FAIS Conflict of Interest Management Policy OUTsurance

Contents

1. Introduction

The General Code of Conduct for Authorised Financial Services Providers (FSPs) and Representatives, 2003 (the Code) sets out requirements for the management of conflict of interests. FSPs have a responsibility to ensure that no situation is allowed where a provider or a representative has an actual or potential interest, which will influence objective performance when providing a financial service to a client.

OUTsurance may not offer or receive a financial interest to or from another FSP or third party as defined in the Code.

Conflicts of interest should be avoided and if not possible, mitigated and disclosed to the client. Immaterial financial interests need not be disclosed but captured and monitored in a central register.

OUTsurance ensures that employees who are on a performance-based salary are closely monitored to ensure that quality and the delivery of fair customer outcomes are not sacrificed due to a focus on quantity performance measurements.

FSPs and representatives may not offer or receive sign-on bonuses as defined in the Code except to new entrants as an incentive to become a Category I provider that is authorised or appointed to give advice.

2. Scope

This policy applies to OUTsurance Insurance and OUTsurance Life, FSP 896 and FSP 51691 (collectively referred to as "OUTsurance") and all its representatives. It applies to any situation where a conflict of interest or a potential conflict of interest exists in the rendering of financial services to clients. It provides measures to identify, manage, avoid and mitigate existing and potential conflicts of interests within the OUTsurance environment, and sets out the roles and responsibilities of the relevant parties in this regard

3. Definitions

Associate in relation to a natural person	Means – (i) a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person; (ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock; (iii) a parent or stepparent of that person; (iv) a person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;

	(v) a person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs (ii) to (iv); (vi) a person who is in a commercial partnership with that person.
Associate in relation to a juristic person	(i) which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary; (ii) which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act; (iii) which is not a company or a close corporation as referred to in subparagraphs (i) or (ii), means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person – (aa) had such first-mentioned juristic person been a company; or (bb) in the case where that other juristic person, too, is not a company, had both the first mentioned juristic person and that other juristic person been a company; (iv) means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.
Associate in relation to any person	(i) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph; (ii) includes any trust controlled or administered by that person.
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 or 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 interests of that client, Including, but not limited to - (i) a financial interest; (ii) an ownership interest; (iii) any relationship with a third party.
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.

	c) a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.
FSC	Means the Financial Sector Code published in terms of section 9(1) of the Broad-Based Black Economic Empowerment Act, (Act 53 of 2003), as amended from time to time.
Immaterial financial interest	Means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1000 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.
Measured entity	Has the meaning assigned to it in the FSC insofar it relates to a qualifying enterprise development contribution.
New Entrant	Means a person who has never been authorised as a FSP or appointed as a representative by any FSP.
Qualifying beneficiary entity	Has the meaning contemplated in the FSC insofar as it relates to a qualifying in enterprise development contribution.
Qualifying enterprise development contribution	Has the meaning assigned to it in the FSC.
Sign-on Bonus	Means- a) any financial interest offered or received directly or indirectly, upfront or deferred, and with or without conditions, as an incentive to become a provider; and b) a financial interest referred to in paragraph (a) includes but is not limited to – (i) compensation for the – (aa) potential or actual loss of any benefit including any form of income, or part thereof; or (bb) cost associated with the establishment of a provider's business or operations, including the sourcing of business, relating to the rendering of financial services; or (ii) a loan, advance, credit facility or any other similar arrangement.
Third party	Means – a) a product supplier b) another provider c) an associate of a product supplier or a provider d) a distribution channel e) any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.

4. Policy statements

4.1 Purpose

The objective of this policy is to provide a framework with regards to the identification, avoidance, mitigation and management of conflicts of interest in OUTsurance, in order to ensure that OUTsurance business practices are in line with our commitment to provide quality service that is unbiased and ensures fair outcomes.

4.2 Financial interest

With regards to the OUTsurance representatives, the following applies with regards to financial interest:

OUTsurance may not offer any financial interest to a representative:

i. that is determined with preference to the quantity of business secured for the provider without also giving due regard to the delivery of fair outcomes for clients; or
ii. for giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
iii. for 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.
iv. a sign-on bonus unless the representative is a new entrant as an incentive to become a representative appointed to provide advice.

For purposes of (i) above, OUTsurance must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the–

a) achievement of minimum service level standards in respect of clients;
b) delivery of fair outcomes for clients;
c) quality of the representative's compliance with this Act;

as agreed between OUTsurance and the representative and that sufficient weight is attached to such indicators to materially mitigate the risk of the representative giving preference to the quantity of business secured for the provider over the fair treatment of clients.

