



FOR PROFESSIONALS
SINCE 1941

PPS Group: Gifts and Conflict of Interest Policy

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1. Purpose

A conflict of interest undermines effective decision-making as it arises when what is in a person's best interest is not in the best interest of Professional Provident Society Insurance Company Limited (PPS) and casts doubt upon his/her duty of loyalty to PPS. All employees have the responsibility to assess, declare and manage conflicts of interest and to actively demonstrate the moral responsibility of doing the right thing for the right reasons.

The purpose of this policy is to provide guidance and ensure that all employees of PPS act and are seen to act independently in the performance of their duties and in the best interests of PPS. No decisions may be made as a result of, or with an intention to derive any kind of personal benefit. This policy seeks to provide a mechanism for the objective review of outside commercial interests. PPS is committed to complying with regulatory requirements governing conflict of interest and ensuring that conflicts of interest are appropriately managed in the best interests of PPS and its clients. Therefore, instances that may result in actual, perceived or potential conflicts of interest, involving employees or close relatives must be declared, registered and its impact mitigated.

2. Scope

This policy applies to all permanent employees and fixed term contract employees of PPS and all its subsidiaries, collectively referred to as PPS.

3. Policy Statement

PPS recognizes that it is not always clear as to what constitutes a conflict of interest and what is expected of employees in instances where a gift is received or where there may be a conflict of interest. This policy outlines the rules and measures to be taken to identify conflicts of interests. It also sets out what should be done when potential conflicts become apparent to protect the integrity and professionalism of PPS' business affairs and resolve such discrepancies. Furthermore, it provides guidance to all when receiving gifts and gratuities from vendors, clients, customers and the like.

All decisions and business transactions should be made with uncompromised integrity, honesty and objectivity of judgment.

This Policy is to be read in conjunction with the PPS Group FAIS Conflict of Interest Management Policy and PPS Group Fraud and Corruption Policy and Response Plan and the Personal Account Trading Policy (where these policies are applicable).

4. Key Principles

Employees have a duty to:

- 4.1. Always act in the best interests of PPS.
- 4.2. Report and disclose any conflict or potential conflict, rests on the employee including but not limited to the following scenarios:
 - 4.2.1. Disclose self-dealing – use of one's position in the company in such way as to procure goods or services from an entity in which the employee or family has a financial interest.
 - 4.2.2. Disclose the acceptance of benefits – accepting gifts, favours or other benefits from representatives and employees of any Financial Service Provider (FSP), or persons or firms that have, or intend to have business relationships with PPS.
 - 4.2.3. Abstain from using PPS property for private advantage.
 - 4.2.4. Abstain from using confidential information acquired during one's employment in such a way as to create a conflict between one's personal interests and the interests of PPS.
 - 4.2.5. Disclose the performance of work for any kind for suppliers, customers, stakeholders or competitors.
 - 4.2.6. Disclose his/ and/or his or her family having an economic or financial interest in activities of suppliers, customers, stakeholders or competitors.
- 4.3. Employees have the responsibility of ensuring that he/she will not allow his or her personal views or the views of others to influence adversely, the objectivity and sincerity of his or her judgment.
- 4.4. Employees understand that they are employed by PPS to do work which should occupy their normal working day. Employees are expected to promote the best interests of PPS and to represent PPS with integrity and honesty. Anything that interferes with these obligations is a breach of the employment contract.
- 4.5. Employees have the responsibility to seek guidance from Line Management and/or Human Resources to determine if a conflict exists and how to deal with it if employees find themselves in situations or potential situations of conflict of interest and are uncertain of what to do.

4.6. The Employee has the duty to formally declare a conflict by using the Declaration of Conflict of Interest Form which appears as Annexure "A" hereto if a conflict of interest or a potential conflict of interest is identified.

The Employee also has the duty to record in accordance with Annexure "A", where the employee has NO conflict of interest to report.

