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Services | Insurance | Finance

CONFLICT OF INTEREST MANAGEMENT POLICY

VERSION: 01/05/2022

Purpose

To ensure that SA Taxi Protect (Pty) Ltd complies with paragraph 3A of the FAIS General Code of Conduct for Authorised Financial Services Providers, Board Notice 80 of 2003 as amended and outlines procedures for the handling of conflicts of interest within the group.

Scope

This policy shall govern actual and potential conflicts of interest that may arise between;

a) SA Taxi Protect (Pty) Ltd; (including senior Executives and Directors) and the Company's client base; and

b) Conflicts of interest that may arise between SA Taxi Protect (Pty) Ltd and its employees.

This policy will apply to the authorised financial services providers within the group and shall govern all business units that are affected, governed or regulated by the Financial Advisory and Intermediary Services Act, Act 37 of 2002 and all representatives within these business units. By group level is meant the SA Taxi group as a sub-set of subsidiary companies in the greater Transaction Capital Group but does not extend beyond the SA Taxi group.

1. Definitions and Acronyms

1.1. **Associate means**

- in relation to a natural person:
  - a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person
  - a child of that person, including a stepchild, adopted child and a child born out of wedlock
  - a parent or stepparent of that person
  - 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
  - a person who is a spouse, life partner or civil union partner of a person referred to above
  - a person who is in a commercial partnership with that person
- in relation to a juristic person:
  - 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
  - which is a close corporation registered under the Close Corporations Act, means any member thereof as defined in section1 of that Act
  - which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
    - had such first-mentioned juristic person been a company, or
    - in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other person been a company

- means any person in accordance with whose directions or instructions the board of director of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.

- in relation to any person:

  - 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

  - includes any trust controlled or administered by that person

1.2. **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 best interests of that client.

Instances which may give rise to conflict of interest include, but are not limited to:

i. A financial interest;

ii. An ownership interest;

iii. Any relationship with a third part;

1.3. **FAIS** means the Financial Advisory and Intermediary Services Act, Act 37 of 2002;

1.4. **Financial Service** means the furnishing of advice or the furnishing of advice and the rendering of intermediary services or the rendering of intermediary services;

1.5. **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, but does not include:

(a) An ownership interest where fair value was paid for that interest;

(b) Training, on:

i. Products and legal matters relating to those products;

ii. General financial and industry information or;

iii. Specialised technological systems of a third party necessary for the rendering of a financial service.

On condition that the training is not exclusively available to a selected group of providers or representatives and further on condition that delegates to training sessions must pay themselves for travel and accommodation associated with that training;

1.6. **Immaterial financial interest** means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000.00 (one thousand Rand) in any calendar year from the same third party in that

calendar year received by:

a) A representative for that representative's direct benefit;
b) A provider who is a sole proprietor; or
c) A provider, who for its own benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives i.e. SATP may not receive from or pay more than R1 000 per annum to another provider per representative of that provider;

1.7. **Inside information** means specific or precise information, which has not been made public and which:

a) Is obtained or learned as an insider; and
b) If it were made public would be likely to have a material effect on the price or value of any security listed on a regulated market;

1.8. **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 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;

1.9. **Representative** for the purposes of this policy, shall mean all employees of SA Taxi Development Finance (Pty) Ltd/ and or SA Taxi Protect (Pty) Ltd who are involved in the rendering of financial services on behalf of and are appointed as representatives of SA Taxi Protect (Pty) Ltd;

1.10. **The Company** means SA Taxi Protect (Pty) Ltd;

1.11. **Third Party** means:

a) A product supplier;
b) Another provider;
c) An association 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 (a) to (d) above, provides a financial interest to a provider or its representatives.

2. Introduction

The Financial Advisory and Intermediary Services Act, ("the Act") through the Code of Conduct for authorised Financial Services Providers ("the Code"), requires every authorised financial services provider to adopt, maintain and implement a conflict of interest management policy that complies with the provisions of the Act.

The purpose of the conflict of interest provisions is to ensure the protection and prioritisation of the financial interests of a financial services provider's clients and the proper management of any conflicts that may arise.

3. Policy Statement

It is the policy of all the entities within the SA Taxi group that any conflict of interest must be avoided and where such avoidance is impossible, then steps in mitigation must be taken and the client must be informed of the conflict as well as the mitigating steps taken. To achieve this, no representative shall be remunerated as part of an incentive structure (this does not relate to a performance bonus or similar structure as agreed by the management of the company to remunerate its employees in excess of their salaries) with its main or sole aim to increase production without having regard to the quality of the business, by way of share options at a discount not permissible in law or by way of any cash or non-cash incentive, unless such incentive structure takes into account a combination of quantitative and qualitative criteria and is not limited to a specific product supplier.

