third parties?

**The Group may only offer to an intermediary** or any other authorised FSP or a FAIS representative of the aforesaid parties:

- (a) **Commission** regulated under the Short-Term Insurance Act;
- (b) **Fees** authorised under the Short-Term Insurance Act (such as binder fees), if those fees are reasonably commensurate with the cost of the service being rendered;
- (c) **Fees or remuneration** for the rendering of a service to a third party (such as outsourced administration fees) which fees or remuneration is reasonably commensurate with the cost of the service being rendered.
- (d) **Training/information sessions (including broker forums) provided that:**
  - (i) The training is not offered exclusively to a selected group of intermediaries or other financial services providers.
  - (ii) The training is on:
    - Mutual & Federal products and legal matters relating to those products;
    - General financial and industry information;
    - Specialised technological systems necessary for rendering the financial service (e.g. mfonline)
  - (iii) No accommodation or travel costs may be paid for the intermediaries or other financial services providers to attend the training sessions.
  - (iv) Reasonableness (select the more economical or inexpensive option) is applied when choosing the venue and catering.
- (e) **A maximum of R1000 (one thousand Rand) may be spent on any intermediary or other FSP or a FAIS representative of any of the aforesaid (if applicable) in any one calendar year.** The R1000 may be spent on the following financial interests:
  - (i) A token gift (branded pens, diaries, calendars etc) or consumable items (box of chocolates, bouquet of flowers, bottle of wine);
  - (ii) Golf or spa days provided that all expenses (green fees, caddies, food and refreshments) are taken into account when calculating the total cost;
  - (iii) Invitations to sporting events. Once again all expenses, (including food and refreshments), must be taken into account when calculating the total cost.
- (f) If you entertain an intermediary or other FSP or a FAIS representative of the aforesaid parties, by inviting them to **lunch, dinner, drinks, breakfast** etc, you may not pay for them. The bill must be split per head and each party must in effect pay for themselves.

Details of all gifts, hospitality or any other immaterial financial interests given to any intermediary, FSP or a FAIS representative of any of the aforesaid, must be recorded on the Schedule of the Offering of an Immaterial Financial Interest that is attached to this policy, marked as **Annexure C**. The Schedule has to immediately be submitted to the Company Secretary.

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### 7.3 Approval

- Before any allowed financial interest is offered to an intermediary, any other authorised FSP or a FAIS representative of the aforesaid parties, the central register referred to below must be consulted to ascertain how much money has already been spent on the third party in that calendar year.
- Before any financial interest is offered to a third party or accepted from a third party approval must be obtained in writing from your group or regional Manager.
- Group and regional managers as well as executive must obtain approval from the Company Secretary.
- If there is doubt over whether or not to approve the giving or receiving of the financial interest, please consult either Legal or Compliance.

### 7.4 Recordkeeping

- A record of all financial interests offered and received must be retained in the central register held by the Company Secretary.
- This record must be kept for a period of 5 years.

## 8 Other relationships governed by this policy

### 8.1 Relations with shareholders and other investors

- 8.1.1 We will protect the interests of shareholders and other investors and will not do anything that will advantage one class of investor at the expense of another.
- 8.1.2 Our accounting statements will be true and timely.
- 8.1.3 We aim to generate an attractive return to investors on a long-term basis.
- 8.1.4 We will communicate business policies, achievements and prospects honestly.

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### 8.2 Relations with employees

