



**CONFLICT OF INTEREST
POLICY
TENDAHEALTH PTY (LTD)
FSP 44680**

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1. Introduction

In terms of the Financial Advisory and Intermediary Services Act, 2002, *Tendahealth Pty (Ltd)*, (“the FSP”) is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage Conflict of Interest (“COI”). Section 3A(2)(a) of the FAIS General Code of Conduct (“GCOC) stipulates that every financial services provider, other than a representative, must adopt, maintain, and implement a conflict-of-interest management policy that complies with the provisions of the Act.

2. Purpose

The purpose of this policy is to comply with these obligations and provide for mechanisms in place to identify, mitigate and manage the conflicts of interest to which the FSP is a party. In addition, to ensure alignment between the values of the organisation and the conduct of its people by safeguarding clients’ interests and ensuring the fair treatment of clients.

The FSP is committed to ensuring that all business is conducted in accordance with good business practice. To this end, the FSP conducts business in an ethical and equitable manner and in a way that safeguards the interests of all stakeholders to minimise and manage all real and potential conflicts of interests. Like any financial services provider, the FSP is potentially exposed to conflicts of interest in relation to various activities. However, the protection of our clients’ interests is our primary concern and so our policy sets out how:

- We will identify circumstances which may give rise to actual or potential conflicts of interest entailing a material risk of damage to our clients’ interests.
- we have established appropriate structures and systems to manage those conflicts; and
- we will maintain systems to prevent damage to our clients’ interests through identified conflict of interest.

To achieve the objectives set out above, this policy sets out the rules, principles, and standards of the FSPs COI management procedures, by documenting them in a clear and understandable format.

3. Scope of application

This policy is applicable to the FSP, all providers of the FSP, key individuals, representatives, associates, and administrative personnel. The FSP is committed to ensuring compliance with this policy and the processes will be monitored on an ongoing basis.

Any non-compliance with the policy will be viewed in a severe light. Non-compliance will be subject to disciplinary procedures in terms of FAIS and employment conditions and can ultimately result in debarment or dismissal as applicable.

Avoidance, limitation, or circumvention of this policy via an associate will be deemed non-compliance.

Currently we have three Key Individuals registered on the representative register. The individuals are as follows:

- Francois Engelbrecht
- Christine Edwards
- Trishan Naidoo (Succession planning)

Tendahealth as part of the Afrocentric Group, is always committed to providing services in the clients' best interest. Tendahealth is accredited as a brokerage at the Council of Medical Schemes (CMS number: 4268) to market medical scheme products, gap cover and investment products. We are licensed with the Financial Services Conduct Authority (FSCA) to comply with FAIS and FICA legal Requirements (FSP 44680). We are currently registered for the following license categories:

Licences registered for at FSCA	1	1	Long-Term Insurance: Category A	X	X
	1	2	Short-Term Insurance: Personal Lines	X	X
	1	3	Long-Term Insurance: Category B1	X	X
	1	20	Long-Term Insurance: Category B2	X	X

1	4	Long-Term Insurance: Category C	X	X
1	5	Retail Pension Benefits	X	X
1	6	Short-Term Insurance: Commercial Lines	X	X
1	7	Pension Funds Benefits (excluding retail)	X	X
1	14	Participatory interests in Collective Investment Schemes	X	X
1	16	Health Service Benefits	X	X
1	20	Long-term insurance subcategory B2	X	X
1	21	Long-term Insurance subcategory B2-A	X	X
1	22	Long-term Insurance subcategory B1-A	X	X
1	23	Short-term Insurance Personal Lines A1	X	X

We build and maintain business relationships with clients; discuss and assess their current and future needs; offer benefits and pitfalls of the wide range of products available on the market and predict, manage, and reduce risks.

