



NEW NATIONAL ASSURANCE CONFLICT OF INTEREST

Last updated 2013

STATUTORY DEFINITIONS- AS DEFINED BY

Board Notice 58 of 2010-Financial Advisory and Intermediary Services Act (“FAIS”), 2002: amendment of the General Code of conduct for authorised Financial Services Providers and Representatives.

- “associate” means in the case of the company,” any subsidiary or holding company of that company, and any other subsidiary of that holding company and any other company of which that holding company is a subsidiary”.

- “conflict of interest” means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client,-
 - a) Influence the objective performance of his, her, its obligations to that client; or
 - b) Prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the best interests of that client,

Including, but not limited to –

- 1) A financial interest;
 - 2) An ownership interest;
 - 3) Any relationship with a third party.
- “FAIS” means the Financial Advisory and Intermediary Services Act, No. 37 Of 2002.

- “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-
 - 1) Products and legal matters relating to those products;
 - 2) General financial and industry information;
 - 3) Specialised technology systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

- “financial service” means the furnishing of advice and / or the rendering of any intermediary service.
- “immaterial financial interest” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party.
- “ownership Interest” means
 - a) Any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or any proprietary interest held as an approved nominee on behalf of another person; and
 - b) Includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

- “provider” means an authorised Financial Services Provider registered as such with the Financial Services Board.

- “third party” means any product supplier, another provider, an associate of a product supplier or a provider, a distribution channel and any other person who in terms of an agreement provides a financial interest to a provider or its representatives.

NEW NATIONAL ASSURANCE POLICY STATEMENT

The Directors, Management and employees of New National Assurance aspire to the highest level of ethical conduct and are committed to complying with the regulatory requirements regarding “conflict of interest” as contained in Board Notice 58 of 2010 Financial Advisory Intermediary Services Act 2002.

Identification

- Before we conclude any prospective new business arrangement we will identify whether there exists any potential conflict of interest, according to the above statutory definition.
- It is the responsibility of the Portfolio Manager responsible for the business relationship to consider if means exists to avoid such situations.

Avoidance, Mitigation & Disclosure

- We will avoid, and if this not possible, mitigate any conflict of interest situations that may arise.
- If suitable measures of avoidance is not possible then the Executive Management of New National Assurance will establish appropriate measures to mitigate and manage the identified conflict of interest.
- Where actual or potential conflict of interest is identified New National Assurance will ensure that this is reported in writing to the client pointing out:
 - The existence and description of the conflict.
 - Its impact.
 - Measures to mitigate and manage the conflict.
- The client will be given the free choice whether he/she wishes to continue purchasing the product, following disclosure of conflict of interest.

Commissions, Fees and Personal Interests

- Commissions will be paid as authorised in terms of the Short Term Insurance Act, No. 53 of 1998.
- Fees or Remuneration where due, will be paid for the rendering of services, which fees are commensurate to the services being rendered.
- All employees of the company must never permit their personal interest to conflict with the interest of the company, its clients, or associates.

Consequences of Non Compliance

- Any director, manager or employee who is in breach of this policy, including board Notice 58 of 2010, will be subject to internal disciplinary action if found guilty.