- 8.2.1 Employment contracts must prevent Directors from accepting roles or Directorships with companies outside the Group, unless prior approval has been received from the Mutual & Federal Board.
- 8.2.2 Relations with employees are based on respect for the dignity of the individual.
- 8.2.3 Our principle is to recruit and promote employees on the basis of their suitability for the job without discrimination in terms of race, religion, national origin, colour, gender, age, marital status, sexual orientation or disability unrelated to the task at hand. This principle needs to be balanced against the requirement to address the issues of employment equity, and our practices will be cognisant of this.
- 8.2.4 An employee's managerial responsibilities must not include oversight of a relative or other closely related person. Employment of a relative or other person closely related to an existing employee must be approved according to the two-tier principle (as defined in this policy). Nobody may be afforded preference to a position just because that person is related or close to an existing employee. This also applies to interns, learnerships and other short-term employment. Any employee in a personal, family or other relationship with another employee may not authorise payment increases, bonuses, expense claims or any other form of remuneration or payment for that employee.
- 8.2.5 We will seek to provide a healthy and safe work environment. Employees for their part have a duty to take every reasonable precaution to avoid injury to themselves, their colleagues and members of the public.
- 8.2.6 We will recognise the efforts of the individual in helping to create the success of the Group.
- 8.2.7 We will encourage and help employees at all levels to develop relevant skills and competencies, through both work-related training and self-development, in order to progress their careers within the Group.
- 8.2.8 Information received by employees in the course of business dealings will not be used for personal gain or any purpose except that for which it is given.
- 8.2.9 Employees may not engage in any outside business interest or additional employment which could in any way conflict with the proper performance of their duties, unless given specific written permission to do so.
- 8.2.10 Any personal interest which an employee or a member of his/her immediate family has in relation to the Group's business must be disclosed. This conflict of interest could include directorships, significant shareholdings and employment of family members.
- 8.2.11 We recognise the need to communicate effectively with all employees in order that synergies resulting from constructive dialogue may be achieved.

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### **8.3 Relations with government and local community**

- 8.3.1 We will take into account the concerns of the wider community including both national and local interests. We seek to serve the community by providing our services efficiently and profitably, and by providing good employment opportunities and conditions.
- 8.3.2 We will support communities in which we operate. Charitable donations and educational and cultural contributions will be made within a policy set and reviewed by the Trustees of the Group's independent charitable foundations.

### **8.4 Political contributions**

The Group must not make any direct or indirect financial contributions to political parties, organisations or individuals engaged in politics.

### **8.5 The environment**

We are concerned with the conservation of the environment in its broadest sense, and recognise that certain resources are finite and must be used responsibly. We aim to limit the use of finite resources in all business ventures and in particular recognise our role in managing responsibility for buildings and land we occupy, waste management and usage of energy.

### **8.6 Taxation**

- 8.6.1 We will not evade tax obligations.
- 8.6.2 We will record and report all transactions, including those where payment is made in cash.
- 8.6.3 All taxable perquisites to which employees are entitled will be declared for tax purposes.

### **8.7 Relations with competitors**

- 8.7.1 We will not unfairly damage the reputation of competitors either directly or by implication or innuendo.
- 8.7.2 In any contacts with competitors, employees will avoid discussing proprietary or confidential information.
- 8.7.3 We will not attempt to acquire information regarding a competitor's business by disreputable means. This includes industrial espionage, hiring competitors' employees to obtain confidential information, urging competitive personnel or customers to disclose confidential information, or any other approach that is not above board.
- 8.7.4 We will not engage in restrictive trade practices or abuse any position of market dominance.

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### **8.8 Issues relating to international business**

- 8.8.1 We will respect traditions and cultures of each country in which we operate.
- 8.8.2 We aim to contribute to the economic well-being and social development of countries and communities where we conduct business.
- 8.8.3 We will act responsibly in international trade and investment. In particular, inter-company pricing policy will be objectively justifiable.
- 8.8.4 Where business practices differ in different countries in which the Group operates, we will favour consistent procedures among subsidiaries and associates. We will work for multilateral action aimed at achieving high common standards.
- 8.8.5 We will comply with competition laws throughout the world. We will not take part in unlawful cartels.

### **9 Non-compliance with this policy**

- 9.1.1 Any knowledge or suspicion of a contravention of this policy must be immediately reported to your manager.
- 9.1.2 Alternatively, should you not want to reveal your identity, you can report the incident to “Tip-Offs Anonymous”.
- 9.1.3 Strict adherence to the provisions of this policy is a condition of your employment with the Mutual & Federal Group.
- 9.1.4 Non-compliance with this policy and the procedures described in it may be considered to be misconduct and employees may be subject to disciplinary action which could lead to dismissal.
- 9.1.5 The auditors of the Group may be asked to report on any practice uncovered in the course of their work that appears to breach this policy.
- 9.1.6 The Group Company Secretary is responsible for initiating and supervising the investigation of all reports of breaches of this code and ensuring that appropriate disciplinary action is taken when required.