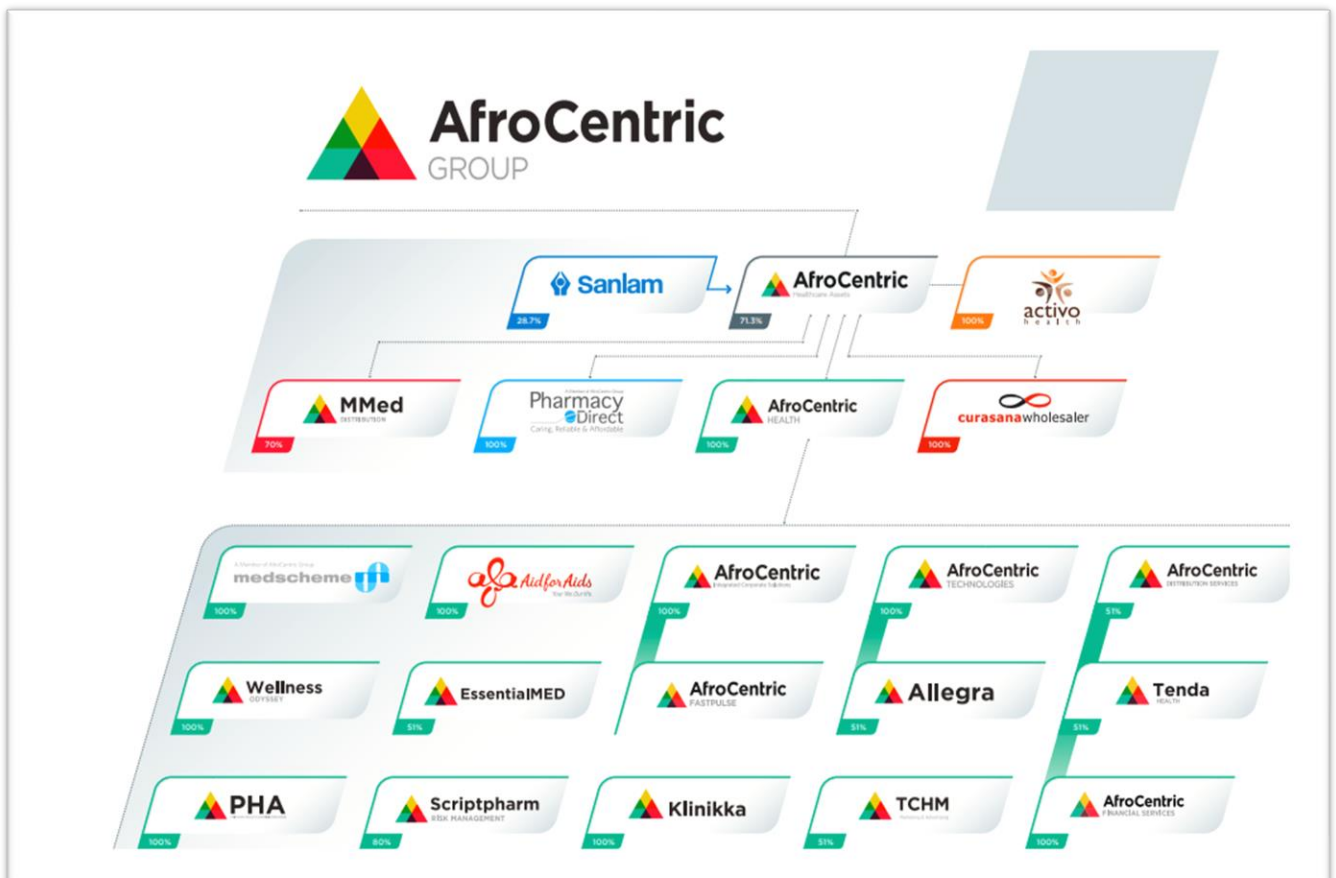
Established in June 2016, Tendahealth's focus is on offering advice and intermediary services for medical schemes and related products, including a wide selection of basic and comprehensive medical scheme options suitable for the corporate and individual market. We have contracts with the following providers:

CONTRACTS WITH THIRD PARTIES = 45		
MEDICAL SCHEMES	Bonitas, Medihelp, Discovery, Bestmed, Keyhealth, Momentum, Fedhealth, Profmed, Sizwe, Topmed, Medshield	11
SHORT TERM INSURANCE COMPANIES: Personal and Commercial lines	SANTAM, Auto and General, Hollard, King Price, ABSA, Unity, Oakhurst, Vlrseker, 1 st for Woman,	17

	Mutual and Federal, Zurich , Miway, Discovery, Momentum, cartrack	
LIFE AND INVEST	Sanlam, Discovery, Momentum, Hollard, Brightrock	5
GAPCOVER	Medgap, Stratum, Turnberry, TRA, Sirago, Sanlam gap	6
MEDICAL INSURANCE	Unity Health, Essentialmed	2
LOYALTY PROGRAMS	Vitality, Multiply, Reality	3
SHORT TERM ADMINISTRATORS	FSP solutions	1

As part of the Afrocentric group structure, we try to partner with suppliers that forms part of the group for instance, Bonitas medical fund, Medgap gap cover and Sanlam. We will always provide advice and intermediary services in terms of the best advice and therefore will not use these suppliers if not beneficial to the members options.

