



Structured Risk Solutions (Pty) Ltd Reg No : 2016/233252/07

An Authorised Financial Services Provider License No. **50618**

CONFLICT OF INTEREST MANAGEMENT POLICY

for

STRUCTURED RISK SOLUTIONS (PTY) LTD

FAIS LICENCE NUMBER 50618
(Financial Services Provider, "FSP")

CONFLICT OF INTEREST MANAGEMENT POLICY

Governance Area Addressed:	All
Approving Authority:	Board of Directors
Owner:	Chief Executive Officer (CEO)
Responsible:	Compliance Officer
Date of First Approval:	25 October 2024
Frequency of review or update:	Annually or as and when necessary
Index:	<ul style="list-style-type: none">1. Introduction2. Our objectives3. Understanding definitions4. What may we receive or give5. Remuneration policy6. Processes & Internal Controls7. Measurement for avoidance & mitigation of Conflict of Interest8. Ongoing monitoring of conflict of interest9. Training10. Representatives incentives11. Sign on bonus12. Register13. Operational & Governance approvalAnnexure A-Summary of Remuneration policyAnnexure B- Financial Interest receivedAnnexure C- Business relationship /associateAnnexure D- Ownership interest

--	--

1. Introduction

- 1.1. Structured Risk Solutions (Pty) Ltd is committed to ensuring that all business is conducted in accordance with the standards of good corporate governance and in line with the governance requirements of insurers as set out by the Prudential Authority. Accordingly, the manner in which Structured Risk Solutions (“SRS”) conducts business is based on integrity and ethical and equitable behaviour. This conflict-of-interest management policy aims to emphasise the interests of all stakeholders by minimising and managing all actual or potential conflicts of interest.
- 1.2. We have put this policy in place to safeguard all our stakeholders’ interests and ensure we treat them fairly. We’ve set out the most important aspects below. If you want to know more about the organisational and administrative arrangements we’ve made, you can contact us at info@structured.co.za

2. Our objectives – doing it our way

- 2.1. We determine the remuneration we pay to various intermediaries or parties on a case-by-case basis, in line with industry regulations. Where required, we clearly disclose commission payments to our clients in their policy documentation.
- 2.2. Like any financial services provider or insurer, we are potentially exposed to conflicts of interest in relation to various activities including our board of directors and senior management. However, the protection from potential exposures to conflicts of interests of our board of directors, senior management, internal staff, clients’ interests is our primary concern and this Policy ensures we always put their interests first and avoid conflicts of interests.
- 2.3. The policy also help to advice to the board of directors in respect of matters where the chairperson or any member of the board and senior management has a conflict of

interest or perceived conflict of interest, including the identification of circumstances where the members of the board may have a conflict of interest or perceived conflict of interest that may impact on their independent decision making.

3. Understanding the definitions

3.1. *Conflict of Interest:* A conflict of interest may occur when we render a financial service by not acting objectively or do not render an unbiased or fair service to a customer or do not act in the best interests of a customer, including but not limited to:

- 3.1.1. A financial interest
- 3.1.2. An ownership interest
- 3.1.3. Any relationship with a third party.

3.2. *A Financial Interest:* Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1 000 per annum) other than –

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

3.3. *An Ownership Interest:*

- 3.3.1. Any equity or proprietary interest for which a fair value was paid on acquisition other than such an interest held by a nominee.
- 3.3.2. Includes any dividend, profit share or similar benefit derived from such interest.

3.4. *Fair Value:* Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act 71 of 2008.

4. What may we give and receive

- 4.1. We confirm that we will only receive financial interest from our contracted product providers in the form of:
 - 4.1.1. Commission authorised under the Long-term Insurance Act, 52 of 1998;.
 - 4.1.2. Fees under the aforesaid Act if these fees are reasonably commensurate to the service being rendered.
 - 4.1.3. Fees for rendering a financial service in respect of which no commission or fees are paid as aforesaid, if those fees are specifically agreed to by you in writing and may be stopped at your discretion.
 - 4.1.4. Fees or remuneration for the rendering of a service to a third party, which fees are reasonably commensurate to the service being rendered.
 - 4.1.5. Subject to any other law, an immaterial financial interest.
 - 4.1.6. A financial interest for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid at the time of receipt thereof.