This policy is also applicable to OUTsurance as providers and its relationship with a third party.

OUTsurance or its representatives may only receive or offer the following financial interest from or to a third party:

i. Commission authorised under the Long Term Insurance Act, 52 of 1998 (LTIA) or the Short Term Insurance Act (STIA), 53 of 1998;

ii. Fees authorised under the LTIA or the STIA ;

iii. Fees for the rendering of a financial service in respect of which commission or fees referred to in subparagraph (i) or (ii) of this section is not paid, if:

  a) the amount, frequency, payment method and recipient of those fees and details of the services that are to be provided by OUTsurance or its representatives in exchange for the fees are specifically agreed to by a client in writing; and

  b) those fees may be stopped at the discretion of that client.

iv. Fees or remuneration for the rendering of a service to a third party;

v. Subject to any other law, an immaterial financial interest; and

vi. A financial interest, not referred to under subparagraph (i) to (v), for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by OUTsurance or its representative at the time of receipt thereof.

OUTsurance or its representatives may also only receive or offer the financial interests referred to in (ii), (iii) and (iv) above if:

i. those financial interests are reasonably commensurate with the service being rendered, taking into account the nature of the service and the resources, skills and competencies reasonably required to perform it;

ii. the payment of those financial interests does not result in OUTsurance or its representatives being remunerated more than once for performing a similar service;

iii. any actual or potential conflicts between the interests of clients and the interests of the person receiving the financial interests are effectively mitigated; and

iv. the payment of those financial interests does not impede the delivery of fair outcomes to clients.

4.3 Approach

The effective identification, avoidance, mitigation and management of conflicts of interest is good business practice as it avoids legal liability and reputational risk. The risk of conflicts of interest not being properly managed and controlled is, amongst others, that investors and customers may not be adequately protected which leads to poor customer outcomes, confidence in our services could be undermined and legal claims may be instituted.

It is important to note that the definition of conflicts of interest for the purpose of this policy only relates to the definition and provisions set in the Code.

Over-reliance on disclosure, without adequate consideration as to how conflicts may appropriately be managed, is not sufficient.

4.4 Availability

This approved document will be available on the OUTsurance website.

5. Process and Procedures

5.1 Effective Arrangements

The organisational and administrative arrangements to manage conflicts must be designed to ensure that, when undertaking activities that involve a potential conflict of interest, relevant persons carry out those activities at an appropriate level of independence. Controls should be put in place to ensure the requisite level of independence and should include, as a minimum and where relevant, the following:

- Effective procedures to prevent or control the exchange of information where that exchange of information may harm the interests of one or more clients;
- Separate supervision of relevant persons whose principal functions involve activities that might give rise to a conflict of interest;
- The removal of any direct link between the remuneration of different groups of relevant persons where there is an underlying conflict between the activities of those groups;
- Measures to prevent or limit any person from exercising inappropriate influence over relevant persons;
- Prevention or control measures where relevant persons are involved simultaneously or sequentially in separate services or activities where such involvement could impair the management of conflicts of interest; and
- Involvement of senior management and the utilisation of reporting and management information as deemed appropriate for each business.

5.2 Mechanisms for the identification of Conflicts of Interest

- Meetings between the Compliance Department, Operational areas and Support functions to review procedures, processes and business relationships;
- Management Information (MI) reports which identifies inconsistencies and exceptions;

- Quality Assurance audits to identify trends of actual or potential conflict of interests;
- Feedback and complaints from clients or other stakeholders;
- Fraud line;
- Employee Gifts and Conflict of Interest Policy and Register;
- Annual Conflict of Interest Declarations;
- Update of Personal Information;
- Exceptions in Performance Based Remuneration System.

5.3 Measures for the avoidance of Conflict of Interest

- Alignment of all current business practices; procedures and relationships with the Code;
- Training and maintenance of awareness levels of regulatory requirements;
- Tokens which determine the access and functionality available to each person on the operational system;
- Segregation of duties and responsibilities between various Operational areas and Support functions;
- Culture of Compliance and Company Values with specific reference to Awesome Service and Honesty;
- Internal Audit and the Quality Assurance department perform regular audits to verify that business procedures and processes are followed. The findings may identify potential or actual conflicts of interest and is always communicated to management;
- It is mandatory for all employees to declare any business interest once the business interest arises and annually when required to complete the Conflict of Interest Declarations; and
- The provisions of the Employee Gifts and Conflict of Interest Policy.