Herewith a copy of the current group structure:



SOURCE: [HTTP://WWW.AFROCENTRIC.ZA.COM/PDF/2021/GROUP-STRUCTURE-2021-LRG.PDF](http://www.afrocentric.za.com/pdf/2021/group-structure-2021-lrg.pdf)

4. Understanding Conflict of Interest

4.1 When is it a Conflict of Interest?

A COI means any situation in which the FSP or one of our representatives has an actual or potential interest that may, in rendering a financial service to our clients -

- influence the objective performance of obligations to that client; or
- prevents us from rendering an unbiased and fair financial service, or
- prevents us from acting in the interests of that client.

An “actual or potential interest” includes but is no limited to:

- A **financial interest**, which includes any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive, or valuable consideration which exceeds R1000 per calendar year.¹
- An **ownership interest** which means any equity or proprietary interest and any dividend, profit share or similar benefit derived from that equity or ownership interest.
- Any **relationship with a third party**, meaning any relationship with a product supplier, other FSP’s, an associate of a product supplier or an associate of the FSP. A third party also includes any other person who, in terms of an agreement or arrangement, provides a financial interest to the FSP or its representatives.

¹ Financial Interest excludes an ownership interest and Training, that is not exclusively available to a selected group of providers or representatives where that training is related to products and legal matters relating to (1) those products, (2) General financial and industry information, (3) Specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training and (4) qualifying enterprise development contribution to a qualifying beneficiary entity.

- An **immaterial financial Interest**, which is any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 in any calendar year from the same third-party in that calendar year received by –
 - a provider who is a sole proprietor; or
 - a representative for that representative's direct benefit.
 - a provider, who for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives.

4.2 What type of interest may we Give and Receive?

The FSP and our representatives may only offer to and receive specific financial interests from a third party², which includes the following:

- Commission as authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998).
- Fees as authorised under the Long-term Insurance Act (52 of 1998), the Short-term Insurance Act (53 of 1998) and the Medical Schemes Act (131 of 1998).
- “Other fees” specifically agreed to by the client and which can be stopped by the client at their discretion but only if agreed in writing with the client, including details of the amount, frequency, payment method and recipient of those fees, as well as the details of services to be provided in exchange for the fees.
- Fees or remuneration for services that were rendered to a third party.
- An immaterial financial interest.
- Any other financial interest not mentioned above for which a consideration, fair value or remuneration that is reasonably commensurate is paid by that provider or representative, at the time of receiving that financial interest.

² FAIS GCOC S3A. FAIS GCOC S1 “third party” means a product supplier, another provider, associate of a product supplier or a provider, a distribution channel, and any person who in terms of an agreement or arrangement with a person referred to previously provides a financial interest to a provider or its representatives.

4.3 On what basis may we Give and Receive Financial Interests?

The financial interest referred to in points 2, 3, and 4 above may only be offered or received by the FSP or it's representatives, if:

- The financial interests are proportionate (reasonably commensurate) to the service being rendered, considering the nature of the service, the resources, skills, and competencies that are reasonably required to perform it.
- The payment of those financial interests does not result in the FSP, or representative being remunerated more than once for performing the same service.
- Any actual or potential conflicts between the interests of clients and the interests of the person receiving those financial interests are effectively mitigated; and
- The payment of those financial interests does not impede the delivery of fair outcomes to clients.

4.4 Financial Interests for Representatives of the FSP

The FSP may not offer any financial interest to a representative of that FSP –

- 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.
- For giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client.
- That is determined with reference to the quantity of business, without also giving due regard to the delivery of fair outcomes for clients.

In relation to delivery of fair outcomes for clients, the FSP must demonstrate that a determination of a representative's entitlement to a financial interest, considers measurable indicators, relating to the:

- Achievement of minimum service level standards in respect of clients
- Delivery of fair outcomes for clients; and
- Quality of the representative's compliance with the FAIS Act.

