

## **Finance and Insurance Division Governance of Key Individuals and F&Is**

### **1. Introduction**

1.1 This governance policy relates solely to the rendering of financial services and the distribution of financial products by certain employees within our group, and imports the conditions of employment imposed on employees, their managers and our directors and must be read in conjunction with our group's governance policies.

1.2 Our function is to ensure that every key individual and F&I complies with the requirements applicable to the functions that they perform and to achieve this we are required to establish, maintain and apply adequate policies, internal systems, control and monitoring mechanisms.

1.3 We demand that our F&Is must have adequate and appropriate knowledge and experience in the rendering of the specific financial services and products that we provide. Similarly, we demand that our key individuals have adequate and appropriate experience to manage or oversee the rendering of the services and products that our F&Is deliver.

1.4 We work closely with the Mobility Cell Captive, our primary product supplier, and indeed expect to be provided with ongoing product training of our key individuals and F&Is, specifically in respect of the deficiencies and areas where the customer is deemed to be his/her own risk carrier such as policy exclusions, breach of conditions and first amount payables or waiting periods. Where appropriate, we carry out our own training subject to confirmation and acceptance by the Cell Captive. We do support other insurers where necessary, and in these situations, we expect the product training to be conducted by them or their administrators.

1.5 The passing of appropriate qualifications is an important part of our competence requirement and is not confined to the minimum requirements in terms of the fit and proper conditions in FAIS. We encourage the ongoing self-improvement of all our staff and indeed provide support for those of our staff that wish to undergo further studies.

1.6 We maintain a record of everything our F&Is experience, learn and then apply. In general terms, all our key individuals and F&Is must record a certain amount of CPD, depending on the products and classes of business in which they work. We see it as our responsibility to ensure that the type and combination of CPD activities undertaken by our key individuals and F&Is are relevant to their functions and that it contributes to their skill, knowledge, expertise and professional and ethical standards.

1.7 It will be evident from the above that the procedures and controls that we have in place must enable us to monitor that our key Individuals and F&Is:

- 1.7.1 are aware of the procedures which must be followed for the proper discharge of their responsibilities in the performance of their functions;
- 1.7.2 possess appropriate general and technical knowledge so as to be able to comply with all relevant disclosure obligations to customers;
- 1.7.3 are appropriately trained regarding the requirements of FAIS and the financial services and financial products in respect of which they are appointed;
- 1.7.4 undertake CPD to maintain and update the knowledge and skills that are appropriate for their activities; and
- 1.7.5 are able to assess whether it is appropriate to offer or provide a customer a particular financial service or product taking into account the needs, circumstances, risk tolerance and capacity of the customer and the customer's capacity to understand the features and complexity of the service or product.

1.8 We specifically address any identified needs or gaps in the technical knowledge as well as the generic knowledge and understanding of the environment in which our key individuals and F&Is work. As this must also encompass the knowledge and understanding of applicable laws and the changing internal and external conditions relevant to the classes and subclasses of business for which we are authorised, we contribute to appropriate CPD presentations and online material which is produced by our external training provider, who specialise in the industry in which we operate.

1.9 It is expected of all our key individuals and F&Is to participate in as many CPD functions as possible, notwithstanding that this may be in excess of the requirement in terms of FAIS.

## 2. Definitions

**"advice"** means any recommendation, guidance or proposal of a financial nature furnished, by any means or medium, to any customer or group of customers:

- a) in respect of the purchase of any financial product; or
- b) on the conclusion of any other transaction, including a loan or cession aimed at the incurring of any liability or the acquisition of any right or benefit in respect of any financial product; or
- c) on the variation of any term or condition applying to a financial product, or the replacement of any such product, or on the termination of any such product, and irrespective of whether or not such advice
  - is furnished in the course of or incidental to financial planning in connection with the affairs of the customer;
  - or
  - results in any such purchase, investment, transaction, variation, replacement or termination, as the case may be, being effected.

**"customer"** means a specific person or group of persons, excluding the general public, who is or may become the subject to whom we intentionally render a financial service, or is the successor in title of such person or the beneficiary of such service.