5.4 Measures for the disclosure of Conflicts of Interest

- Scripting ensures that all call centre staff make all mandatory disclosures.
- Statutory written disclosures are issued as standard procedure and are system generated.

5.5 Consequences of non-compliance by employees and representatives

- Material breaches may lead to disciplinary action and/or debarment;

- If a breach of this policy is identified corrective measures will be taken, which can include, but is not limited to, further communication to clients;
- Reviewing of current procedures, processes and controls if regular breaches are identified.

5.6 Type and basis on which a representative will qualify for a financial interest

- Performance Based Remuneration System (PBS):
    - The PBS measures both quality and quantity of work.
    - Mandatory monthly audits are done management to prevent PBS manipulation and to ensure quality.
    - The Quality Assurance department performs various audits to ensure that staff adhere to all procedures and provide proper advice.
- Incentives:
    - Incentive winners are announced every 6 months based on their performance.
    - PBS records and the work performed by top performers are audited by Quality Assurance prior to the announcement of winners in order to ensure that there is no manipulation or non-compliance with correct procedures.
- OUTperformer Service:
    - Bi-monthly staff members stand to win cash prizes if a client submits a compliment about their customer service, fellow staff members vote for the top compliment.
    - The chance to win such an award recognises and encourages quality service expected from staff members.
- Ad hoc Competitions:
    - Management offers various prizes to motivate staff and to ensure focus on specific performance improvement areas.
    - These competitions do not influence the quality expected from staff members and is also audited.

6. Roles and Responsibilities

6.1 Policy Ownership

6.1.1 Policy maintenance

6.1.1.1 The ownership of this policy is vested in the OUTsurance Executive Committee.

6.1.1.2 The policy owner is responsible for ensuring the policy is maintained and that it addresses relevant legal, regulatory and other key documents.

6.1.1.3 The policy owner, with support from the Risk and Compliance department, manages the process for updating the policy in accordance with the review timing outlined in this policy.

6.1.2 Training and Awareness

6.1.2.1 The policy owner ensures that training and awareness take place regarding this policy.

6.1.2.2 Heads and Management of each Operational area and Support functions must ensure that all staff are made aware of this policy and familiarise themselves with the content. In addition, Heads and Management must implement processes to re-confirm this annually.

6.1.2.3 Any questions regarding this policy can be directed to the Compliance department.

6.2 Board Risk and Compliance Committee

The policy is approved by the OUTsurance Holdings Board Risk and Compliance Committee (BRCC).

6.3 Management

Operational areas and Support functions are responsible for implementation and monitoring of the procedures within their respective area to comply with this policy. Any inconsistencies with this policy or the underlying procedure must be approved by the licensed Compliance Officer.

This policy and the record of the kinds of services and activities undertaken by the Operational areas which might give rise to a potential conflict of interest must be retained for at least five years, together with any changes to those documents.

All Operational areas must maintain a register to track any financial interest provided to financial service providers, associates or third parties.

6.4 Heads and Management of Operational Areas or Support Functions

- Implement appropriate procedures to identify all conflicts of interest, real or perceived that arise or may arise;
- Manage conflicts of interest by appropriate measures and ongoing communication to and training of staff members;
- Maintain and operate effective organisational and administrative arrangements and take all reasonable steps to prevent or mitigate conflicts of interests from giving rise to a material risk of damage to the interests of its clients;
- Prevent non-compliance with relevant regulatory requirements and protect the reputation of OUTsurance, by implementing appropriate procedures to manage, avoid or mitigate conflicts of interest that consider and protect the interests of all parties;
- Ensure that conflict of interest considerations form part of all significant business change processes. Any proposed material change to the nature of business activities, products, services, structures, relationships, or arrangements will be assessed for actual, potential, or perceived conflicts of interest before implementation, and appropriate controls must be established to manage identified conflicts;
- Make disclosure of the nature of a conflict to a client before undertaking business for the client in cases where the measures to manage conflicts are not considered sufficient to ensure, with reasonable confidence, that risks of damage to the interests of a client will be prevented. This disclosure must be made in an appropriate medium and in sufficient detail to enable the client to make an informed decision about the relevant service or product;
- The senior management of each department and/or business is responsible for determining which conflicts are likely to result in a material risk of damage or detriment to a client's interests;
- Senior management should liaise with the Compliance department where procedures or practices are changed or implemented with a view to obtain input or guidance around possible compliance challenges; and
- Capture and update details of immaterial financial interests offered in a central register.