5. Gifts

5.1. There may be occasions where service providers and suppliers etc. may show their appreciation by offering gifts to employees. These gifts may take a variety of forms. Exchanging courtesies such as modest gifts, meals and entertainment is a common business practice meant to create goodwill and establish trust in the business relationship and is allowed.

5.2. All gifts, gratuity or hospitality received are subject to the following rules:

5.2.1. You may not receive from any person, directly or indirectly, any gifts including but not limited to gratuities, discounts, payments, commission, free services, loans, entertainment or any other "Financial Interest" referred to in the PPS Group FAIS Conflict of Interest Management Policy, without the permission of your line manager.

5.2.2. All gifts must be declared in writing to your line manager irrespective of the value as soon as possible or within 48 hours of receiving the gift, as per Annexure "B" to this Policy, subject to the following:

- If the value of the gift exceeds, or looks like it exceeds, R500 it must be approved by your line manager before you accept the gift.
- Gifts in the form of cash are not permissible.
- Meals and entertainment that are modest, take place in appropriate business settings, and are consistent with sound business ethics need not be declared.
- Any gifts in excess of R500 in value must be entered the gifts register held by the Human Resources department for staff and by the Group Company Secretary for executives.

5.2.3. In respect of gifts received/offered by a FSP, the procedures prescribed in the PPS Group FAIS Conflict of Interest Management Policy must be followed.

5.2.4. An employee must avoid placing him or herself under an obligation to any person (such as suppliers and/or contractor/s) by the acceptance of such gifts and hospitality and by doing so prejudicing the impartial nature of his/her relationship.

5.3. If you suspect anyone of giving or accepting inappropriate gifts, please report it to the Human Resources department.

6. Types of Conflict of Interest

6.1. Conflict of interest may arise in different forms and situations. It can be an ownership interest and/ or an interest that is financial or non-financial, professional or family-related, direct and indirect.

6.2. A direct conflict of interest means where an employee or associate is in a position to be influenced by his or her private interests when doing his or her job.

6.3. A perceived conflict of interest means where an employee or intermediary is in a position to appear to be influenced by their interests when doing his or her job.

6.4. A potential conflict of interest means where an employee or intermediary is in a position where he or she may be influenced in the future by their private interests when doing his or her job. It includes instances that impact negatively on the availability and use of resources such as time or facilities intended for work purposes.

6.5. Conflict of interest is not only limited to direct financial interests. It extends to accepting business courtesies and having private business interest in entities that might do business with PPS.

6.6. A conflict of interest may arise from the following list of examples and must be declared; although not limited to this list:

a. Interests in businesses or professional practices (e.g. having an interest in a sector or geographic location that PPS is involved in or planning to be involved in);
b. Family relationships (any relatives that may influence an employee's objectivity when it comes to carrying out his or her duties within PPS. Family relationships can be related through birth, marriage, domestic partnership, adoption or guardianship).
c. Associates;
d. Significant share ownership in businesses that do business with PPS;
e. Use PPS equipment, resources or means to support an external business
f. Personal associations with other groups or organizations (i.e. having affiliations with organizations that receive funding or assistance from PPS, accepting business courtesies from persons or businesses that have dealings with PPS);
g. Directorships or other employment (e.g. having private work, professional, political, academic or other interests that may potentially conflict with PPS' business);
h. Personal associations or relationships with other organizations;