### **10 Independent assurance**

As defined in Section 7 of the Group Operating Manual, management is responsible for the day to day management and operation of the business, including managing risk by operating systems of risk management and internal control that are consistent with the risk management policies and framework of the Group, including this policy. Group Internal Audit will assess the extent to which risk management and governance practices are effective and systems of control are functioning as intended, in line with perceived risk.

### **11 Management information and assurance of compliance**

The Group must provide management information and assurance of compliance with this policy to the Managing Director and to Group Financial Crime Prevention and Security (GFCPS) annually.

## **12 Escalation**

Group requirements for escalation are detailed in the Group Escalation Policy and Group Operating Manual. GFCPS must be:

- Contacted about any proposed political donations (which are strictly prohibited under this policy); and
- Promptly notified of any material non-disclosure of a conflict of interest involving executive.

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**ANNEXURE A – Disclosure Form**

**Mutual & Federal**

**Disclosure of Conflicts of Interest**

Purpose

The purpose of this disclosure form is to provide a record of any conflict or potential conflict of interest that may arise within Mutual & Federal and to provide a written record of the approval (or non-approval) of the activity concerned, together with any conditions that are attached to its approval. This document will also record the reason why any activity that might constitute a conflict or potential conflict of interest has been declined or forbidden.

The disclosure of any other business relationship with a company other than Mutual & Federal (e.g. in the capacity of an employee or director) is covered by your employment contract. Your involvement in any such company must not prejudice your working capacity at Mutual & Federal.

Disclosure

Please disclose whether you or your affiliations (immediate family) work for (other than under your employment contract) or may benefit from a direct or indirect contract or relationship with Mutual & Federal or any of its subsidiaries anywhere in the world e.g. through the provision of a service or supply of materials/equipment. Provide details of your relationship and the nature of the proposed service/supply.

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**Certification**

I have read and understood the Mutual & Federal Conflicts of Interest Management Policy and, to the best of my knowledge, I have made any necessary conflict of interest disclosure. I will comply with any conditions or restrictions imposed by Mutual & Federal to manage conflicts of interest.

Should my outside financial or managerial interests, or those of my spouse, dependants or other affiliations, change during the next calendar year so as to change my answer on any of the above questions; I agree to submit a revised Disclosure Form in accordance with the Conflicts of Interest Policy.

Signature: \_\_\_\_\_

Date: \_\_\_\_\_

Printed Name: \_\_\_\_\_

**Approved**

**Declined**

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Conditions

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**Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_

**Signature:** \_\_\_\_\_

**Printed Name:** \_\_\_\_\_

**Date:** \_\_\_\_\_



**MUTUAL & FEDERAL INSURANCE COMPANY LIMITED**  
REGISTRATION NO: 1970/06619/06

**ANNEXURE B - SCHEDULE OF INTERESTS**

REQUIRED IN TERMS OF SECTION 75 OF THE SOUTH AFRICAN COMPANIES ACT 71 OF 2008, AS AMENDED

<b>SURNAME</b>		<b>RESIDENTIAL ADDRESS</b>	
<b>FIRST NAMES</b>			
<b>NATIONALITY</b>		<b>BUSINESS ADDRESS</b>	
<b>IDENTITY NUMBER</b>			
<b>DATE OF BIRTH</b>			
<b>OCCUPATION</b>		<b>POSTAL ADDRESS</b>	

<b>NAME OF COMPANY</b>	<b>REGISTRATION NUMBER</b>	<b>REGISTERED OFFICE</b>	<b>DATE APPOINTED</b>	<b>NATURE AND EXTENT OF INTEREST</b>



**NOTICE OF DISCLOSURE BY DIRECTORS AND OFFICERS OF INTEREST IN CONTRACTS IN TERMS OF COMPANIES ACT 71 OF 2008**

Section 75 (1) In this section, “director” includes an alternate director, and –

(a) a prescribed officer or

(b) a person who is a member of a committee of a board of a company, or of the audit committee of a company, irrespective of whether or not the person is also a member of the company’s board.