4. Insider Trading

Officers, directors and employees of the company will from time to time come in contact with confidential or sensitive information and will take appropriate steps to ensure that such information is kept confidential.
Confidential and / or sensitive information about the companies within the Transaction Capital group or any other company and individuals and entities shall be treated with sensitivity and discretion and only be disseminated on a need-to-know basis and within the course and scope of that person's mandate.

The misuse of inside information relating to trading in Transaction Capital's securities can expose an individual to civil liability and penalties. Officers, directors and employees, who have knowledge or are in possession of material, confidential information which has not been made public, are all regarded as "Insiders". Spouses, friends, brokers, suppliers and others outside the group that have acquired such material information directly from an officer, director or employee of the group, are also regarded as "Insiders". Insiders are prohibited in trading in or recommending the sale or purchase of the company's securities whilst such inside information is regarded as material. Officers, directors and employees shall not gather competitor intelligence by unethical and /or illegal means and shall not act on knowledge that has been gathered in such manner.

5. Allowed Financial Interest

A provider 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, 1998 (Act No. 52 of 1998) or the Short-term Insurance Act, 1998 (Act No. 53 of 1998);

(ii) commission authorised under the Medical Schemes Act, 1998 (Act No. 131 of 1998);

(iii) fees authorised under the Long-term Insurance Act, 1998 (Act No. 52 of 1998), the Short-term Insurance Act, 1998 (Act No. 53 of 1998) or the Medical Schemes Act, 1998 (Act No. 131 of 1998),-(iv) fees for the rendering of a financial service in respect of which commission or fees referred to in subparagraph (i), (ii) or (iii) is not paid, if

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

(bb) those fees may be stopped at the discretion of that client;

(v) fees or remuneration for the rendering of a service to a third party

(vi) subject to any other law, an immaterial financial interest; and

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

(b) A provider may not offer any financial interest to a representative of that provider

(i) that is determined with reference 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.

(bA) For purposes of subsection (5)(b)(i), a provider must be able to demonstrate that the determination of and entitlement to the financial interest takes into account measurable indicators relating to the–

(i) achievement of minimum service level standards in respect of clients;

(ii) delivery of fair outcomes for clients;

(iii) quality of the representative's compliance with this Act;

as agreed between the provider 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

(c) For the purposes of this section, where the same legal entity is a product supplier and a provider, paragraph (a) does not apply to the representatives of that entity. That entity is subject to sections 1A(1)(b) and 1A(1)(bA), in respect of its representatives.

(d) A provider or its representatives may only receive or offer the financial interests referred to in subsections (a)(iii), (iv) and (v) 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 the provider or representative 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-

(1A) (a) A Category I provider that is authorised or appointed to give advice may not receive a sign-on bonus from any person.

(b) No person may offer or provide a sign-on bonus to any person, other than a new entrant, as an incentive to become a Category I provider that is authorised or appointed to give advice.

6 Ownership Interests

It is specifically recorded that SATP staff do not participate in any share incentive schemes whereby any share in the Transaction Capital Group or subsidiary is or may be made available at a discount to market value.

7. Management of Conflicts of Interest

7.1 Mechanisms for identification of conflicts of interest:

7.1.1. All employees are required to disclose any outside work interests including self-employment and must receive the necessary authorisation from the Human Capital department before they may proceed to engage in any such activity. The procedure in this regard is contained in the "employee declaration regards outside work interests" document attached hereto and marked Annexure "B".

7.1.2. All employees are required to report any actual, potential or perceived conflicts of interest as per the procedure in 7.3 below.

7.2 Measures for avoidance and mitigation of conflicts of interest

7.2.1. The group will always ensure that it does not create a conflict situation for a third party by offering any financial interest that is not authorised in terms of the Code, the Short-Term Insurance Act, Act 53 of 1998, the Long-Term Insurance Act, Act 52 of 1998 or this policy.

7.2.2. All gifts issued to third parties who are registered as FSPs or as a representative of an FSP must be logged by the responsible department and reported to the Legal & Compliance department via an email to compliance@sataxi.co.za;

7.2.3. All gift logs must be signed off by the responsible executive within that department or business unit;

7.2.4. No employee may be involved in the administration of any insurance policy, credit facility or any other product offered by the company where the client is a person known to them by association or relation without prior authorisation from his/her manager. In the event of such an occurrence, the responsible staff member must, at the earliest reasonable opportunity, report the matter to his or her direct manager.