i. Acquire any commercial interest or participate in any activity outside of PPS which would create or appear to create:
j. an excessive demand upon your work time, attention and energy which would deprive PPS of your best efforts on the job; or
k. an obligation, interest or distraction which would interfere or appear to interfere with you exercising independent judgement in the best interest of PPS;
l. Taking up any simultaneous employment with a third party without the prior written approval of your line manager, in consultation with the Human Resources department.
m. Seek or accept in your personal capacity financial payments, payments for goods and/ or services, loans, shares or any preferential treatment from actual or potential suppliers, associates and contractors of PPS;
n. Accept or place business, or conclude contracts or arrangements on behalf of PPS for any personal financial gain or improper motive;
o. Engage in activities that will bring direct or indirect profit to a competitor of PPS;
p. Acting in ways that may compromise PPS' legality (e.g. taking bribes or bribing representatives of legal authorities)
q. Have a financial interest in any transactions to which PPS is a party, if such interest might in any way influence the performance of your duties for PPS;
r. Use or disclose any information obtained from PPS by virtue of your role and duties within PPS for personal gain or any other reason other than that authorised for the PPS business affairs;
s. Secure, source or promote any commercial activities for an external company, supplier or contractor where you and your associates will benefit directly, indirectly or in any other way which may be deemed unethical;
t. Undue influence or attempt to influence any person with the intention of obtaining any appointment, privilege, advantage or gain for a family member in a manner that undermines the objectives of internal policies;
u. Use contacts made and/ or information obtained from PPS' suppliers, contractors and associates in the advancement of private commercial interests; and
v. Use connections obtained through PPS for own private purposes;
w. Use your position within PPS to your personal advantage;
x. Act in any other manner that could be viewed or interpreted as a conflict of interest.

6.7. This policy cannot describe all conflicts of interest, and its application may be uncertain at times. Accordingly, employees will need to use their judgment to make sure that they avoid any impropriety. Advice on the application of this policy to any potential conflict of interest must be sought from the Group HR Executive or the Chief Executive Officer ("CEO"), as it relates to Executives. All employees

are required to disclose information of potential or actual conflict of interest as soon as possible to Human Resources.

6.8. Conduct required of employees regarding conflicts of interest:

6.8.1. Employees should be sensitive to situations that could raise questions of potential or actual conflicts between an employee's personal interests and the company's interests.

6.8.2. Employees should consider themselves as persons in positions of trust, and each employee should conduct himself or herself accordingly. Employees must be aware of situations where a conflict of interest exists between the private interests of a person and the official responsibilities of a person.

6.8.3. An employee must make known any potential or actual conflict of interest or any affiliation he or she might have with an actual or potential supplier of goods and services, recipient of funds or any other circumstances that might involve competing or conflicting objectives between their personal interests and the interests of the company.

6.8.4. Every employee will recuse him or herself from any discussion and/or abstain from voting or otherwise participating in the decision on any issue in which such employee has a conflict of interest. Recusal means to avoid discussing the merits of the transaction with colleagues, formally or informally and the employee must excuse himself or herself from any such meetings while the transaction is considered. The CEO, the Chairman of the Board or Group Company Secretary may waive all or part of these recusal requirements if the Chairman of the Board or Group Company Secretary believes that the employee's participation will enhance PPS's deliberations without actual or apparent impropriety. The relevant agendas will segregate matters that require recusal, and the meeting minutes will describe the potential conflicts of interest and document compliance with these procedures.

7. Private Work or Other Employment

7.1. Management may in its sole discretion consent to employees being involved in or having an interest outside PPS on condition that the following requirements are complied with and any such consent is given in writing:

7.1.1. Management is provided with details of the business or outside employment in writing and discusses the matter with Human Resources.

7.1.2. Matters relating to private business enterprise are conducted outside of office hours.

7.1.3. PPS assets and consumables are to be used for PPS business only.

7.1.4. PPS products/services are not compromised.

7.1.5. The private activities are not in conflict or competition with PPS.

7.1.6. Any outside business interest or employment does not in any way negatively affect performance of the employee in carrying out the work for which the person is employed by PPS.

7.2. If an employee believes that he/she may have a potential conflict of interest that he/she has not disclosed already, the employee should promptly advise the facts and circumstances to Human Resources. The Company Secretary, Group Compliance or subsidiary Company Compliance Officer/s, and CEO will be involved to the extent necessary.