**"continuous professional development" or "CPD"** means a process of learning and development, with the aim to enable a key individual or F&I to maintain capabilities to perform competently within the categories or subcategories in which they render financial services.

**"CPD hours"** means the hours spent on a CPD activity or CPD programme, and are defined using the normal unit of sixty minutes for one hour

**"CPD programmes"** means a combination of CPD activities that are provided in a structured manner by a recognised CPD provider, for the purpose of meeting the CPD requirements as it applies to key individuals and/or F&Is.

**"DOFA"** means 'date of first appointment' and refers to the time a person was first appointed as a registered insurance representative or key individual with the FSCA;

**"FAIS"** means the Financial Advisory and Intermediary Services Act;

**"F&I" or "representative"** means any person who renders a financial service to a customer on our behalf, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service

- a) does not require judgment on the part of the latter person; or
- b) does not lead a client to any specific transaction in respect of a financial product in response to general enquiries

**"financial product"** means a long-term or a short-term insurance contract or policy, referred to in the Long-term Insurance Act, 1998 (Act No. 52 of 1998), and the Short-term Insurance Act, 1998 (Act No. 53 of 1998), respectively.

**“financial service”** means

- a) furnishing advice; or
- b) furnishing advice and rendering an intermediary service; or
- c) rendering an intermediary service.

**“FSCA”** means the Financial Sector Conduct Authority

**“intermediary service”** means any act other than the furnishing of advice, performed by an employee on our behalf

- a) the result of which is that a customer may enter into, offers to enter into or enters into any transaction in respect of a financial product with a product supplier; or
- b) with a view to
  - buying, selling or otherwise dealing in (whether on a discretionary or non- discretionary basis), managing, administering, keeping in safe custody, maintaining or servicing a financial product purchased by a customer;
  - collecting or accounting for premiums or other moneys payable by the customer in respect of a financial product

**“key individual”** means our employee responsible for managing or overseeing, either alone or together with other so responsible persons, our activities relating to the rendering of any financial service and who is authorised as a key individual by the FSCA

### 3. Appointing Key Individuals and F&Is

3.1 This section must be read in conjunction with our group's primary staff appointment policy, and imports all the requirements therein, but in addition aims to:

- 3.1.1 introduce fair and objective principles and procedures for the appointment of key individuals and F&Is;
- 3.1.2 provide guidelines for their appointment;
- 3.1.3 establish principles and procedures to ensure that we comply with legislative requirements as determined by the FAIS fit and proper demands; and
- 3.1.4 set out the procedural steps for conducting pre-appointment checks.

3.2 Our foundational principles for the appointment of key individuals and F&Is are:

- 3.2.1 that implementation will be primarily aimed at matching their specific knowledge and skills to the strategic and operational needs of our company thus ensuring their full utilisation;
- 3.2.2 that each appointment must be rationally and objectively justifiable by reference to our strategic and operational needs.
- 3.2.3 That all appointments will be permanent, except for the appointment of temporary F&Is to relieve our F&Is during periods of absence;
- 3.2.4 that all aspects of the staffing, structuring, recruitment, selection, interviewing and appointment of key individuals and F&Is will be non-discriminatory and will afford applicants equal opportunity to compete for vacant positions;
- 3.2.5 that under no circumstances can any person be refused employment on any arbitrary or discriminatory basis, including but not limited to race, gender, sex, pregnancy, marital status, family responsibility, ethnic or social origin, colour, sexual orientation, age, disability, religion, HIV Status, conscience, belief or opinion;

3.3 Conducting pre-employment checks on job applicants is an integral part of our recruitment process. Having carried out an appropriate selection process to determine suitability for the role, it is essential that due diligence is undertaken to ascertain if applicants might bring our group into disrepute, or cause difficulties with colleagues, managers, customers or suppliers.

3.4 We must obtain employment references to establish the facts of previous employment, one of which should be from the applicant's most recent employer, supervisor or educational establishment. Best practice is to obtain employment references only if a job offer is to be made, not prior to interview, as this could be interpreted as allowing the potential for unfair discrimination.