The measurable indicators are agreed in writing between the FSP, and its representative and sufficient weight (significance) are attached to these indicators to materially mitigate the risk of the representative(s) giving preference to the quantity of business secured for the FSP over the fair treatment of clients.

The FSP does not offer a sign-on bonus³ to any person, other than a new entrant⁴, as an incentive to become a provider authorised or appointed to give advice.

The way in which the FSP remunerates its representatives and complies with these requirements, is set out in section 6 of this policy.

5. Processes and Internal Controls to manage Conflict of Interest

5.1 Identification of Conflict of Interest

To adequately manage COI, the FSP must identify all relevant conflicts timeously. In determining whether there is or may be a COI to which the policy applies, the FSP considers whether there is a material risk of unfair treatment or bias for the client, considering whether the FSP or its representative, associate, or employee:

- is likely to make a financial gain, or avoid a financial loss, at the expense of the client.
- has an interest in the outcome of a service provided to the client or of a transaction carried out on behalf of the client, which is distinct from the client's interest in that outcome.
- has a financial or other incentive to favour the interest of another client, group of clients or any other third party over the interests of the client.
- receives or will receive from a person other than the client, an inducement in relation to a service provided to the client in the form of monies, goods, or services, other than the legislated commission or reasonable fee for that service.

³ This requirement is only applicable to CAT I providers that are authorised to give advice. Refer to the definitions section of this policy.

⁴ A person who has never been authorised as a financial services provider or appointed as a representative by any financial services provider.

Within Tendahealth there can be Conflict of interest situations where there is maybe an ownership interest with profit sharing, Sign-on bonuses for new entrants to attract consultants and business, family members of employees (Married, Siblings, family, and friends) – special treatment. There are controls in place to mitigate the conflict of interest and Tendahealth has due diligence as well as fit and proper declarations completed by all advisers.

Our policy defines possible conflict of interest or examples of conflict of interest as, inter alia, -

- conflicts of interest between Tendahealth and the client. There is currently no conflict of interest that we are aware of.
- between our clients if we are acting for different clients and the different interest's conflict materially. For instance, divorce couples, siblings, family, friends etc.
- where associates, product suppliers, distribution channels or any other third party is involved in the rendering of a financial service to a client. All immaterial financial interest will be recorded in the register, approved, and signed off.
- storing confidential information on clients which, if we would disclose or use, would affect the advice or services provided to clients. At Tendahealth we store our information in terms of FAIS legislation and the POPIA requirements. Personal information is handled according to the requirements as set out in the POPI Act.

All employees, including internal compliance officers and management, are responsible for identifying specific instances of conflict and are required to notify the Key Individual of any conflicts they become aware of. The Key Individual will assess the implications of the conflict and how the conflict should be managed, acting impartially to avoid a material risk of harming clients' interests.

5.2 Measures for avoidance and mitigation of Conflict of Interest

To ensure that the FSP can identify, avoid, and mitigate COI situations, the FSP creates awareness and knowledge of applicable stipulations, through training and educational material. Where a COI situation cannot be avoided, these instances are recorded on the FSP's conflict of interest register.

The FSP ensures the understanding and adoption of the FSP's conflict of interest policy and management measures by all employees, representatives, and associates through training on the COI policy.

The Key Individual will assess each conflict, including whether the conflict is actual or perceived, what the value of the conflict or exposure is and the potential reputational risk. Compliance and management then agree on the controls that need to be put in place to manage the conflict. Once a conflict of interest has been identified it needs to be appropriately and adequately managed and disclosed, in line with the below steps.

5.3 Measures for mandatory disclosure of Conflict of Interest

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned.

In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients. The Key Individual will ensure transparency and manage conflict of interests. The client must be informed on the Conflict-of-Interest Policy and where they may access the policy.

5.4 ONGOING MONITORING OF CONFLICT-OF-INTEREST MANAGEMENT

The key individuals or staff member in charge of supervision and monitoring of this policy will regularly monitor and assess all related matters. The FSP will conduct ad hoc checks on business transactions to ensure the policy has been complied with. We do Quality assurance within Tendahealth, and any conflict of interest would be found with this procedure. With due diligence and client take on spot checks are done on the Tendahealth internal system to ensure that all are mentioned in the Record of Advice as well.