The employee's direct manager must apply his or her mind when determining whether the employee may continue or if the matter must re-assigned. When in doubt, managers must refer the matter to the Legal & Compliance Department for guidance.

7.3 Measures for disclosure of conflicts of interest

7.3.1 When a staff member suspects or is aware of any potential conflict of interest, that staff member is obliged to report the matter to his or her line manager at the earliest reasonable opportunity. The line manager is obliged to report the matter at the earliest reasonable opportunity to the Legal & Compliance department for further consideration.

7.3.2 After due consideration, the Legal & Compliance department must refer the matter to the CEO together with the findings and any recommendations made in this regard. **Only the CEO or persons authorized by him may make the final decision regarding the conflict of interest.**

7.3.3 Should it be found that a conflict of interest does in fact exist; all the affected parties must be informed of the conflict and the measures that the company has taken to avoid such conflict or where not possible, mitigate any potential impact on the parties concerned.

7.3.4 All conflict of interest matters will be reviewed by the Executive Committee of the company on a quarterly basis.

7.3.5 All gifts must be reported to the legal and compliance department as per the "Declaration in terms of any gifts (of any nature), incentives, payments or any type of reward received" form contained herein and marked "Annexure A. The form must be emailed to the legal and compliance department at compliance@sataxi.co.za . The employee may also disclose the gift on the company's intranet portal.

7.3.6 The Legal & Compliance department shall be responsible for the maintenance of the company's gift register in so far as such gifts have been reported as per the procedure in 7.3.2 above.

7.3.7 The statutory disclosure document issued to insurance clients must contain all relevant disclosures as required by the Code. The Key individuals are responsible for ensuring the correctness of information disseminated to clients.

7.4. Measures for ensuring Compliance:

7.4.1 All affected staff must be trained on this policy;

7.4.2 Each business unit Head is ultimately responsible for ensuring compliance with the policy in his/her business area, consequently each head must ensure that all potential conflicts within the unit have been identified and are adequately managed. All measures taken must be documented and available for review by internal and or external compliance;

7.4.3 Each business unit may be subject to a compliance review by internal and or external compliance to ensure adherence to this policy.

8. Associates

8.1 SA Taxi Protect (Pty) Ltd Reg. No. 2005/044258/07 (the FSP) is a wholly owned subsidiary of SA Taxi Holdings (Pty) Ltd Reg. No. 2004/001531/07.

8.2 SA Taxi Protect (Pty) Ltd does not hold any financial interest in excess of 10% in any product provider or product supplier but is the owner of preference shares in its insurer – Guardrisk Insurance Ltd.

8.3 Annexure C to this policy outlining the groups associates can be found under separate cover and is labelled the "conflicts of Interest management Policy Annexure C SA Taxi Protect"

9. Consequences of Non-Compliance with the Policy

9.1. Violation of the Code places the company's FSP licence in jeopardy. Consequently, violation of this policy may result in disciplinary action being taken against the employee in accordance with the group's disciplinary code.

9.2. Representatives who are found to be in breach of this policy may be deemed to no longer meet the honesty and integrity requirements, in which case such representative will be debarred in accordance with section 14 of the Act and the company "Debarment Policy".

9.3. Key Individuals who are found to be in breach of this policy may be deemed to no longer meet the honesty and integrity requirements. In such cases, the key individuals would no longer be able to perform a supervisory or management function in relation to financial services related business conducted by the company. Such Key Individuals may be also be referred to the Registrar of Financial Services for debarment as per the company's "Debarment Policy" and paragraph 14A of the Act.

10 Publication and Training

Section 3A (2) (d) of the Code requires that a product provider ensure that its representatives, and where appropriate, associates, are aware of the contents of this policy and are provided with appropriate training material in this regard.

In pursuance of compliance with this obligation, the company will ensure that all affected staff members are made aware of and have been trained on this policy, however, it will always remain the obligation of a member of staff to ensure that he or she understands this policy and to request additional training, guidance or assistance should this not be the case.

Copies of this policy must be disseminated to all group members and associates who may be affected by it. This policy shall be made available to all clients via publication on the group's website (www.sataxi.co.za) and shall be accessible to staff via the group's intranet.

Copies of the policy can also be obtained on request from the Legal & Compliance department.

11 Review

The policy is subject review by the legal and compliance department at least annually or at lesser intervals in the event of a regulatory amendment.