3.5 It is inappropriate to merely 'tick' a checklist. Due diligence requires an investigation and confirmation that certificates and other documents are genuine, and in some cases this function may have to be outsourced to professional investigators. The following is not an exhaustive list of pre-employment checks, but must be considered as a minimum:

- 3.5.1 Debarment check;
- 3.5.2 ID verification;
- 3.5.3 Work permits/permanent resident permits;
- 3.5.4 Workplace references (actual contact with referees);
- 3.5.5 Qualifications (SAQA or professional institute confirmation)
- 3.5.6 DOFA
- 3.5.7 Regulatory examinations;
- 3.5.8 Driver's license;
- 3.5.9 Credit (ITC etc); and
- 3.5.10 Honesty and integrity statements and the investigation thereof.


3.6 As a group, we have a policy regarding the content of employment contracts, and these rules are imported to this policy. However, it is important that we include specific conditions that relate to the provision of financial services, including but not limited to:

- 3.6.1 minimum experience;
- 3.6.2 qualifications;
- 3.6.3 regulatory examinations;
- 3.6.4 class of business training;
- 3.6.5 product specific training; and
- 3.6.6 continuing professional development (CPD)
- 3.6.7 honesty integrity and good standing (Specimen declaration form attached as (Annexure A).

3.7 Moreover, it is necessary for our key individuals and F&Is to abide by the FAIS Act, the FAIS fit and proper requirements and specifically the FAIS General Code of Conduct, non-compliance of which could lead to dismissal and/or debarment.

## **4. Providing Supervision.**

4.1 The FAIS Act determines that we must, at all times, be satisfied that an F&I is, in the rendering of financial services, competent to act in accordance with the fit and proper requirements. However, we are relieved of this obligation in respect of those representatives that we place under supervision and who have, at the outset

- 4.1.1 a grade 12 national certificate; or
  - 4.1.2 a qualification equivalent to a grade 12 national certificate
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and subject to specific conditions and requirements.

4.2 An F&I that we appoint under supervision must, from the date on which we first appoint him/her as an F&I, comply:

- 4.2.1 within 1 year with the class of business training requirements;
- 4.2.2 within 2 years with the applicable Regulatory examination requirements;
- 4.2.3 within 6 years with the qualification requirements applicable;
- 4.2.4 with the applicable CPD requirements from the date on which the F&I meets the class of business training requirements, examination requirements and qualification requirements.

4.3 In addition to 4.2 above, the F&I under supervision must:

- 4.3.1 work under supervision for at least 12 months;
- 4.3.2 must remain under supervision until being assessed as having the required experience in respect of the financial products for which he/her has been appointed;
- 4.3.3 may not work under supervision for a period longer than six years from date of appointment.

4.4 Prior to adding the F&I under supervision to the central register of representatives, we will enter into a specific written agreement with the supervisee which will:

- 4.4.1 record the name of the supervisor;
- 4.4.2 set out the tasks and functions the F&I is to perform on our behalf, including
- 4.4.3 the categories of financial services and financial products in respect of which the supervision agreement applies;
- 4.4.4 set out the appropriate and relevant knowledge, skills and expertise required to competently perform the tasks and functions for which he/she has been appointed;
- 4.4.5 set out the training needs of the F&I and the training programme that will be implemented to address those needs;
- 4.4.6 set out the supervision arrangements, including the
  - duties and responsibilities of the supervisor and F&I;
  - supervision methodology, processes and procedures, including the oversight, monitoring and assessment methodologies, processes and procedures; and
  - criteria and procedures to assess whether it is appropriate for the F&I to work under a reduced level of intensity of supervision; and
  - criteria against which the F&I will be assessed and the intervals of the assessments; and
  - sign-off criteria by the supervisor.

