



CGIB (Pty) Ltd

An Authorised Financial Service Provider

Tel: +27 (0) 87 701 0001
Fax: +27 (0) 86 513 0670
Cell: +27 (0) 82 887 3040
Email: info@cgib.co.za
Website: www.cgib.co.za
FSB Number : 45121

Conflict of Interest Policy

CGIB (Pty) Ltd (“the Company”) is required to comply with specific requirements relating to conflict of interest both in terms of international compliance guidelines as well as the Financial Advisory and Intermediary Services Act, 2002 (“FAIS Act”). The purpose of this policy is to address the conflict of interest requirements applicable to the Company, its directors, officers and employees and representatives.

1. Definitions

Conflict of interest

A conflict of interest is any situation where a person has an actual or potential interest that may influence the person’s ability to perform or act objectively or in an unbiased or fair manner or in a manner that is in the client’s best interests. A conflict of interest can arise as a result of various circumstances, for instance as a result of receiving or offering financial interest, as a result of an ownership interest or any relationship with a third party.

Financial Interest

Financial interest includes any of the following:

Cash, cash equivalent, vouchers, gifts, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration that is offered or received.

Ownership Interest

Ownership interest refers to any equity or proprietary interest which the owner acquired by paying fair value at the time of acquisition and includes any dividend, profit share or similar benefit derived from the equity or ownership interest.

Third parties

A third party includes:

1. A product supplier
2. Financial services providers
3. An associate of a product supplier or other FSP
4. A distribution channel
5. Any person who in terms of an agreement or arrangement with any of the above parties provides financial interest to the Company or its representatives.

2. Mitigating Conflict of Interest Situations

Situations that give to a conflict of interest must be avoided however it is not always possible to do so. In such circumstances conflicts especially those that arise between the Company and / or a representative of the Company and a client must be managed to ensure the protection of client interests at all times.

Where a conflict or potential conflict arises, the situation causing the actual or potential conflict must at the earliest reasonable opportunity be disclosed to clients where appropriate. Disclosure must include:



CGIB (Pty) Ltd

An Authorised Financial Service Provider

Tel: +27 (0) 87 701 0001
Fax: +27 (0) 86 513 0670
Cell: +27 (0) 82 887 3040
Email: info@cgib.co.za
Website: www.cgib.co.za
FSB Number : 45121

1. The measures taken to avoid or mitigate the conflict;
2. Any ownership or financial interest that the Company or representative of the Company may be or become eligible for;
3. The nature of any relationship or arrangement with a third party that gives rise to a conflict of interest. The disclosure made must be in sufficient detail to enable the person to understand the nature of the relationship or arrangement and the conflict of interest.
4. The existence of the Conflict of Interest Policy must be brought to the client's attention including how to access a copy.

If a conflict of interest or potential conflict of interest arises, it must be avoided or mitigated by taking the following action:

1. Report the actual or potential conflict of interest to your manager as soon as you become aware of the existence of the conflict;
2. Where appropriate, an alternative representative of the Company will be allocated to assist;
3. Management will determine the appropriate manner in which to mitigate the conflict of interest.
4. Disclosure of the nature of the conflict of interest must be made to the client as soon as reasonably possible together with the proposed mitigation measures.
5. Disclosure must be made in writing and must be available at any time upon request.

3. Offer and Acceptance of Financial Interest

The Company or its representatives may receive financial interest from a third party (as defined above) where the aggregated value of the financial interest received during any calendar year from the same third party does not exceed R1000.00 (one thousand rand). A record of the financial interest received must be maintained to ensure that the prescribed limit is not exceeded. This limit is only applicable where the financial interest is offered by a third party (as defined).

The Company may receive financial interest for its benefit or that of some or all of its representatives if when aggregating the value of the financial interest received, the value does not exceed R1000.00 (one thousand rand) in any calendar year per representative. This limit is only applicable where the financial interest is offered by a third party (as defined).

Representatives of the Company may not receive any financial interest for:

1. Giving preference to the quantity of business secured for the Company to the exclusion of the quality of the service provided to clients; or
2. Giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client;
3. Giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.

Financial interest consisting of cash, cash equivalents (cheques) and vouchers may not be accepted under any circumstances regardless of the value of the financial interest.