ANNEXURE A

DECLARATION IN TERMS OF ANY GIFTS (OF ANY NATURE), INCENTIVES, PAYMENTS OR ANY TYPE OF REWARD RECEIVED

Employee Name & Surname: _____

Department & Branch: _____

Direct Manager: _____

Declaration is made that the following was received by myself:

_____

_____

I received the above from:

Name of Person: _____

Company: _____

Relationship to Employer: _____

The reason this was given to me is:

_____

I hereby confirm that I understand that I am required to declare all gifts, incentives, payments etc. as per the Company's policy and I confirm that I understand that I will be informed whether:

i) I am allowed to keep the above and if I am allowed to keep the above whether I am expected to share with colleagues etc. or

ii) I am required to return the above to the giver.

If I am required to return the above, I have no claim against the Company for reimbursement or any type of substitution. I also understand that in instances where I am allowed to keep a gift, incentive, payment or other similar type of reward that it is at the Company's discretion and any such decision does not affect future decisions to be made by the Company in this regard.

Signed at _____ on this _____ day of _____ 20_____

Direct Manager Signature: _____

Employee Signature: _____

Received on behalf of Human Resources (Employer) by: _____

ANNEXURE B

EMPLOYEE DECLARATION REGARDS OUTSIDE WORK INTERESTS

1. The company does not encourage its employees to be involved in secondary employment activities. Therefore, employees are required to officially seek written approval from the employer by disclosing full details of any activity regarding secondary employment before they embark on such activity. Should the employee already be involved in secondary employment activities, they have to immediately disclose the details to the Human Capital department and obtain formal written approval, which shall not be unreasonably withheld.

   If approval is not granted, the employee has to immediately proceed with the necessary steps to withdraw from such activities within the time frame agreed upon with the Human Capital department in which all activities surrounding secondary employment will come to an end.

2. Approval will only be considered if all of the following are applicable:
   - There is no conflict of interest or activities between the employee's employment with the group and the secondary employment.
   - There is no conflict of interest or activities between the group's clients and those of the secondary employer or its clients.
   - The secondary employment activities do not negatively affect the employee's performance and duties within the group.
   - The secondary employment activities are not detrimental to the performance of the group.
   - The secondary employment activities do not involve any unauthorized use of the group's assets and resources such as but not limited to, time, materials, equipment (including electronic equipment), vehicles, stationary, tools, office accommodations etc.
   - Any changes or amendments of the terms and conditions of the secondary employment activities are immediately to be brought to the group's attention.

3. In the event that the employee involved is a director, the approval of the Chief Executive Officer must be obtained. Where deemed necessary, the Board of Directors may give a ruling in this regard.

4. The employee shall be true and faithful to the employer in all dealings and transactions relating to its business and other interests. The employee shall use his/her utmost endeavours to protect and promote the business and interest of the employer and to preserve the reputation and goodwill at all times.

5. Should the employee receive gifts (of any nature), incentives and / or payments (no matter how big or small) from any supplier, client and / or any associate etc. this must be disclosed IN ALL INSTANCES by completing the attached form and submitting this form to Human Resources within 24 hours or as soon as reasonably possible.

6. The group reserves the right to insist on termination of any activities or involvement in entities recorded in the employees "Disclosure of outside Interests". Failure to comply may result in termination of employment after due process.

7. An employee, who abuses and/or does not adhere to this policy, will be subject to disciplinary actions, which may result in the termination of the employee's services with the group, and the group reserves its rights accordingly.