Section 75 (4): At any time, a director may disclose any personal financial interest in advance, by delivering to the board a notice in writing setting out the nature and extent of that interest, to be used generally for the purposes of this section until changed or withdrawn by further written notice from that director.

Section 75 (5): if a director of a company has a personal financial interest in respect of a matter to be considered at a meeting of the board or knows that a related person has a personal financial interest in the matter, the director –

(a) must disclose the interest and its general nature before the matter is considered at the meeting;

(b) must disclose to the meeting any material information relating to the matter and known to the director;

(c) may disclose any observations or pertinent insights relating to the matter, if requested to do so by the other directors;

(d) if present at the meeting, must leave the meeting immediately after making any disclosure contemplated in paragraphs (b) or (c);

(e) must not take part in the consideration of the matter, except to the extent contemplated in paragraphs (b) and (c);

(f) while absent from the meeting in terms of this subsection –

(i) is to be regarded as being present at the meeting for the purpose of determining whether sufficient directors are present to constitute the meeting; and

(ii) is not to be regarded as being present at the meeting for the purpose of determining whether a resolution has sufficient support to be adopted: and

(g) must not execute any document on behalf of the company in relation to the matter unless specifically requested to do so by the board.

Section 75 (6): If a director of a company acquires a personal financial interest in an agreement or other matter in which the company has a material interest, or knows that a related person has acquired a personal financial interest in the matter, after the agreement or other matter has been approved by the company, the director must promptly disclose to the board the nature and extent of that interest, and the material circumstances relating to the director or related person’s acquisition of that interest.

Failure to comply with the Companies Act constitutes an offence, in addition, the Mutual & Federal policies provide for disciplinary action to be taken against any employee that does not comply with the above. The Mutual & Federal Conflicts of Interest Management Policy states that “Non-compliance with this policy and the procedures described in it may be considered to be misconduct and employees may be subject to disciplinary action that may lead to dismissal”.

**Date of issue:** \_\_\_\_\_

**Full Signature:** \_\_\_\_\_

## ANNEXURE C - SCHEDULE OF THE OFFERING OF AN IMMATERIAL FINANCIAL INTEREST

REQUIRED IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002, AMENDMENT OF THE GENERAL CODE OF CONDUCT FOR AUTHORISED FINANCIAL SERVICES PROVIDERS AND REPRESENTATIVES 19 APRIL 2011

### DETAILS OF MUTUAL & FEDERAL EMPLOYEE

<b>SURNAME</b>		<b>RESIDENTIAL ADDRESS:</b>	
<b>FIRST NAMES</b>			
<b>IDENTITY NUMBER</b>		<b>BUSINESS/BRANCH ADDRESS:</b>	
<b>DATE OF BIRTH</b>			
<b>OCCUPATION</b>		<b>BUSINESS/BRANCH POSTAL ADDRESS:</b>	

### DETAILS OF BROKER/REPRESENTATIVE

<b>SURNAME</b>		<b>RESIDENTIAL ADDRESS</b>	
<b>FIRST NAMES</b>			
<b>IDENTITY NUMBER</b>		<b>BUSINESS ADDRESS</b>	
<b>DATE OF BIRTH</b>			
<b>OCCUPATION</b>		<b>POSTAL ADDRESS</b>	
<b>RELATIONSHIP WITH COMPANY</b>			

**DETAILS OF IMMATERIAL FINANCIAL INTEREST PROVIDED  
 NB AGGREGATE MUST NOT EXCEED R1000 (ONE THOUSAND RAND) IN ANY CALENDAR YEAR**

**GOLF DAYS/HOSTING AT OTHER SPORTING/OTHER EVENTS – (SEE PROVISOS BELOW)**

<b>DATE</b>	<b>TYPE OF EVENT</b>	<b>COST OF THE EVENT</b>	<b>VALUE TO BROKER / REPRESENTATIVE FOR THIS EVENT</b>	<b>VALUE TO BROKER / REPRESENTATIVE FROM PREVIOUS EVENT IN CURRENT YEAR</b>	<b>TOTAL VALUE TO BROKER / REPRESENTATIVE FOR THE YEAR</b>