Financial interest with a value not exceeding R1000.00 is permissible without prior approval however it must be reported to the Managing Director for record purposes. Approval by the Managing Director is required where financial interest with a value below R1000.00 has been received more than 3 times within the past 12 months from the same party. Where the party offering the financial interest is a third party (as defined), the aggregated limit of R1000.00 per calendar year from the same third party will apply.



CGIB (Pty) Ltd

An Authorised Financial Service Provider

Tel: +27 (0) 87 701 0001
Fax: +27 (0) 86 513 0670
Cell: +27 (0) 82 887 3040
Email: info@cgib.co.za
Website: www.cgib.co.za
FSB Number : 45121

Financial interest which exceeds a value of R1000.00 up to R4000.00 must be reported to and approved by the Managing Director prior to acceptance. Where the party offering the financial interest is a third party (as defined), the aggregated limit of R1000.00 per calendar year from the same third party will apply.

Financial interest with a value exceeding R4000.00 per year as well the party offering the financial interest must be approved by CGIB and reported to the Managing Director thereafter. However, where the party offering the financial interest is a third party as described above, and the value of the financial interest exceeds R1000.00 in value, it may not be accepted.

Where approval of financial interest is not granted, the financial interest must either be declined prior to acceptance or handed into the Company. The Managing Director will decide based on the relationship with the party offering the financial interest whether it should be returned or given to a charitable organisation. Where the party offering the financial interest is a third party (as defined) and the financial interest is either not approved or exceeds the aggregated limit of R1000.00 in the calendar year from the same third party, the financial interest must be returned to the third party.

4. Reporting and Recording of Financial Interest

All financial interest must be reported to the Managing Director and must be properly documented in a Financial Interest Register including the name of the person providing the financial interest, the reasons, date, description and estimated value. The person receiving the financial interest is responsible for ascertaining the estimated value of the financial interest and for ensuring compliance with the approval requirements where applicable. He / she is furthermore responsible for ensuring that where the financial interest is from a third party (as defined), that acceptance of the financial interest will exceed the R1000.00 limit as detailed above. The list must be available upon request at any time.

5. Invitations to Meals

Invitations to meals may only be accepted if –

1. the invitation is solely related to pursuing a legitimate business purpose;
2. the person extending the invitation is present at the meal; and
3. the costs are socially appropriate and within a reasonable framework, are acceptable.

Where an invitation to join a person for a meal is received, consideration must be given as to whether the person extending the invitation is a third party (as defined). Where the person is a third party, the R1000.00 limit per calendar year from any one third party applies.

In such instances the estimated value of the meal must be considered. If the R1000.00 limit is likely to be exceeded, the invitation must either be declined or the person / the Company accepting the invitation must pay towards to the cost of the meal to ensure that the R1000.00 limit is not exceeded.

6. Invitations to Entertainment Events

Invitations to entertainment events such as cultural and sporting events which are predominantly leisure-related, may only be accepted under the following circumstances-

1. A person representing the host company must be present at the event;
2. There must be a legitimate business purpose which must be pursued;
3. Travel and overnight accommodation costs must not be paid for by the host company / person;



CGIB (Pty) Ltd

An Authorised Financial Service Provider

Tel: +27 (0) 87 701 0001
Fax: +27 (0) 86 513 0670
Cell: +27 (0) 82 887 3040
Email: info@cgib.co.za
Website: www.cgib.co.za
FSB Number : 45121

4. The frequency of employees of the Company attending such events must not create an appearance that participation would go beyond the intended purpose of fostering business relations;
5. Approval of the Managing Director / CEO of the Company must always be obtained and properly documented.

All entertainment events attended by the Managing Director of the Company must be properly documented including the name of the hosting company, purpose of the event, venue, date and target audience. The list must be available upon request at any time.

Where an invitation to join a hosting company or representative of the hosting company for an entertainment event is received, consideration must be given as to whether the hosting company / representative extending the invitation is a third party (as defined). Where the hosting company / representative is a third party, the R1000.00 limit per calendar year from any one third party applies. In such instances the estimated value of the entertainment event must be considered. If the R1000.00 limit is likely to be exceeded, the invitation must either be declined or the person / the Company accepting the invitation must pay towards to the cost of the entertainment event to ensure that the R1000.00 limit is not exceeded.