6.5 Compliance Department

- Provide guidance into the maintenance of the procedures to identify, manage and avoid conflicts of interest, real or perceived;

- Provide relevant input and guidance to the operational areas or support functions to manage conflicts by appropriate avoidance or mitigating measures such as separation of functions, information barriers and escalation and exit procedures;
- Implement appropriate monitoring procedures to ensure adherence to this policy and report all breaches to the appropriate level in terms of the governance structure;
- Monitor and ensure that the immaterial financial interest register is maintained;
- Assist in the management of legal liability, regulatory non-compliance and reputational risks avoiding, mitigating or managing of conflicts of interests and putting in place the appropriate procedures to consider and protect the interests of all parties; and
- Provide the necessary compliance training and awareness to support senior management in the adoption of procedures, controls and measures to manage conflicts of interest as set out in this policy.

6.6 Monitoring and Reporting

6.6.1 Monitoring and Assurance

6.6.1.1 Heads and Management of all Operational Areas and Support functions are responsible for monitoring compliance with the policy within their specific area and report any findings identified to the licensed Compliance Officer.

6.6.1.2 The Compliance department also monitors compliance with this policy and records all material breaches in the compliance register.

6.6.2 Reporting

6.6.2.1 Compliance with this policy is reported to the Internal Risk Committee (IRC) as and when monitoring is concluded, but at least annually.

6.6.2.2 Routine Compliance reporting will also occur to the relevant Regulatory Authority as and when required.

7. Escalation

7.1 Internal Management

7.1.1 The actions for non-compliance with this policy will be governed by Compliance with the understanding that the appropriate action will be taken by the Operational areas and Support functions.

7.1.2 Instances of non-compliance may result in disciplinary action against the parties concerned and debarment.

7.2 Board and Board Committees

7.2.1 Any material breaches in the requirements of this policy will be recorded in the compliance register and reported to the IRC. Material breaches will also be escalated further to the BRCC and/or Board of Directors.

7.3 Control Functions

Heads and Management of all Operational Areas and Support functions are responsible to inform the Compliance function of any facts relevant in order to identify conflicts of interest and monitoring compliance with the policy within their specific area.

8. Approval and Review

- This policy is approved by the BRCC.
- The policy is required to be reviewed annually and presented to the IRC and BRCC.
- Where there are non-material changes to the policy, such as formatting, title changes, and simple grammatical errors, these changes can be approved by the Policy Owner who must inform the relevant Committees as part of the standard reporting.
- The Compliance Department co-ordinates the drafting and maintenance of the policy.

9. Related Documents and Regulatory Context

9.1 Company Policies and Procedures

This policy must be read in conjunction with the following:

- Employment Contract and/or Letter of Appointment
- The Company Values
- FAIS Debarment Policy
- Employee Gifts and Conflict of Interest Policy
- Ethics Policy

- Fit and Proper Policy

10.Legislative and Regulatory Context

Financial Advisory and Intermediaries Services Act, 37 of 2002 (FAIS), General Code of Conduct for Authorised Financial Services Providers and Representatives, 2003. (the Code).