4.5 Prior to appointing an F&I under supervision we will ensure that we have the operational ability, including adequate and appropriate human, technical and technological resources, controls and procedures and an adequate and effective governance framework to:

- 4.5.1 appoint F&Is to work under supervision;
- 4.5.2 monitor and supervise F&Is that work under supervision, including monitoring and supervising compliance with this governance policy and the supervision agreement referred to herein;

- 4.5.3 ensure that such appointment does not:
- materially increase any risk to us or to the fair treatment of our customers;
  - materially impair the quality of our governance framework, including our ability to manage our risks and meet our legal and regulatory obligations;
  - compromise the fair treatment and protection of or continuous and satisfactory service to our customers;
  - prevent us from acting in the best interests of our customers;

- 4.5.4 assign a supervisor to the F&I that:
- has adequate, appropriate and relevant skills, knowledge and expertise in respect of the financial services, financial products and functions that the F&I has been employed to perform;
  - meets the prescribed minimum competency requirements applicable to an F&I appointed for the categories of financial services and financial products for which the F&I will be working under supervision;
  - has the required coaching and assessment skills;
  - has the operational ability to adequately and effectively monitor and supervise the F&I; and
- ensure that:

- a working relationship exist between the supervisor and F&I that enables the supervisor to have oversight of the activities performed by the F&I and that enables the transfer of skills;
- the supervisor complies with the Conditions of this policy; and
- the F&I is at all times supervised when performing his/her functions;

- 4.5.5 review the appropriateness, effectiveness and adequacy of the supervision arrangements at regular intervals;

- 4.5.6 update the central register within 15 days after an F&I ceases to render financial services under supervision.

#### 4.6 Our supervisor must:

- 4.6.1 implement and ensure compliance with the supervision agreement;
- 4.6.2 mentor and coach the F&I in respect of all the categories of financial services and financial products for which he/she is appointed in order for him/her to acquire the required skills, knowledge and competencies to perform his/her functions;
- 4.6.3 at regular intervals review and assess the learning activities and progress of the F&I, including recording observations and aspects of further development;
- 4.6.4 immediately report to our appointed key individual any unfair treatment of a customer as a result of the F&I's actions or where the F&I's actions may not have been in the best interest of our customer;
- 4.6.5 record and document the method, frequency and level of intensity of supervision and any changes to the aforementioned;
- 4.6.6 create a supervision file containing all records relating to the supervision, including information and documentation relating to:

- development and training;
- supervision activities;
- assessments;
- proof of enrolment in required examinations; and
- decisions to implement a reduced level of supervision.

4.6.7 within 2 years from the date of appointment of an F&I, obtain from the F&I proof of enrolment for a relevant recognised qualification and must ensure that the F&I:

- actively pursues the completion of the recognised qualification within the prescribed time limits;
- at all times adheres to the provisions of the supervision agreement; and
- discloses to customers that the F&I is rendering financial services under supervision.

4.7 Our key individual, to whom the supervisor reports, must:

4.7.1 determine the supervision arrangements and the level of intensity of supervision that must apply to the F&I having regard to:

- the nature, scale and complexity of the financial services and financial products to be rendered by the F&I;
- the F&I's assessed level of competency; and
- the risk to customers and our Group;

4.7.2 at regular intervals review the appropriateness, effectiveness and adequacy of the supervision arrangements and the level of intensity of the supervision; and

4.7.3 determine the criteria and procedures to assess whether it is appropriate for an F&I to work under a reduced level of intensity of supervision.


## 5. Our Approach to Remuneration

5.1 Our remuneration policy is to adopt a fair, consistent, competitive programme of financial compensation for all our key individuals and F&Is that is balanced directly to the responsibilities they undertake. To succeed, we must have the right people in the right positions, so we structure our remuneration packages in a way that is competitive in the market but consistent within the industry in which we work.

5.2 Remuneration based on performance is at the heart of our remuneration philosophy and we encourage all key individuals and F&Is to set and achieve ambitious goals which are aligned to our corporate strategy for growth and sustainability.

5.3 We are non-discriminatory – all remuneration practices are free from unfair discrimination based on race, gender, age, religion, marital status and ethnic or social origin.

5.4 With this policy, we achieve the following objectives:

- 5.4.1 We align with the strategy and business objectives of our Group;
  - 5.4.2 Our need to attract and retain key individuals and F&Is with the requisite skills;
  - 5.4.3 The alignment of our business objectives with the interests of all stakeholders;
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- 5.4.4 The prevailing market conditions and market-related remuneration levels;
- 5.4.5 The fair and equitable treatment of all employees;
- 5.4.6 The fair and equitable treatment of all our customers;
- 5.4.7 That our key individuals and F&Is can share in the success of our group in order to promote the culture of entrepreneurship and ownership which has driven our group's success to date;
- 5.4.8 Our desire to comply with all relevant laws and regulatory provisions, in particular the fit and proper requirements in terms of FAIS; and
- 5.4.9 Our group's transformation objectives.