The Compliance Officer will include monitoring of the Conflict-of-Interest policy as part of his/her general monitoring duties and will report thereon in the annual compliance report.

This policy shall be reviewed annually and updated if applicable. The compliance function is outsourced to an external Compliance company with no shareholding in this FSP. The Compliance practice functions objectively and sufficiently independently of the FSP and monitors the process, procedures, and policies that the FSP has adopted to avoid conflicts of interest.

5.5 TRAINING AND STAFF

Comprehensive training on the Conflict of Interest is provided to all employees and representatives as part of specific and/or general training on the FAIS Act and GCOC.

Training will be incorporated as part of all new appointees' induction. Ongoing and refresher training on the FSP's Conflict of Interest management processes and policy is provided on an annual basis.

5.6 REGISTERS

Regarding existing third-party relationships, being the product suppliers listed in our Contact Stage Disclosure letter, we confirm that there are no circumstances which could lead to a potential conflict of interest. Should any conflicts arise regarding any of these, prior to entering any business transaction with you, we undertake to disclose these in the registers below.

All gifts, financial interest, immaterial financial interest, and any other COI situations as outlined in this policy, must be recorded in the FSP's COI register, attached as Annexure A.

6. Remuneration Policy

This section of the Policy specifies the type of and the basis on which a representative of the FSP will qualify for a financial interest that the FSP offers and motivates how that financial interest complies with the requirements of this policy.

Our remuneration policy is...

Tendahealth have admin staff who are appointed as employees.

Tendahealth appoints independent Contractors receiving the following:

Director: FP Engelbrecht, AA Mahmood, T Pillay
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- Split percentage on legislative commission only (e.g., 3% to a maximum amount for medical aid clients.
- Allowances (to help the adviser while building a book)
- Incentives if applicable (R per case sold)

At Tendahealth we believe in giving the correct and best advice to our clients to ensure that the client doesn't have any barriers in their option choice.

Tendahealth doesn't hold client funds and not receive any other upfront fee associated with advice and intermediary services to our clients. We only receive the legislative commission from our product suppliers. We have strict controls and financial controls to ensure that the advisers are paid according to Legislation.

Tendahealth has 45 contracts with different suppliers and doesn't earn more than 30% income at one supplier. At Tendahealth we ensure that we always give the best advice.

The FSP carries out regular inspections on all commissions, remuneration, fees, and financial interests proposed or received to avoid non-compliance. This includes but is not limited to:

- Internal and external audits
- Audited financial statements.
- TCF client feedback and complaints received.
- Gift register
- Fit and proper declarations

Tendahealth as part of the Afrocentric group have internal and external auditors who will perform yearly audits on our business.

We also must declare any conflict of interest with our quarterly Fit and proper declarations for all representatives and Key individuals.

Our financial statements are also compiled by an external auditor and audited statements submitted to FSCA.

Tendahealth only receives regulated commission in terms of Legislation.

Annexure C – Additional Definitions**Associate**

(a) 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.

(b) 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.

(c) 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.

Fair Value

Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 61 of 1973?

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.

Distribution channel means

- a) Any arrangement between a product supplier or any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client.
- b) Any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports, or enhances a relationship between the provider or providers and a product supplier.
- c) Any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports, or enhances a relationship between a provider or providers and a product supplier.

New Entrant

Is a person who has never been authorised as a financial services provider or appointed as a representative by any FSP.

No-claim bonus means.

Any benefit that is directly or indirectly provided or made available to a client by a product supplier if the client does not claim or does not make a certain claim under a financial product within a specified period.

Measured Entity

Has the meaning assigned to it in the FSC insofar it relates to a qualifying enterprise development contribution?

Qualifying Beneficiary Entity

Has the meaning contemplated in the FSC insofar as it relates to a qualifying 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

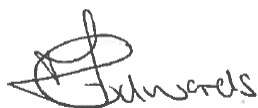
(ii) a loan, advance, credit facility or any other similar arrangement.

Compiled by:

Christine Edwards

7/12/2021

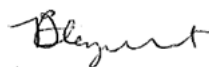
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Christine Edwards

13/04/2023

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Francois Engelbrecht

19/04/2023

Director: FP Engelbrecht, AA Mahmood, T Pillay
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