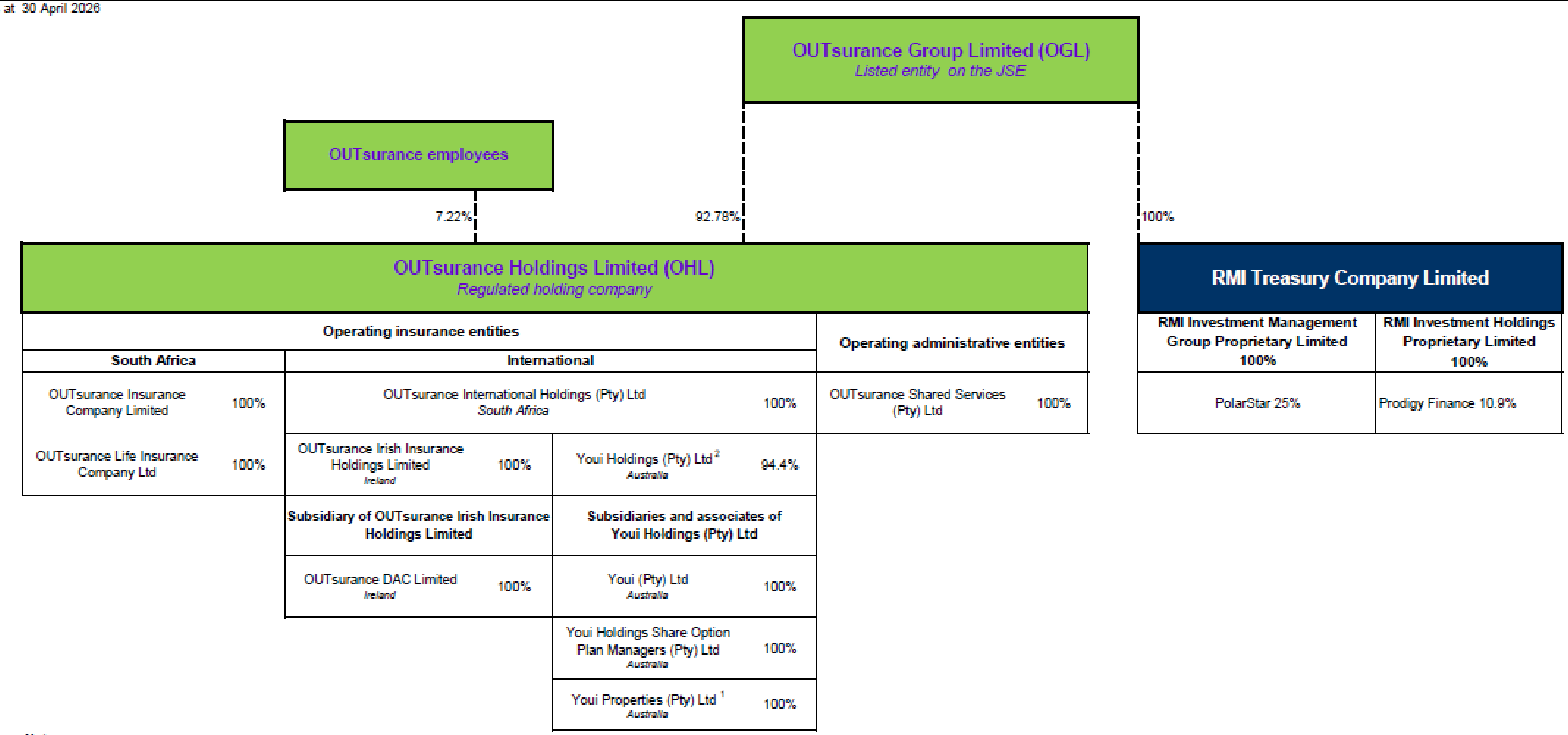
11.Document Control

Document Control History Summary							
Version	**Policy Process Facilitation Owner**	**Approved IRC**	**Approved ARC**	**Approved Board**	**Location**	**Review date**	**Policy Category**
V.5	Risk & Compliance Department	Jun-14	Jun-14	N/A	SharePoint	Jun-15	N/A
V.6	Risk & Compliance Department	Jun-15	Jun-15	N/A	SharePoint	Jun-16	N/A
V.7	Risk & Compliance Department	May-16	Jun-16	N/A	SharePoint	Jun-17	N/A
V.8	Risk & Compliance Department	Oct- 17	-	N/A	SharePoint	Oct-18	N/A
V.9	Risk & Compliance Department	Oct- 18	Nov- 18	N/A	SharePoint	Oct-19	N/A
V.10	Risk & Compliance Department	Nov- 19	Nov- 19	N/A	SharePoint	Oct-20	N/A
V.11	Risk & Compliance Department	Nov- 20	Nov- 20	N/A	SharePoint	Nov-21	N/A
V.12	Risk & Compliance Department	Nov-21	Nov-21	N/A	SharePoint	Nov-22	N/A
V.13	Risk & Compliance Department	Nov-22	Nov-22	N/A	SharePoint	Nov-23	N/A
V.14	Risk & Compliance Department	Aug-23	Sep-23	N/A	SharePoint	Aug-24	N/A
V.15	Risk & Compliance Department	Aug-24	Sep-24	N/A	SharePoint	Aug-25	N/A
V.16	Risk & Compliance Department	Aug-25	Sep-25	N/A	SharePoint	Aug-26	N/A
Version	**Policy Owner**	**Approved IRC**	**Approved BRCC**	**Approved Board**	**Location**	**Review date**	**Policy Category**
V.17	OUTsurance Executive Committee	Aug-26	Aug-26	N/A	SharePoint	Aug-27	B

12. Annexure - Group Structure

OUTsurance Group Limited - Group Structure

as at 30 April 2026



Notes

The voting rights mirror the shareholding.

The group structure excludes the following dormant and non-operating entities:

OGL - Firness and Mainstreet 1353 (Pty) Ltd

OHL - Mainstreet 1353 (Pty) Ltd (49%)

1 Property holding company

2 Balance of 5.6% owned by Youi staff, employee Share Trust and minorities