THIS SIGNED AT _____ ON THIS ____ DAY OF _____20 _____

WITNESS 1: _____

EMPLOYEE _____

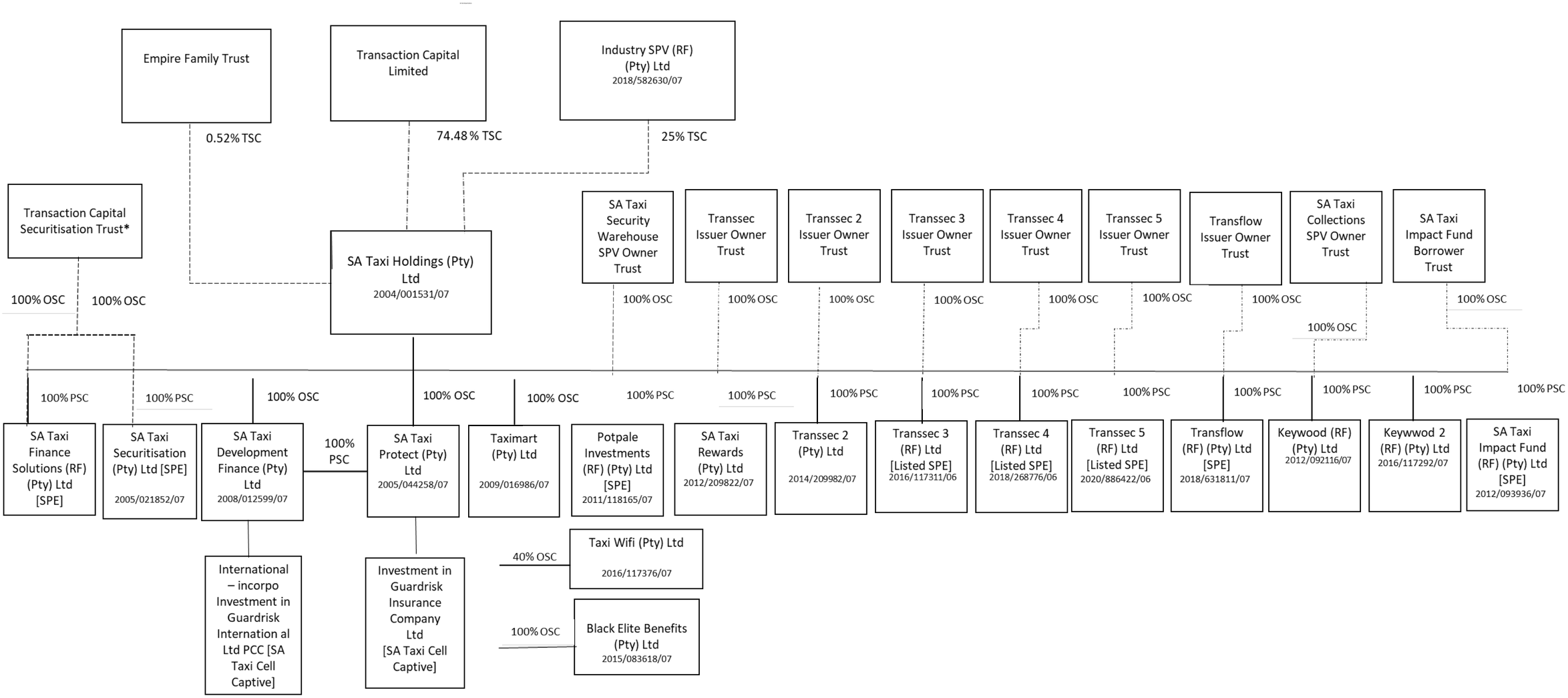
WITNESS 2: _____

WITNESS 1: _____

EMPLOYER _____

WITNESS 2: _____

Annexure C


Empire Family Trust
Transaction Capital Limited
Industry SPV (RF) (Pty) Ltd
2018/582630/07
0.52% TSC
74.48 % TSC
25% TSC
Transaction Capital Securitisation Trust*
SA Taxi Holdings (Pty) Ltd
2004/001531/07
SA Taxi Security Warehouse SPV Owner Trust
Transsec Issuer Owner Trust
Transsec 2 Issuer Owner Trust
Transsec 3 Issuer Owner Trust
Transsec 4 Issuer Owner Trust
Transsec 5 Issuer Owner Trust
Transflow Issuer Owner Trust
SA Taxi Collections SPV Owner Trust
SA Taxi Impact Fund Borrower Trust
100% OSC
100% PSC
SA Taxi Finance Solutions (RF) (Pty) Ltd [SPE]
SA Taxi Securitisation (Pty) Ltd [SPE]
2005/021852/07
SA Taxi Development Finance (Pty) Ltd
2008/012599/07
SA Taxi Protect (Pty) Ltd
2005/044258/07
Taximart (Pty) Ltd
2009/016986/07
Potpale Investments (RF) (Pty) Ltd [SPE]
2011/118165/07
SA Taxi Rewards (Pty) Ltd
2012/209822/07
Transsec 2 (Pty) Ltd
2014/209982/07
Transsec 3 (RF) Ltd [Listed SPE]
2016/117311/06
Transsec 4 (RF) Ltd [Listed SPE]
2018/268776/06
Transsec 5 (RF) Ltd [Listed SPE]
2020/886422/06
Transflow (RF) (Pty) Ltd [SPE]
2018/631811/07
Keywood (RF) (Pty) Ltd
2012/092116/07
Keywwod 2 (RF) (Pty) Ltd
2016/117292/07
SA Taxi Impact Fund (RF) (Pty) Ltd [SPE]
2012/093936/07
International – incorpo Investment in Guardrisk Internation al Ltd PCC [SA Taxi Cell Captive]
Investment in Guardrisk Insurance Company Ltd [SA Taxi Cell Captive]
40% OSC
Taxi Wifi (Pty) Ltd
2016/117376/07
100% OSC
Black Elite Benefits (Pty) Ltd
2015/083618/07