8. Measures to Identify Conflicts of Interests

8.1. When faced with a situation that could give rise to a potential conflict of interest in carrying out your duties, ask yourself –

8.1.1. Are my interests and those of PPS aligned?

8.1.2. Am I acting independently, objectively and professionally?

8.1.3. Am I acting in the client's interests or largely in my own interest or the best interests of PPS or someone else's?

8.1.4. Would this relationship or situation create a personal gain for me, or be perceived by others to create an incentive for me, to benefit myself, my friends or my family, or an associated commercial enterprise at the expense of PPS?

8.1.5. Would this activity harm the reputation of PPS or my reputation if it showed up on the front page of a newspaper, magazine or on social media?

8.1.6. Would this activity harm my reputation, negatively impact my ability to do my job, or potentially harm PPS?

8.1.7. Would I be embarrassed if a colleague found out about the gift?

8.1.8. If you receive a gift, can you realistically offer a similar gift in return? If you cannot, this gift is not appropriate and should not be accepted. If you offer a gift, can the recipient realistically offer a similar gift in return? If he/she cannot, this gift is not appropriate and should not be offered.

8.2. If the answer to any of these questions is “yes”, the relationship or situation is likely to create a conflict of interest. You are not acting in the best interests of PPS and/or its policyholders if you have an actual or potential interest that can prevent you from acting fairly, independently and objectively.

9. Consequences of Non-Compliance

9.1. Failure to comply with this policy may result in transactions, tenders and procurement being unfair, biased and create the perception that such conduct is permissible within PPS. All employees, associates and contractors have a responsibility to live the values of PPS in order to avoid such perceptions from forming.

9.2. Non-compliance with this policy and the procedures described in it may be misconduct; employees, may be subjected to disciplinary that may lead to dismissal, being debarred and/or removed from a position. When in doubt, declare.

10. Publication of the PPS Gifts and Conflicts of Interests Policy

10.1. This policy will be published on the PPS intranet.

11. Accountabilities and Responsibilities

11.1. Line Managers are responsible for implementing and ensuring compliance with this Policy.

11.2. The Group Compliance department will conduct the monitoring of the recordkeeping of all identified and reported conflicts.

11.3. Training for employees, will be provided by the PPS Academy and where appropriate, the Company Secretary to ensure that they understand their responsibilities under this policy.

11.4. Employees are responsible for complying with this Policy.

11.5. The Human Resources Department is responsible for the enforcement of this Policy.

11.6. The PPS Executive Committee is responsible for the approval and implementation of this Policy.

12. Policy Administration

Target audience:

All employees, associates and of the PPS Group.

Approved and Issued by:

The PPS Executive Committee

Version:

Version 2.0

Valid from:

01 August 2020

Next update required:

July 2022.

ANNEXURE "A"

DECLARATION OF INTERESTS FORM

Date: _____

Name: _____

Position: _____

Please describe below any relationships, transactions, positions you hold (volunteer or otherwise), private employment or circumstances that you believe could contribute to a conflict of interest:

1. _____
2. _____
3. _____
4. _____
5. _____

___ **I have no conflict of interest to report.**

___ **I have the following conflict of interest to report** (please specify other nonprofit and for-profit boards you (and your spouse) sit on, any for-profit businesses for which you or an immediate family member are an officer or director, or a majority shareholder, and the name of your employer and any businesses you or a family member own:

1. _____
2. _____
3. _____

I hereby certify that the information set forth above is true and complete to the best of my knowledge.

Employee Signature: _____

Line Manager Signature _____

Date: _____

ANNEXURE "B"

DECLARATION OF GIFTS

Date: _____

Name: _____

Position: _____

I have / have not received a gift valued more than R500 from a supplier, associate, contractor or any other party with whom PPS has business dealings.

Description of gift received:

Employee Signature: _____

Approved by Line Manager _____ (Date)

Line Manager Signature _____