5. Remuneration policy

- 5.1. Our remuneration policy summary is attached hereto as **Annexure "A"**

6. Processes and internal controls

6.1. Identification of Conflict of Interest

- 6.1.1. To adequately manage conflicts of interest we must identify all relevant conflicts timeously. In determining whether there is or may be a conflict of interest to which the policy applies, SRS considers whether there is a material risk of damage to the client, taking into account whether SRS or its representative, associate or employee:

- 6.1.1.1. Is likely to make a financial gain, or avoid a financial loss, at the expense of the client.
 - 6.1.1.2. Has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
 - 6.1.1.3. Has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client.
 - 6.1.1.4. Receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods or services, other than the legislated commission or reasonable fee for that service.
- 6.1.2. Our policy defines possible conflicts of interest as, *inter alia*:
- 6.1.2.1. Conflicts of interest between SRS and the client.
 - 6.1.2.2. Conflicts of interest between our clients if we are acting for different clients and the different interests conflict materially.
 - 6.1.2.3. Conflicts of interest where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client.
 - 6.1.2.4. Storing confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients. We may only receive commissions authorised in terms of applicable legislation.
- 6.1.3. SRS maintains an index of potential conflict risks, taking into consideration all business areas and income streams. The index is updated with all new conflicts identified, and to ensure completeness is reviewed.
- 6.1.4. All employees, including Board of Directors, internal compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify senior management of any conflicts they become aware of. The Compliance Officer will assess the implications of the conflict and how

the conflict should be managed and act impartially to avoid a material risk of harming clients' interests.

7. Measurement for avoidance and mitigation of conflicts of interest

- 7.1. Create awareness and knowledge of applicable stipulations of the General Code of Conduct and relevant legislation relating to conflict of interest, through training and educational material.
- 7.2. Ensure understanding and adoption of conflict-of-interest policy and management measures by all employees, representatives and associates.
- 7.3. Regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance.
- 7.4. Keep a register of conflict of interest.
- 7.5. Once a conflict of interest has been identified it needs to be appropriately and adequately managed.
- 7.6. The Compliance Officer will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. The Compliance Officer and management will then agree on the controls that need to be put in place to manage the conflict.
- 7.7. **Disclosure:** Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients. Disclosure is made by way of the client advice record and our disclosure letter.
- 7.8. **Publication:** Our Conflict of Interest Management Policy is available in hard copy in the compliance file stored on the business premises. A copy will be made available upon a

client's request. The policy will also be published in the appropriate media where it can easily be accessible for public inspection at all reasonable times.

- 7.9. **Declining to act:** We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

8. Ongoing monitoring of conflict-of-interest management

- 8.1. This policy will be reviewed annually and will be approved by the Board of Directors of the board of directors of behalf of the board of directors.
- 8.2. The Compliance Officer shall be responsible for the supervision and monitoring of this policy as well as the process to be followed. The Compliance Officer in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters.

9. Training and staff

- 9.1. All employees and representatives and associates where applicable are made aware of the contents of this policy and the obligation to identify specific circumstances that may give rise to conflicts of interest .d .
- 9.2. Comprehensive training on the Conflict-of-Interest Management Policy will be provided to all employees and representatives as part of specific and/or general training on the FAIS Act. Training will be incorporated as part of all new appointees' induction and refresher training provided on an annual basis.
- 9.3. The key individual will conduct ad hoc checks on business transactions to ensure the policy has been complied with.
- 9.4. The compliance officer will include monitoring of the conflict of Interest policy as part of his/her general monitoring duties and will report thereon in the annual compliance report.

- 9.5. The compliance function is partially outsourced to an external compliance company with no shareholding in this FSP. The compliance practice functions objectively and sufficiently independently of the FSP and avoids conflicts of interest.
- 9.6. Non-compliance will be subject to disciplinary procedures in terms of the Insurance Act, FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.
- 9.7. Avoidance, limitation or circumvention of this policy via an associate will be deemed non-compliance.

