



WOODWORKING RISK ACCEPTANCES (PTY) LTD CONFLICT OF INTEREST MANAGEMENT POLICY

SCOPE OF THE CONFLICT OF INTEREST OF MANAGEMENT POLICY

This policy is aligned with the *General Code of Conduct for Authorised Financial Services Providers and Representatives Amendment Notice, 2010* (“the Code”), published in Board Resolution of 2011 and the words and expressions used in this policy will bear the meaning assigned to them in accordance with the Code.

Full details of this policy as well is available on our website: www.wra.co.za. Hard copies will be furnished upon request.

INTRODUCTION:

The directors, managers and employees of Woodworking Risk Acceptances (Pty) Ltd (WRA) aspire to the highest level of ethical conduct in our work. WRA also values the knowledge gained from such individuals’ involvement with other organisations. Inevitably, from time to time, such affiliations may create or appear to create conflicts with the individual’s duty to the company. To ensure that the company’s decisions are free of any conflicts or other inappropriate influences, the Board has adopted the following policy concerning conflicts of interest and gifts.

We will constantly improve the quality of our services, products and operations and ensure that we maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment.

LIST OF ASSOCIATES:

WRA is a wholly owned subsidiary of Lireas Holdings, which is a wholly owned subsidiary of Hannover Reinsurance Group Africa (Pty) Limited.

CONFLICT OF INTEREST:

1. WRA will avoid where this is not possible, mitigate any conflict of interest situations, as defined in Board Resolution of 2011
2. Compass confirms that it will only offer a financial interest to other financial service providers in the form of-
 - 2.1 Commission authorised in terms of the Short-term Insurance Act, No 53 of 1998;
 - 2.2 Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;
 - 2.3 An immaterial financial interest, as defined in Board Resolution of 2011.
 - 2.4 Any material financial interest offered to a financial service provider in 2.3 above, must be fully disclosed in the company’s electronic “Conflict & Gifts Register”

*Directors: Valerie Hayter
Brian A McGrath
Terry McGrath*



PERSONAL INTEREST:

3. All employees of the company must never permit their personal interest to conflict, or appear to conflict, with the interest of the company, its clients or associates. This may include but is not limited to:
 - 3.1 Effecting a transaction that may benefit a third party at the expense of a client.
 - 3.2 Involvement in an undertaking that competes, either wholly or partly, with the company. Any financial participation in companies which are in competition with Compass or its business partners is subject to the prior approval of the Board, however this does not apply to investments in JSE listed shares
 - 3.3 Additional paid employment outside of the company, permission to take part in any additional paid employment, or any other activities which are aimed at profit generation, outside of the company, or during company time, must be obtained in advance and in writing from the Managing Director of WRA. (This excludes passive investment in any Stock Exchange or similar investments conducted either individually or through a private syndicate or group.) Approval for other employment activities shall be declined if it could lower the employee performance level at the work place, if it is contrary to the employee's duties within the company, or of there is a potential risk of conflict of interest.
 - 3.4 Representation of the company in any transaction where an affiliation or non-business relationship with the other party exists. All employees must be particularly careful not to represent Compass in any transaction where they have an outside business affiliation or relationship with any party that has an interest in that transaction. An employee may only represent the company in business transaction in which the employee or persons close to the employee is directly involved with the prior approval of the Board.

GIFTS & OTHER BENEFITS:

4. No employee is allowed to accept gifts or other benefits in connection with his/her business activities which go beyond accepted norms. The following limits and guidelines will apply in respect of all gifts:
 - 4.1 Any gifts over the value of R1000.00 received in a calendar year from any work related source may not be accepted by any person within the organisation. The reported value of the gift is the fair market value on the date it was received.
 - 4.2 Any gift in excess of R1000.00 which cannot easily be declined because of the nature of the business relationship must be approved by the Managing Director of WRA before it may be accepted. If approved, such gift must be recorded in the "Conflict of Interest & Gifts Register"
 - 4.3 Any gifts between the value of R300.00 to R1000.00 may be accepted with WRA M.D. consent, but must be registered in the "Conflict of Interest & Gifts Register"
 - 4.4 Any gifts below the value of R300.00 may be accepted without WRA M.D. approval, however if more than 3 gifts are received from the same client in any one calendar year details of each gift must be recorded in the "Conflict of Interest & Gifts Register"

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- 4.5 If there is any doubt as to whether a gift is acceptable or not, or whether the value falls within any of the categories, the gift must be declared in the “Conflict of Interest & Gifts Registers” and discussed with a WRA Board member.
- 4.6 Where the value of a gift is excessive, the gift must be returned gracefully.
- 4.7 Invitations to business dinners within usual business practices may be accepted. Invitations to entertainment functions such as sports events, shows or other social occasions may be accepted if they conform to usual business practices and provided that a representative of the host company is present. If there is any doubt, prior approval must be obtained from a WRA Board member, and
- 4.8 Where the value falls into categories outlined in 4.3 above, it must be declared in the “Conflict of Interest & Gift Register”

COMPLIANCE WITH THIS POLICY:

5. All directors, managers and employees are required to read Board Resolution of 2011 as well as this policy and to sign a statement to the effect that they have done so and full understand the provisions of both documents and the application thereof
6. Comprehensive training in respect of this policy and Board Notice of 2011 will be provided by the company’s Compliance Officer.
7. The compliance officer will include monitoring of this policy as part of his/her general monitoring duties and will report thereon in the annual compliance report.
8. The compliance officer will provide an annual report to the WRA Board reflecting all transactions in which there was a conflict of interest and the actions taken in each instance.
9. WRA may not avoid, limit or circumvent or attempt to avoid, limit or circumvent compliance with this policy, including Board Resolution of 2011, through an associate or an arrangement involving an associate.
10. This policy will be reviewed annually and updated, if applicable.
11. Any director, manager and employee who is in breach of this policy including the provisions of Board Notice of 2011, will be subjected to disciplinary steps taken against him/her and if found guilty, may be summarily dismissed, and also face debarment in terms of FAIS, where applicable.

APPROVED BY THE BOARD ON THIS 31st DAY OF May **2011**.

Woodworking Risk Acceptances (Pty) Ltd Registration Number 2000/018698/07.
Authorised financial service provider no.8146.
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