

OUR FAIS CONFLICT OF INTEREST MANAGEMENT POLICY

This policy deals with conflicts of interest between Old Mutual or its employees and our customers when giving advice and providing intermediary services to them. Employee means any permanent or temporary employee, director, officer, agent or independent contractor for Old Mutual. The aim of the policy is make sure that we avoid or control any conflict of interest situations that could negatively affect our customers.

2. IDENTIFYING, MANAGING AND DISCLOSING CONFLICTS OF INTEREST

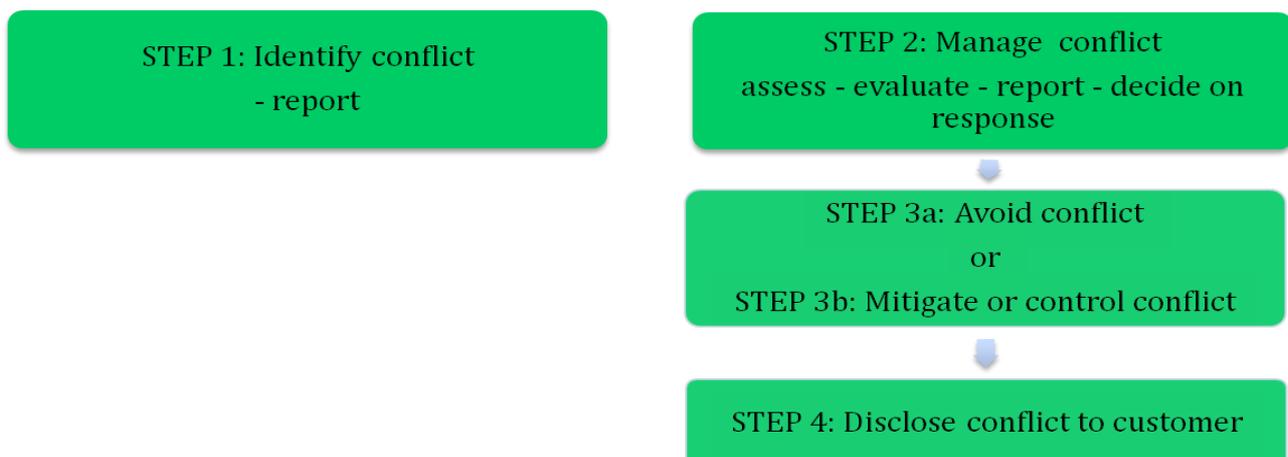
This section is for all employees of Old Mutual.

2.1 There is the potential for a conflict of interest in any activity, relationship or process you are involved in. All employees, especially managers, need to be aware of this potential.

Always try to avoid a conflict of interest

2.2 It is always best to avoid a conflict of interest situation. All employees, especially representatives, must avoid being in a position where there is a conflict of interest between your interests and the customer's.

2.3 The diagram below shows how Old Mutual deals with conflicts of interest:



Step 1: Identify and report the conflict

2.4 Identify if you are serving the customer's interests

Before you provide financial services to any customer and during your relationship, you need to ask:

- Are my interests and those of the company aligned with the customer's needs?
- Am I acting independently, objectively and professionally towards the customer?

- Am I acting in the customer's interests or mainly in my own interest or the company's or someone else's?

You are not acting in the customer's interests if you have an actual or potential interest that can prevent you from acting fairly, independently and objectively.

2.5 If you suspect a conflict of interest, you must report it

When you identify a conflict of interest, even if you are not sure if it is a conflict, you have a duty to report it first to the Business Unit Compliance Officer, who will record it in the Conflict of Interest Register.

- If there is no Business Unit Compliance Officer, you must report it to the Business Unit Risk Officer.
- If there is no Risk Officer, you must report it to the Group Compliance Officer.

Step 2: Manage the conflict

2.6 The next step is for **Business Unit Management** and the **Compliance Officer** or **Risk Officer** to manage the conflict of interest by doing an evaluation and deciding on what steps to take.

2.7 The evaluation must include:

- a) if it is possible to avoid the conflict by ending it. If it is possible to end, what action has been taken to do so; or
- b) reasons why the conflict cannot be avoided, and
- c) what can and has been done to control the conflict. (These are called mitigating measures), and
- d) how the mitigating measures will lessen the effects of the conflict on the customer, and
- e) what to tell customers about the conflict. (This is called disclosure), and
- f) when and how the customer will receive these disclosures.

Step 3a: Avoid the conflict

2.8 This step follows on the evaluation. If the evaluation found that it was feasible for the conflict to be avoided by ending the situation, this should be done at this point.

Step 3b: Mitigate or control the conflict

2.9 If it is not feasible to avoid a conflict of interest, it must be managed. Business Unit Managers working with Compliance Officers must develop:

- control measures to reduce any negative effect on the customer, and
- an appropriate system to inform customers about the conflict, its possible negative effects and what Old Mutual has done to reduce the possible effects.

Rules about giving and receiving financial benefits

- 2.10 Old Mutual sets limits regarding giving and receiving financial benefits from third parties, including product suppliers, financial services providers and any **associated companies**. These rules are contained in the Immaterial Financial Interest Rules. The reason for these limits is to prevent you from influencing or being influenced in a business transaction by gifts or other benefits.
- 2.11 The rules apply to any Old Mutual employee in connection with a product supplier, a financial services provider and any of their **associated companies**. If you are not sure if you may receive or give a gift or other benefit, ask your Business Unit Compliance Officer.
- 2.12 The rules state that you may not give or receive a gift or any other benefit from a product supplier, a financial services provider and any of their **associated companies**. You may, however, receive or spend up to R100 a time on incidental benefits incurred during normal business interactions. The yearly limit is R1000.
- 2.13 Employees can find more detail in the Immaterial Financial Interest Rules, a copy of which can be obtained from **your Business Unit Compliance Officer or Business Unit risk Officer**.

Step 3b: Mitigate or control the conflict (continued)

Examples of financial interests or benefits

A financial interest or benefit is any advantage you receive as a result of your dealings, such as:

money	services
vouchers	discounts
more business	accommodation
gifts	entertainment
shares	
travel	sponsorships

An interest may also not be financial, but still benefits you, the company or another person.

Examples of ways to control conflict of interest situations

By putting the following measures in place, you can control the negative effects of conflict of interest:

- Keep a record of how you reached a decision on what product to recommend.
- Keep a record of why and how you made recommendations to customers about products.
- Allocate another Old Mutual representative to service a particular customer if you are personally conflicted.
- Increase and improve the information you disclose to customers.
- Make sure that there are checks and balances that encourage objective judgment.
- Have an anonymous whistle-blowing facility for employees.

Step 4: Disclose the conflict

2.14 The last step is to disclose to the customer in writing:

- what we have done to manage or mitigate the conflict
- details about any relationship with a third party that has caused the conflict of interest
- details about any 'ownership interest' or 'financial interest' Old Mutual or an employee may have that would benefit the employee or company.

2.15 Our disclosures to customers must be meaningful for the customer, prominent and specific to each situation.

These are examples of conflicts that we should generally disclose to our customers:

- if you or an associated person have an interest in the financial product that you are giving advice about
- if you or an associated person are related to the product supplier that you are giving advice about
- if your remuneration is affected by product sales
- who owns the financial services provider and product supplier
- if there is a third party relationship between the financial services provider that is giving the advice about the product and the product supplier.