**LUNCHESES/BREAKFASTS/DRINKS/ETC. - (SEE PROVISOS BELOW)**

<b>DATE</b>	<b>TYPE OF EXPENDITURE</b>	<b>COST OF LUNCHESES/ BREAKFASTS/ DRINKS/ETC</b>	<b>VALUE TO BROKER / REPRESENTATIVE FOR THIS EXPENDITURE</b>	<b>VALUE TO BROKER / REPRESENTATIVE FROM PREVIOUS EXPENDITURE IN CURRENT YEAR</b>	<b>TOTAL VALUE TO BROKER / REPRESENTATIVE FOR THE YEAR</b>

**GIFTS — (SEE PROVISOS BELOW)**

<b>DATE</b>	<b>TYPE OF EXPENDITURE</b>	<b>COST OF LUNCHESES/ BREAKFASTS/ DRINKS/ETC</b>	<b>VALUE TO BROKER / REPRESENTATIVE FOR THIS EXPENDITURE</b>	<b>VALUE TO BROKER / REPRESENTATIVE FROM PREVIOUS EXPENDITURE IN CURRENT YEAR</b>	<b>TOTAL VALUE TO BROKER / REPRESENTATIVE FOR THE YEAR</b>

**TRAINING/INFORMATION SESSIONS - (SEE PROVISOS BELOW)**

<b>DATE</b>	<b>TYPE OF TRAINING / INFORMATION SESSION</b>	<b>COST OF TRAINING / INFORMATION SESSION</b>	<b>VALUE TO BROKER / REPRESENTATIVE FOR THIS EXPENDITURE</b>	<b>VALUE TO BROKER / REPRESENTATIVE FROM PREVIOUS EXPENDITURE IN CURRENT YEAR</b>	<b>TOTAL VALUE TO BROKER / REPRESENTATIVE FOR THE YEAR</b>

**NAME OF EMPLOYEE:** \_\_\_\_\_

**SIGNATURE OF EMPLOYEE:** \_\_\_\_\_

**DATE** \_\_\_\_\_

**APPROVED BY:** \_\_\_\_\_

**SIGNATURE OF APPROVER:** \_\_\_\_\_

**DATE** \_\_\_\_\_

**RECEIVED BY:** \_\_\_\_\_

**SIGNATURE OF RECORDER:** \_\_\_\_\_

**DATE** \_\_\_\_\_

**NOTICE OF DISCLOSURE BY EMPLOYEES OF AN IMMATERIAL FINANCIAL INTEREST IN TERMS OF THE FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT, 2002, AMENDMENT OF THE GENERAL CODE OF CONDUCT FOR AUTHORISED FINANCIAL SERVICES PROVIDERS AND REPRESENTATIVES 19 APRIL 2011**

**DEFINITIONS:**

“financial interest” means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- (a) An ownership interest;
- (b) Training, that is not exclusively available to a selected group of providers or representatives, on:
  - (i) Products and legal matters relating to those products;
  - (ii) General financial and industry information;
  - (iii) Specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

“immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 (one thousand Rand) in any calendar year from the same third party in that calendar year received by:

- (a) A provider who is a sole proprietor; or
- (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.

**AMENDMENTS:**

Section 3 (b): a provider and a representative must avoid and where this is not possible mitigate any conflict of interest between the provider and a client or the representative and a client;

Section 3 (c): a provider or a representative must, in writing, at the earliest reasonable opportunity:

- (i) Disclose to a client any conflict of interest in respect of that client, including:
  - (aa) the measures taken, in accordance with the conflict of the interest management policy of the provider referred to in section 3A(2), to avoid or mitigate the conflict;
  - (bb) any ownership interest or financial interest, other than an immaterial financial interest, that the provider or representative may be or become eligible for;
  - (cc) the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest, in sufficient detail to a client to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest; and
- (ii) Inform a client of the conflict of interest management policy referred to in section 3A(2) and how it may be accessed.

Section 3A: Financial Interest and conflict of interest management policy:

- 1(a) A provider or its representatives may only receive or offer the following financial interest from or to a third party.