7. Payment of Travel and Accommodation Costs

Payment of travel and accommodation costs by any party must not be accepted under any circumstances.

The Managing Director will determine whether there is sufficient business interest for an employee to attend an event. Where sufficient interest exists, travel and accommodation costs will be borne by the Company in accordance with applicable travel guidelines.

8. Personal Conflict of Interest

Where an employee of the Company has any personal interests that are in conflict with the interests of the Company, this must be fully disclosed to the Managing Director.

Should the Managing Director have any conflicts of interest, these must be fully reported.

Executive board members will be required to sign Conflict of Interest Statements on an annual basis which will be provided to the Chairman of the (Supervisory) Board.

9. Public Sector

No financial interest may be offered to officials or members of public sector institutions whether directly or indirectly.

10. Offering / Granting of Financial Interest and Receiving / Accepting Financial Interest

The rules relating to receiving or accepting financial interest apply equally to the offering or granting of financial interest to another party.

"What we do not accept from our business partners, we also cannot offer to them".



CGIB (Pty) Ltd

An Authorised Financial Service Provider

Tel: +27 (0) 87 701 0001
Fax: +27 (0) 86 513 0670
Cell: +27 (0) 82 887 3040
Email: info@cgib.co.za
Website: www.cgib.co.za
FSB Number : 45121

11. Income Tax

It is important to note that depending on the circumstances, the acceptance of financial interest may be subject to income tax.

12. Donations and Sponsorships

Donations to private persons are prohibited without exception.

Sponsorships may only be carried out for a legitimate commercial purpose and in an appropriate relationship between the object of the sponsorship and the desired commercial purpose.

Sponsorships may include selective support of persons, projects, organisations or events.

Sponsorships above R400 000.00 must require prior approval by the respective Head of Division.

All sponsorships must be properly documented including details relating to the beneficiary, commercial purpose, payment date and amount paid. The list must be available upon request at any time.

Where the beneficiary receiving the sponsorship is a third party (as defined), the R1000.00 limit in any calendar year applies and any sponsorship amount in excess of this limit is prohibited.

13. Antitrust Regulations

The Company may not enter into any agreements or concerted practices with other parties where the objective or effect of such agreement is the prevention, restriction or distortion of competition. This includes informal or tacit agreements between parties.

The exchange of information might be viewed as concerted practices and includes discussions within insurance associations, study groups etc. Employees and representatives of the Company must not partake in discussions where improper topics such as pricing, strategy and market shares. If in doubt, the employee or representative should remove him/herself from the discussion after objecting to the nature of the discussion and advise the Managing Director immediately.

Always avoid collusive market conduct and be aware that such conduct could be attributed to CGIB.

14. Sales Compliance

Only intermediaries that have been granted a licence to act as an authorised Financial Services Provider in terms of the FAIS Act are permitted to market insurance products. Authorisation must be verified on the Financial Services Board website (www.fsb.co.za) prior to concluding an Intermediary Agreement with an intermediary. Verification must include a review of the licence categories and status of the licence (e.g. approved, suspended, withdrawn or lapsed). Only intermediaries that are appropriately licenced will be permitted to market insurance products.

Intermediaries must furthermore satisfy the solvency and operational ability requirements and comply with all other requirements contained in the FAIS Code of Conduct. Confirmation of compliance with these requirements must be obtained.

The rules relating to the offering of financial interest to intermediaries including any incentive arrangements are detailed above.



CGIB (Pty) Ltd

An Authorised Financial Service Provider

Tel: +27 (0) 87 701 0001
Fax: +27 (0) 86 513 0670
Cell: +27 (0) 82 887 3040
Email: info@cgib.co.za
Website: www.cgib.co.za
FSB Number : 45121

15. Non-Compliance with the Conflict of Interest Policy

Failure to comply with this policy may result in disciplinary action in terms of the Company's disciplinary policy. Furthermore, non-compliance with any provisions of this policy may result in the breach of a regulatory requirement which could result in additional action being taken against the employee or representative concerned.