5.5 Our remuneration policy in relation to key individuals follows the internationally recognised practice of combining a realistic base-line salary with incentives to construct a competitive remuneration package that aligns performance with the achievement of our group's objectives.

5.6 Our remuneration packages for our key individuals are designed in such a way to avoid over-dependence on their variable components; and that these variable components do not introduce inappropriate risk to our group, our customers or our long-term objectives.

5.7 In respect of our F&Is our monthly incentive scheme drives the achievement of short-term performance targets which correlate to the growth plans and financial performance and delivery of our strategic goals; this being one of our key remuneration principles.

5.8 The monthly paid F&I monetary incentive is based on the attainment of strategic, financial and personal performance objectives. Primarily it is intended to improve financial performance and focus the attention of participants on key strategic objectives on a monthly basis. By incorporating personal performance in the remuneration structure, we are consistent with our culture of fairness and equity, allowing for differentiation in rewarding high performers.

5.9 We accept that remuneration structures based on objectives can lead to unintended behavioural consequences and that the codes of conduct and compliance programs that we have introduced cannot alone create the ethical environment which we seek. For this reason, we have introduced specific controls which ensure that quantity of business secured is not at the expense of the quality of the service rendered to our customers. Our external compliance practice carries out random monitoring of all our F&Is to ensure that the advice and disclosures provided to our customers correlates with our culture of treating customers fairly. Every two months, our compliance officers provide reports to our key individuals, which reports 'score' the quality of advice and the advice-giving procedures of each of our F&Is. The scoring results are included in our performance reviews.

5.10 In addition to monitoring quality as well as quantity, we are also driven by best practise performance management based on the following core principles:

- 5.10.1 Whilst specific functions of each F&I are taken into account, we incorporate minimum norms to serve as a uniform point of departure;
- 5.10.2 Insofar as it is practicable, performance measurement is based on evaluation with reference to the expected job outcomes, including the fair treatment of customers that our key individuals and our F&Is have agreed upon beforehand during a participatory process;
- 5.10.3 The performance management exercise must provide sufficient insight in the development needs of each F&I being monitored;
- 5.10.4 The outcomes of the performance review must help to ensure that F&Is can be remunerated sustainably according to individual performance;
- 5.10.5 The performance review must ensure parity of treatment for all key individuals and F&Is.

5.11 We see it as our function to ensure that each key individual and F&I complies with the legal and regulatory requirements applicable to their functions and to achieve this we include specific aspects in our performance review programmes. For example, we:

- 5.11.1 make them aware of the procedures which must be followed for the proper discharge of their responsibilities in the performance of their functions;
- 5.11.2 ensure that they possess appropriate general and technical knowledge so as to be able to comply with all relevant disclosure obligations to customers;
- 5.11.3 ensure that they are appropriately trained regarding the requirements of the Act and the financial services and financial products in respect of which they are appointed;
- 5.11.4 ensure that they undertake CPD to maintain and update the knowledge and skills that are appropriate for their activities; and
- 5.11.5 ensure that they are able to assess whether it is appropriate to offer or provide a customer a particular financial service or product taking into account the needs, circumstances, risk tolerance and capacity of the customer and the customer's capacity to understand the features and complexity of the service or product.

5.12 Although the final authority and responsibility for remuneration rests with our Exco, the duties and activities related to preparing, issuing, updating, effective implementation and follow-up of the related procedures are conducted, managed and coordinated by our human resources personnel.

## **6. Competence Requirements of Key Individuals and F&Is**

6.1 Our F&Is must exemplify the ideals of professionals, acting with integrity and conducting themselves in accordance with the highest standards of ethical conduct. It is important that they treat every customer with courtesy and respect, answer their questions completely, directly and honestly, and comply with all financial laws both personally and professionally.

6.2 They are expected to ensure that every customer is aware of the inherent risks that are assumed when entering into a credit agreement, and that those risks can be mitigated, if not eliminated, by the purchase of the insurance instruments that we have on offer.

