

CONFLICT OF INTEREST MANAGEMENT POLICY

1. Management policy statement

Viva Life recognises the importance in an open and transparent manner in all aspects of the operations of the business, be they with our clients, our suppliers, our service providers or members of the greater business community within which we work, be they directly in part of the financial services industry or not. Whilst the legislative requirements may be the foundation, our policy is far more practical in its application and takes basic business ethics as its overall primary standard and objective. The Board of directors take this policy as a statement that binds the ethics of the company.

2. To whom does this policy apply?

This policy is deemed to apply to all employees, which includes:

- 2.1 Directors;
- 2.2 Managers;
- 2.3 Permanent Staff;
- 2.4 Contract Staff.

Whether they be employed in the financial services sector or not.

3. What do we deem to be a Conflict of Interest?

The Financial Advisory & Intermediary Services Act (FAIS) gives us the foundation for our policy. It defines a conflict as: “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 obligation 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 –
 1. A financial interest
 - (i) An ownership interest
 - (ii) Any relationship with a third party”

3. Where can these potential conflict situations arise within our business?

- 4.1 With Insurers with whom there is a business/ownership relationship;
- 4.2 With other FSP's with whom there is a business/ownership relationship;
- 4.3 With Distribution channels with whom there is a business/ownership relationship;
- 4.4 With any other persons with whom there is a business/ownership relationship;
- 4.5 With any service providers with whom there is a business/ownership relationship;
- 4.6 Any of the above could be deemed Associate companies or Third party companies with whom we may have an ownership interest. These companies, if applicable, are listed in a separate annexure to this policy;
- 4.7 With Viva Life, as a result of employment contracts and remuneration policies;
- 4.8 With any other relevant relationship that may exist within the company.

5. How do we assess whether there is conflict of interest situations within our business?

We have a management tool that assists in documenting the various relationships and arrangements that we currently have in place, whether or not these create a conflict or potential conflict. If they do, then a decision has been taken as to whether these are to be avoided or mitigated and the decision recorded accordingly. These sections are reviewed as part of the ongoing monitoring process followed by our external compliance officer and forms the basis of an ongoing reporting strategy to both ourselves and should the need arise to the Financial Services Board, the ultimate authority governing the financial services sector.

To assess what conflict situations, we had we firstly identified all the situations that may have led to a conflict. This was an initial once off exercise, but our compliance policy is such that these key indicators are reviewed, at the very least annually and before any new relationships is entered into because a new relationship may well demand avoidance, mitigation steps or additional disclosures.

6. The situations that we scrutinised included

6.1 What Associate company relationships do we, or our staff, have?

In simple terms companies with whom there is a relationship based on common shareholding, management control or family (in its widest context) members are involved and subsidiary or holding company status.

6.2 What Third Party relationships did us, or our staff, have?

6.2.1 Product suppliers (insurers) including any of their associates;

6.2.2 Other FSP's including any of their associates;

6.2.3 Distribution channels;

6.2.4 Any other person who in terms of an agreement or arrangement with any of these provides a financial interest is due i.e. Surveyors;

6.2.5 Attorneys;

6.2.6 Suppliers outside the insurance environment, for example IT; -Stationary; Accounting.

6.3 Was there any ownership interest within these relationships?

And would this create a conflict of interest.

6.4 Was there any financial interest paid from or to the entities within these relationships?

And would this create a conflict of interest.

6.5 Was there any immaterial financial interest paid from or to the entities within these relationships?

If so are we monitoring the frequency and extent?

6.6 What were our staff's remuneration policies?

The process allowed us to assess all of our relationship, including those of our staff and including financial aspects, and to document these fully. The data collected was then reviewed to see, if a potential conflict of had been identified, and then we had to see how best to deal with this. The options open to us included:

i) Avoidance i.e. Take away the situation that creates the conflict; or

ii) Mitigate i.e. Put measures in place that acknowledge the conflict situation but implement measures to reduce its potential impact; and/or

iii) Disclosure i.e. Formally provide details of the situations that are exist and what has been done, if anything, about these to reduce or eliminate the situation itself

Any solution we have established could be a combination of all three e.g. **Avoid** some, **Mitigate** other and Disclosure of what we have done and will continue to do.

Our general strategy was, where possible, to **avoid** such conflicts i.e. prevent them by physically removing the conflict situation. Where we could not avoid the conflict situation, actual or potential, needed to be **mitigated** i.e. we had to put controls in place to reduce the likelihood of conflict arising.

Where disclosure of conflicts, which includes potential ones, involved clients the standard adopted demands a higher level of formality. It demands formal disclosure "**at the earliest reasonable opportunity**" which is deemed to be when providing you with the initial advice/quote.

Our disclosures are clear, concise and effective, on our opinion although we constantly strive to ensure we are achieving this lofty ideal.

7. Our disclosures include

- 7.1 What conflicts we have;
- 7.2 What measures we have been taken to avoid or mitigate these conflicts;
- 7.3 Ownership interests that may become due to us – this includes shareholding, dividends, profit share and similar payments. This includes ownership of and payments from associated companies that can include administrators, cell captives and insurers;
- 7.4 Financial interests (these are things we actually pay for that are made available by other FSP's or insurers as part of the relationships that exist) that may become due. These include vouchers, benefits, travel, hospitality, accommodation, sponsorships and other incentives.
- 7.5 Details of the relationships, and/or arrangements that exist that create the (potential) conflict;
- 7.6 How to obtain our Conflict of Interest management Policy.

7. How do we ensure this policy is understood and adhered to by all role players?

- 8.1 The policy has been developed in conjunction with and formally approved by management. The adherence to and breaches of are a standing item on the board meeting agenda/management meetings;
- 8.2 This policy is published within the company and is readily available to all staff, clients and other interested parties;
- 8.3 All staff have been provided with a copy of this policy and have been given awareness training by our compliance department;
- 8.4 Compliance with this policy is an integral part of our employment contract and subject to review on at least an annual basis. This includes a breaches of the policy are seen as an issue subject to the companies disciplinary procedures;
- 8.5 All staff complete and annually update a Conflict of Interest Questionnaire;
- 8.6 All management and staff sign a formal declaration relating to the understanding of an agreement to adhere to this policy;
- 8.7 Our compliance program ensure a constant review of our standards which includes an obligation to report non-compliance to the authorities if corrective action is not taken.