## **PROCESS FOR MONITORING OF AN IMMATERIAL FINANCIAL INTEREST IN TERMS OF THE FAIS ACT, 2002, GENERAL CODE OF CONDUCT FOR AUTHORISED FINANCIAL SERVICES PROVIDERS AND REPRESENTATIVES**

- (1) Completed, signed and approved schedules must be submitted to the Secretariat;
- (2) For control purposes, details provided in the schedule will be included in a central register held by the Company Secretary;
- (3) A separate register will be kept for gifts;
- (4) The R1000 (one thousand Rand) limit per calendar year is inclusive of all amounts expended for a broker or representative;
- (5) In order to ensure that the limit of R1000 (one thousand Rand) per calendar year is not exceeded, details of all prior expenditure for the specific broker or representative must be obtained from the Secretariat before additional money is spent on a broker or representative;
- (6) The Register of Immaterial Interests is subject to audit.

### **PROVISOS:**

#### **GOLF DAYS/HOSTING AT OTHER SPORTING/OTHER EVENTS**

If the total cost for a broker or representative amounts to R1000 (one thousand Rand) or less, then it is permissible provided that:

- (h) All expenses are taken into account when calculating the total cost;
- (i) In the event that the limit of R1000 (one thousand Rand), regardless has been reached, then entertainment or hosting is not permitted.

#### **LUNCHESES/BREAKFASTS/DRINKS/ETC**

- (a) If you invite a broker or some or all of its representatives or a broker invites you, the bill must be split on a 50:50 basis, which will ensure that each party is effectively paying for their own costs;
- (b) It is not acceptable for one party to pay at one time and then the other party pays for the next time;
- (c) Any costs not incurred on the basis of (a) has to be recorded;
- (d) In order to avoid unnecessary monitoring, you are kindly requested to adhere to the process outlined in (a) above.

#### **GIFTS**

Only token gifts such as flowers, wine or chocolates may be given to a broker or representative provided that:

- (a) The schedule is completed as required, signed and submitted to the Secretariat;
- (b) A description of the gift and the cost must be provided;
- (c) In the event that the limit of R1000 (one thousand Rand) has been reached, then the gift is not permitted.

## **TRAINING/INFORMATION SESSIONS**

Training is permitted provided that:

- (a) The cost of travel or accommodation may not be paid;
- (b) The training is not offered exclusively to a selected group of brokers or representatives;
- (c) The training is on:
  - (i) Products and legal matters relating to those products; or
  - (ii) General financial or industry information; or
  - (iii) Specialised technological systems of a third party necessary for rendering the financial service;
- (d) Proof of the content of the training / information session must be retained for monitoring purposes;
- (e) A reasonableness test (select the most economical or inexpensive option) must be applied when choosing the venue and catering;
- (f) In the event that the limit of R1000 (one thousand Rand) has been reached, then the training/information session is not permitted.