10. Representative incentives

- 10.1. We confirm we will not offer any financial interest to our key individuals or representatives for-
 - 10.1.1. Favours quantity of business over quality of service; or
 - 10.1.2. Giving preference to a specific product supplier where more than one supplier can be recommended to a client; or
 - 10.1.3. Giving preference to a specific product of a supplier where more than one product of that supplier can be recommended.

11. Sign-on bonus

- 11.1. We do not offer a sign-on bonus to any person other than a new entrant as an incentive to become a financial services provider.

12. Registers

- 12.1. With regard to existing third party relationships, being the product suppliers listed in our Contact Stage Disclosure letter, we confirm that we do not have an ownership interest or are subject to exclusive training nor are there any other circumstances which could lead to a potential conflict of interest. Should any conflicts arise with regard to any of

these prior to entering into any business transaction with you we undertake to disclose these in the registers below.

12.2. SRS has implemented a register containing the details below:

12.3. Nature and Extent of Ownership interests;

12.4. Financial Interest Received;

12.5. Nature and Extent of Business Relationships /Associates.

Document Approval

- This policy be approved by the Board of Directors and revised annually.

Name:	Designation:	Approval date:	Approval Signature:
Hylee Choto	Director	October 2024	
Grace T. Choto	Director	October 2024	

Register of Financial Interests, Ownership Interests and Business Relationships

Structured Risk Solutions (Pty) Ltd

FSP :50618

- 12.6. At SRS we believe in open, honest and transparent interactions with our clients. In the course of our business activities, situations may arise whereby we may become entitled to certain financial interests supplied by external parties in addition to the commission that we earn or the fees that we charge.
- 12.7. We take pride therein that our advice is objective and free of external influence, but wish to disclose to you, our valued client, that we have received the following financial interests and wish to disclose the value and the reason for receiving the financial interests.
- 12.8. We do not believe that the financial interests received constitute a conflict of interest, but would gladly address any concerns you may have. Please refer to **Annexure "B"** to this register for a complete list.
- 12.9. We may also enjoy a preferred status with one or more of the product supplier companies with whom we hold contracts. This status allows us and our customers certain benefits when dealing with these providers.
- 12.10. We similarly make every effort to ensure that our advice is not influenced by our status with any one product supplier, but believe that disclosure of these business relationships and the benefits they include, allow you to make informed decisions. Please refer to **Annexure "C"** for complete details of these business relationships.
- 12.11.** In accordance with the General Code of Conduct we are required to disclose any ownership interest we may have in external parties. These are contained in **Annexure "D"**.

ANNEXURE A
REMUNERATION POLICY

1. Introduction

1.1. The Remuneration Policy forms an integral part of SRS' governance framework. SRS strive to recruit, motivate, reward and retain employees and representatives who believe in our culture and values. We encourage entrepreneurship.

1.2. Our Remuneration Policy is aligned to the business strategy, objectives and values of the company and strives not to prejudice the interests of our policyholders. The Remuneration Policy is consistent with, and supportive of, effective risk management.

2. Commission calculation by product providers (Long-term insurance subcategory A)

2.1. Long-term insurance subcategory A policies are specifically tailored for the lower income earning policyholder.

ANNEXURE B
FINANCIAL INTEREST RECEIVED

1. Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R1000 per annum) other than –
 - 1.1. An ownership interest.
 - 1.2. Training, that is not exclusively available to a selected group of providers or representatives, on –
 - 1.2.1. Products and legal matters relating to those products;
 - 1.2.2. General financial and industry information;
 - 1.2.3. Specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.

Description	Date Received	From	To	Reason	Value	Approved Yes/No	Approver	Signature

ANNEXURE C

BUSINESS RELATIONSHIP/ASSOCIATION

List the different product suppliers, outsource agreements and referral agreements that you have with each company, and any association in relation to that company.

SRS is an authorised Financial Service Provider. The definition of associates as it applies to SRS include companies which are part of the Structured Group of companies of which SRS is itself a subsidiary. The list of associate companies and product suppliers is supplied below:

Company	Nature of relationship/association
Structured Administration Services (Pty) Ltd	Associate
Structured Assist Services (Pty) Ltd	Associate
Safrican Insurance Company Limited	Product Supplier

ANNEXURE D

OWNERSHIP INTEREST

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. This includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Company name	Percentage ownership	Date obtained