6.3 They are expected to fully disclose to customers the costs, terms and contractual obligations contained in the finance and/or lease transactions, as well as the conditions, exclusions and customer's obligations in respect of all insurance and 'plan' products offered.

6.4 Our key individuals have the responsibility to ensure that our F&Is are properly managed, particularly in terms of the governance demands in the 'fit and proper' requirements of the FAIS Act. Their actual responsibilities fall under the following headings, although much of their time must be taken in supervising and overseeing our F&Is. They must ensure that:

- 6.4.1 we, as a group of companies, remain fit and proper;
- 6.4.2 our license conditions as a financial services provider (FSP) are complied with;
- 6.4.3 our obligations as a financial services provider as demanded in the FAIS Act are complied with;
- 6.4.4 they themselves remain fit and proper;
- 6.4.5 all persons falling within the definition of 'F&I' are registered as representatives;
- 6.4.6 the F&Is remain fit and proper;
- 6.4.7 the F&Is comply with all the requirements of the FAIS General Code of Conduct; and
- 6.4.8 the appropriate returns are lodged with the Financial Services Board prior to the due date.

6.5 The minimum experience required for our F&Is to work free of supervision is 12 continuous months within the previous 60 months which enables them to provide advice and intermediary services for all our products. A key individual, on the other hand, only needs to have adequate and appropriate experience to manage or oversee the rendering of the financial services and products that they oversee, subject to a minimum overseeing experience in respect of those financial services and products for a period of 12 months. Nevertheless, key individuals must have adequate, appropriate and relevant skills, knowledge and expertise in respect of the products they oversee.

6.6 An F&I's experience lapses when the F&I has not provided advice or an intermediary service in respect of a particular financial product for a period of five consecutive years. The experience gained by a key individual also lapses when the key individual has not managed or overseen the rendering of a particular financial service in respect of a particular category of FSP for a period of five consecutive years. We are required to relieve the key individual and/or F&I of their duties should these situations occur.

6.7 It is expected of all our key individuals and F&Is to have passed qualifications that are appropriate for the function for which they are employed, and which are recognised by the FSCA, which qualifications can be accessed on the FSCA's website. Unless under a specific supervision agreement, key individuals and F&Is not in possession of a suitable and appropriate qualification must be removed from our register and must be prohibited from rendering financial services.

6.8 Our F&Is must comprehensively understand the procedures they must follow, as well as the information that has to be made known to our customer when rendering financial services. For this reason, all our key individuals and F&Is must pass the regulatory examinations which test key individuals and F&Is to ensure that they do indeed understand the insurance laws that apply.

6.9 Regulatory examinations apply separately to key Individuals and F&Is, and although the study material is similar, the examinations are different in that they are structured to relate to the actual activities of each. For example, the key individual examination requires the student to understand the regulation as it applies to management and oversight of the business whereas the F&I examination relates to the actual rendering of financial services to customers.

6.10 Key individuals and F&Is not in possession of a regulatory examination certificate must be removed from our register and must be prohibited from rendering financial services.

6.11 All our key individuals and F&Is must undergo class of business training. F&Is must also undergo product specific training. Therefore, if a key individual is also an F&I, both training programmes must be undertaken.

6.12 Our F&Is must complete class of business training and product specific training prior to the rendering of any financial service. In respect of product specific training, this relates to every financial product that we offer and distribute to our customers. Similarly, our key individuals must, prior to managing or overseeing the rendering of any financial service, complete the class of business training in respect of the classes of business he/she manages or oversees and for which he/she is appointed to act as key individual.

6.13 We require our key individuals and F&Is to comply with their annual continuing professional development requirements to maintain their technical and professional competencies. Indeed, it is also a pre-requisite in the FAIS fit and proper requirements. The amount of CPD required is 18 hours per compliance year which runs from June to May.