### **Contact Details:**

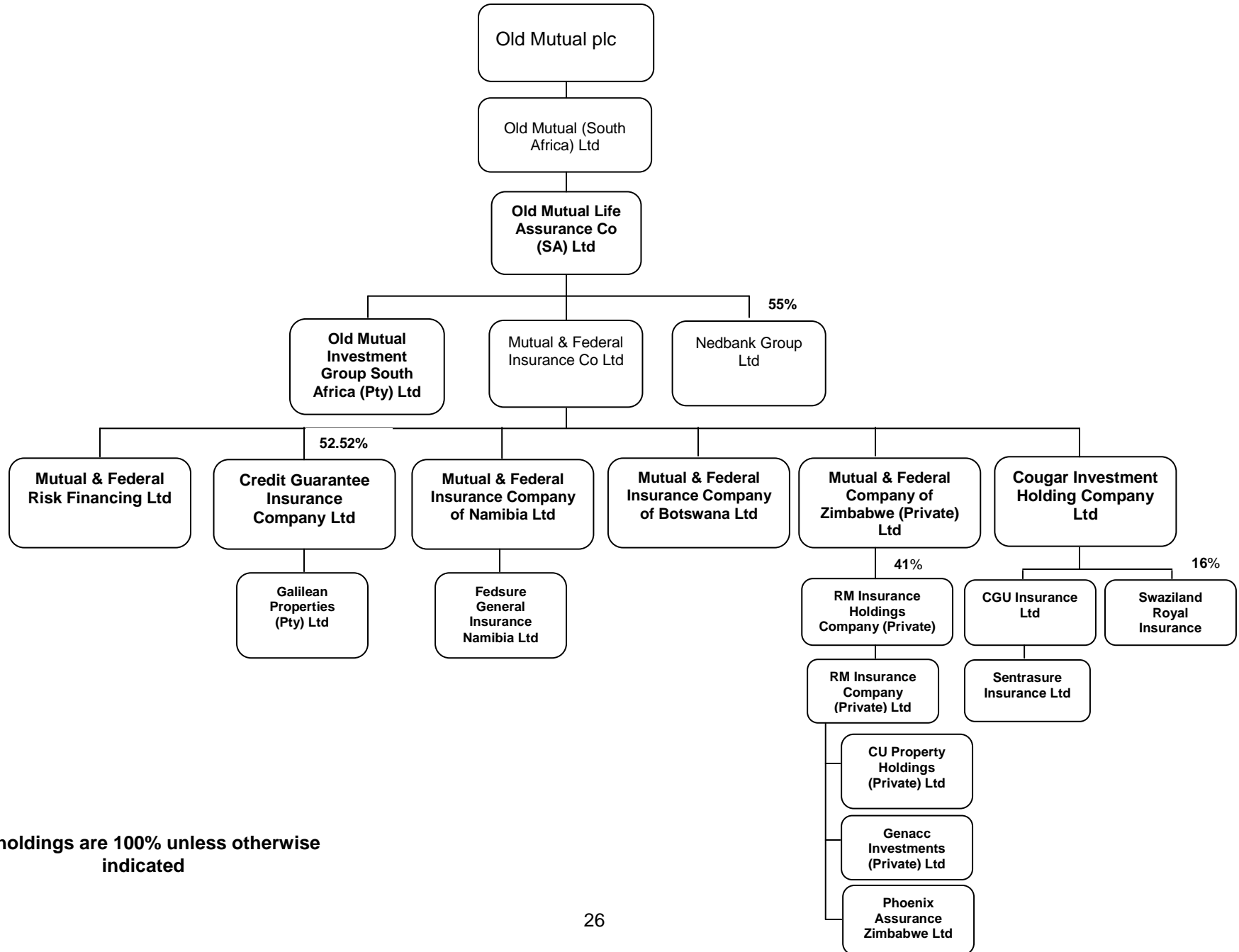
**Paul Hancock**

[paul.hancock@MF.co.za](mailto:paul.hancock@MF.co.za)

**Theresa Geldenhuys**

[theresa.geldenhuys@MF.co.za](mailto:theresa.geldenhuys@MF.co.za)

# ANNEXURE D – Associates



All holdings are 100% unless otherwise indicated

## ANNEXURE F – list of third parties in which Mutual & Federal holds an ownership interest

BANKS	SHARES HELD	PERCENTAGE
ABSA LTD	93,000	0.01%
AFRICAN BANK INV LIMITED	210,000	0.03%
FIRST NATIONAL BANK OF NAMIBIA LTD	200,000	
FIRST RAND LTD	1,100,000	0.02%
GROWTHPOINT PROPERTIES LTD	415,623	0.03%
NEDBANK GROUP LTD	98,514	0.02%
RMB HOLDINGS LTD	235,000	0.02%
STANDARD BANK GROUP LTD	408,898	0.03%
<b>LIFE ASSURANCE</b>		
DISCOVERY HOLDINGS LTD	60,052	0.01%
MMI HOLDINGS LTD	185,643	0.01%
SANLAM LTD	560,000	0.03%
<b>INVESTMENT COMPANIES</b>		
REMGRO LTD	123,462	0.03%
<b>REAL ESTATE</b>		
CAPITAL SHOPPING CENTRES GROUP PLC	160,000	0.02%
CAPITAL & COUNTIES PROPERTIES PLC	160,000	0.03%
<b>SPECIALITY &amp; OTHER FINANCE</b>		
INVESTEC BANK LTD	83,936	0.03%
INVESTEC PLC	138,648	0.03%
<b>UNDERWRITING MANAGERS</b>		
PRAESTAR ADMINISTRATION SERVICES (PTY) LTD		40%