

## **BROLINK STATEMENT ON CORRUPTION, FRAUD AND CONFLICTS OF INTEREST**

The management of Brolink herewith accepts the company's responsibilities conferred by the Financial Advisory and Intermediary Services Act, the General Code of Conduct, the Fit & Proper Requirements for Authorised Financial Services Providers, as well as its general obligation to transact with stakeholders such as clients, potential clients and the general public, in an open and transparent manner.

To protect the interests of clients the company adopted comprehensive governance frameworks and policies to ensure the integrity of Brolink's dealings with stakeholders. Stakeholders include:

- Santam as shareholder of Brolink.
- Insurers contracting with Brolink.
- Brokers contracted to Brolink.
- Policyholders.
- Employees.
- Suppliers and other third parties.

Established policies and frameworks include:

- Risk Governance Framework.
- Financial Governance Framework.
- Anti-fraud & Corruption Policy.
- Conflict of Interests Policy.
- Gifts & Hospitality Policy.
- Whistle-blowing Policy.

These policies set out to achieve the following:

- The identification of circumstances which may give rise to actual or potential conflict of interests entailing material risk of harm to client interests.
- The establishment of appropriate structures and systems to manage any such conflicts.
- The maintenance of systems and procedures to prevent damage to the interests of stakeholders through identified conflicts of interest.

The following control measures were adopted:

- All representatives and employees must ensure the legally required disclosures are made in all instances, in the prescribed format and in a timely manner.
- Brolink only receive fees authorised in terms of applicable legislation and at rates prescribed in law.
- All gifts, hospitality and other benefits given and received are entered into the relevant registers. Such registers are open to stakeholders for perusal.
- Any fraud, theft, conflict of interest, corruption, or other form of dishonest behaviour may be reported using the Santam fraud line.
- Any actual or potential conflict of interest must be disclosed to management and will be dealt with in accordance with the policy prescripts.

The complete Conflicts of Interest Policy is available for perusal at the Brolink offices. Stakeholders may also request electronic copies from management.

Brolink in identifying actual, potential or perceived conflicts of interest set up a matrix of such potential conflict situations. The matrix follows below.

## BROLINK CONFLICT OF INTEREST MANAGEMENT FRAMEWORK

This matrix sets out BroLink’s measures to deal with actual or potential conflicts situations that may arise from conducting business in the financial services industry.

<b>What is the origin or basis of the actual, perceived or potential conflict situation?</b>	<b>What is the factual or legal basis of the actual, perceived or potential conflicts of interest situation?</b>	<b>How are we managing these actual, perceived or potential conflicts?</b>	<b>What are the controls we put in place to avoid, and where it cannot be avoided, to mitigate or manage a conflict of interests situation?</b>
<p>Brolink is a wholly owned subsidiary of Santam</p>	<p>Potential conflict of interest as BroLink performs binder and other intermediary functions to insurers other than Santam.</p>	<ul style="list-style-type: none"> <li>a. BroLink is a licensed financial services provider and subject to strict regulation relating to conflicts management.</li> <li>b. Business administered by BroLink is placed with insurers by independent intermediaries. BroLink has no control or influence over this broker process.</li> <li>c. The directors and officers of the holding company are not privy to the performance of the portfolio of business administered by BroLink on the license of the holding company’s competitors.</li> <li>d. Santam directors are divorced from the operational and distribution environment therefore are not involved with any advice or distribution protocol or strategy of the shareholder.</li> </ul>	<ul style="list-style-type: none"> <li>a. The members of the managing executive of BroLink are prohibited from disclosing or sharing information pertaining to the portfolio of any insurer with another.</li> <li>b. BroLink appointed an independent non-executive director to ensure Board governance and independence.</li> <li>c. Board meetings are comprehensively minuted to ensure governance. Confidentiality and disclosure matters are treated as per terms of contract as a director of BroLink and not as Santam functionary or employee.</li> <li>d. BroLink is an associate of an insurer and may not, in terms of its Conflicts Policy and Advertising Policy, publish any document or give out that it is independent from Santam (full disclosure is required).</li> </ul>
<p>Brolink staff may have familial relationships in the insurance industry</p>	<p>Actual conflict of interest under specific circumstances</p>	<p>Brolink has strict staff policy on conflicts of interest in compliance with the provisions of the FAIS Act &amp; Code as well as with the Corruption Act</p>	<p>FAIS Act Conflicts Policy determines that all relationships in the industry must be disclosed. This includes familial relationships that are in any manner connected to any broker, insurer, supplier of goods or services, administrator, etc.</p> <p>The Anti-Corruption Policy determines that no staff member may work on the underwriting, claims or complaints of any policy where he/she, a family</p>

			member or friend is the policyholder.
Brolink staff may receive gifts and hospitality from external persons	Potential conflict in 'greasing' relationships, allocating contracts and seeking favourable outcomes from decisions.	Brolink has robust policy relating to conflicts of interests and corruption, as envisaged in the Corruption Act as well as the provisions of the FAIS Act. The Gifts & Hospitality Policy prescribes immediate declaration of all gifts and hospitality provided or received.	<p>Brolink instituted a Gifts Register in terms of its Corruption and Fraud Policy that records all gifts provided by external parties other than insurers, administrators and brokers.</p> <p>Brolink 's Gift Register also records gifts from industry sources in order to comply with the R1000/FSP or insurer per annum rule as required in terms of the FAIS Code.</p> <p>Brolink's Gifts Officer maintains the register and tracks gifts and hospitality extended in order to ensure adherence to and the integrity of the two governing policies.</p> <p>Brolink has a Whistle-blowing Policy in compliance with the Protected Disclosures Act which invites persons to make anonymous reports of any form of corruption relating to Brolink, its staff or its operations. Such anonymous reports may be made on the Santam Fraud Line.</p>
Brolink must manage any other conflict of interest situation	Brolink employs personnel who may have perceived, potential or actual conflicts situations due to external interests, family relationships, friendships or any other industry-related relationships	<p>Brolink requires of all staff to make initial conflicts declarations whereby they are required to disclose the following:</p> <ul style="list-style-type: none"> <li>- Gifts</li> <li>- Nepotism</li> <li>- Familial relationships in the industry</li> <li>- External interests</li> <li>- Family/own policies administered by Brolink</li> <li>- Other employment</li> <li>- Other sources of income</li> <li>- Supplier or vendor relationships</li> </ul>	<p>Brolink actively monitors employees that made declarations to ensure that there are no conflicts facilitated or perpetrated</p> <p>Brolink requires annual confirmation of honesty &amp; integrity statuses</p> <p>Brolink requires annual confirmations of declared interests</p> <p>Brolink performs actual checks on representatives to ensure they do not have outside interests that may cause conflicts situations.</p>