6.14 Each of our key individuals and F&Is is expected to develop a CPD plan that includes:

- 6.14.1 how that person will
  - maintain knowledge and skills that are appropriate for his/her activities and responsibilities;
  - update his/her knowledge and skills; and
  - develop new knowledge and skills to assist with his/her current functions and responsibilities;
- 6.14.2 responsibilities or functions contemplated in the future;
- 6.14.3 training plans for each CPD cycle to ensure that CPD
  - is relevant;

- addresses any identified needs, knowledge and skills gaps; and
- continually improves the professional standards and practices of that person

6.15 The training plan is to be monitored at each performance review, which must take place regularly, but never less than quarterly.

6.16 We keep a competence register in which we record, within 30 days after the expiry of each CPD cycle, the CPD activities of our key individuals and F&Is.

## 7. Debarment

7.1 As an authorised financial services provider we must

7.1.1 maintain a register of F&Is, which must be regularly updated and be available to the FSCA for reference or inspection purposes; and

7.1.2 within five days after being informed by the FSCA of the debarment of an F&I or key individual by the FSCA, remove the name of that F&I or key individual from the register.

7.2 We must debar a person who is or was an F&I if we are satisfied on the basis of available facts and information that the F&I

7.2.1 does not meet, or no longer complies with, the FAIS Fit and Proper requirements; or

7.2.2 has contravened or failed to comply with any provision of the FAIS Act in a material manner.

7.3 A debarred person may not render financial services or act as an F&I of any financial services provider unless the person has complied with the requirements for the reappointment of a debarred person.

7.4 The reasons for a debarment must have occurred and become known to us while the person was our F&I but if the debarment is to be undertaken in respect of a person who is no longer our F&I, the debarment must be commenced not longer than six months from the date that the person ceased to be our F&I.

7.5 Before effecting a debarment, we must ensure that the debarment process is lawful, reasonable and procedurally fair and that it complies with the Promotion of Administrative Justice Act. In this regard, we must ensure that

7.5.1 we have documentary evidence and information supporting our grounds for debarment;

7.5.2 our employment contract clearly demands that the person must comply with all regulation, particularly the FAIS Act and the fit and proper requirements;

7.5.3 we have full transcripts of the debarment hearing; and

7.5.4 we are in possession of any forensic investigation results.

7.6 It is important that we give adequate notice in writing to the F&I stating our intention to debar the F&I, the grounds and reasons for the debarment, and any terms attached to the debarment, including, in relation to un-concluded business, any measures stipulated for the protection of the interests of our customers.

7.7 We must provide the F&I with a copy of our written policy and procedure governing the debarment process and give the person a reasonable opportunity to make a submission in response.

7.8 If we are unable to locate an F&I in order to deliver a debarment document or information after taking all reasonable steps to do so, including dissemination through electronic means where possible, delivering the document or information to the person's last known e-mail or physical business or residential address will be sufficient.

7.9 We will consider the response provided and then take a decision and immediately notify the F&I in writing of our decision. If our decision is to commence debarment, we will provide that F&I with

7.9.1 the F&I's rights in terms of Chapter 15 of the Financial Sector Regulation Act which provides a debarred F&I the right to appeal to the Appeal Tribunal;

7.9.2 the formal requirements in respect of proceedings for the reconsideration of our decision by the Tribunal.

7.10 In the event that we proceed with the debarment we will

7.10.1 immediately withdraw any authority which may still exist;

7.10.2 where applicable, remove the name of the F&I from our representative register;

7.10.3 immediately take steps to ensure that the debarment does not prejudice the interest of any customers and that any un-concluded business relating to the F&I is properly attended to;

7.10.4 Complete and lodge the specific application form for debarment with the FSCA.


## 8. Monitoring and Policy Review

8.1 It is essential that, once approved, this policy remains relevant, fit for purpose and consistent with our mission and objectives. Policy compliance must be monitored by recording issues arising from implementation, gathering feedback and by monitoring decisions taken in terms of the policy. Information collected through monitoring activities will be used during the formal review of the policy.

8.2 Amendments to this policy can be approved and implemented only as a result of a formal policy review with appropriate stakeholder consultation which review will consider, inter alia, consistency with best practice and the strategic direction of our group.

## 9. Sign-Off

This governance policy was accepted and approved by stakeholders as follows:

NAME	SIGNATURE	DATE
Andre Rhodie		28/05/2024