



FAIS POLICY
MR PRICE GROUP (“FSP”)

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1. PURPOSE

This policy is intended to provide guidelines to key individuals and representatives regarding the Financial Advisory and Intermediary Services Act ('FAIS') legislation, as well as their obligations they are required to fulfil. It is not meant to replace the need to understand and have knowledge of such legislation. Where specific sections are referred to, registered employees must refer to same.

This policy is applicable to the Mr Price Money as a division of Mr Price Group Ltd, a registered Financial Services Provider and Credit provider.

The procedures contained in this policy may be subject to review by internal audit as required.

2. CELL CAPTIVE

A Cell Captive is a ring-fenced special purpose vehicle housing insurance risk. There are two types of cell captives. First party cell captives house the cell owner's operational risks. A third-party cell captive houses insurance products covering the risk faced by the cell owner's customers.

Our cell captive is a third-party arrangement where all Mr Price Insurance Products are underwritten by Guardrisk Life, Guardrisk Life earns a commission and binder fees based on the functions they perform for Mr Price Insurance, some of these functions include:

- managing our Cells,
- providing repudiation support,
- performance reviews on our Insurance Business,
- assisting with changes on Policy documents and
- approving any changes we make on scripts /policies and premiums.

Mr Price Insurance also shares in the profits of the cell through the distribution of dividends.

3. TREATING CUSTOMERS FAIRLY

Treating Customers Fairly ('TCF') is an outcome based regulatory and supervisory approach designed to ensure that specific fairness outcomes for consumers of financial services are delivered by financial institutions. Companies are expected to demonstrate through management behaviours and monitoring that they deliver the six outcomes to customers throughout the financial product lifecycle. Mr Price Group Limited, as an authorised financial services provider, places a strong focus on customer satisfaction and experience. Our mission is to be recognised and regarded as a provider who embraces the principles of Treating Customers Fairly (TCF) policy as an integral part of the Groups objective. The Board is committed to the initiative of TCF and will ensure that the TCF principles are applied in all areas of our business. Outcomes are referred to in sections below to demonstrate which outcomes have been considered in this policy.

The Board is committed to the initiative of TCF and will ensure that the TCF principles are applied in all areas of our business. There is a separate TCF policy and statement which staff must read, understand, and adhere to.

(TCF: Outcome 1)

GENERAL REQUIREMENTS

4. CHANGES IN BUSINESS INFORMATION

The Financial Sector Conduct Authority (“FSCA”) requires notification within 15 days of certain changes in business information. Information of this nature includes any changes in the business of the Financial Service Provider (‘FSP’), directors, officers, shareholders, key individuals, auditors, nominee companies and also any changes to the shareholders, directors, or trustees of such nominee companies.

It is the responsibility of the key individuals of the business to ensure that the External Compliance Officer is made aware of any changes to the FAIS licence within 15 days, preferably as soon as they become aware, in order to meet the reporting time requirement. The External Compliance Officer will advise the FSCA accordingly.

Notwithstanding the key individual’s responsibility mentioned above, the Compliance Officer will on a monthly basis obtain confirmation at the Operations meetings as to whether there have been changes or amendments in terms of the FAIS licence e.g. new FAIS representatives, new products or subclasses and will also serve as a further reminder to management to advise the Compliance Officer of any changes that may have occurred.

5. PRODUCTS FALLING WITHIN THE FSP LICENSE

There are various financial products that fall within the ambit of the FAIS Act [see Annexure A]. The FSP may only provide a financial service on the Class of Business and subclasses products authorised under its licence. You are required to ensure that any financial product in respect of which you intend to render a financial service qualifies as a financial product as defined in the Act. If you offer products from a product supplier, you should take reasonable steps to ensure the validity of those products, i.e. it falls under the Act and has been lawfully issued.

Any new product of a financial nature on which you wish to provide a financial service on must be checked by yourself to ensure that all products are financial products as defined by the Act. While considering a new product or financial service it is imperative that the framework developed by the FSCA, namely TCF is taken into consideration. The outcomes of TCF must be considered during the development of a new product to ensure that the business is able to meet these outcomes. A TCF Policy is available for review. In addition, the new product will be discussed at operational committee level and the ‘Approval Process Document’ completed and appropriately signed [see Annexure B].

After such investigation, if it appears that this product does not fall within the ambit of the Act, you must advise your customer that the Act does not apply to the particular financial service rendered and that none of the protections provided by the Act are available to the customer in respect of the non-qualifying product.

(TCF: Outcome 1 and 2)

6. FINANCIAL SERVICES RENDERED WITHIN THE LIMITATIONS OF THE LICENCE

It is your responsibility to ensure that you are aware of the category, class of business and subclasses products under which you are registered and not engage in any financial service for which you have no authority to render such service.

You can obtain information on the categories and subclasses -categories for which you are registered, from the following sources:

- FSCA website, under the ‘FAIS’ tab
- Compliance Officer
- Representative certificate

Any intended changes must be conveyed to the Compliance Officer to ensure that the relevant categories, class of business and subclasses and products are applied for and that the representative meets the fit and proper requirements.

On a quarterly basis, the FAIS representative competence register ('the register') will be sent to all key individuals, Heads of Departments and/or Managers to be reviewed. The register will be updated by compliance and where appropriate discussed at operations meetings.

7. KEY INDIVIDUALS

A key individual means any natural person responsible for managing or overseeing the activities of the business relating to the rendering of any financial service. Depending on your function within the business you can be registered as a key individual if you only perform a management and oversight function, but if you perform this function in addition to having your own customers and providing advice you will wear two regulatory hats, in that you will also be registered as a representative. A person may not assume the role of a key individual (either in a new capacity or replacing an existing role) unless that person has made an application to the FSCA which has been approved. A key individual may also not act under supervision to perform this function but may act under supervision in order to complete the competency requirements regarding a particular product.

8. FIT AND PROPER

The FSCA will classify FSP's into different categories and may stipulate the fit and proper requirements for each category, FSP, key individuals, representatives, and Compliance Officers. The FSCA may also amend these requirements from time to time.

Fit and proper requirements may include, but are not limited to:

1. Personal character qualities of honesty, and integrity and good standing

1.1. KI's and representatives will be required to complete a questionnaire on annual basis that will serve as evidence of KI's and representatives being honest, having integrity and be of good standing.

2. Competence

All key individuals and representatives must comply with the Fit and Proper requirement of competency, which involves obtaining the minimum experience, qualifications, completing the regulatory exams, class of business and product specific training and undergo continuous professional development. The three-year cycle of continuous professional development required hours will vary between 6 and 18 hours per CPD cycle, which is one year from 1 June to the 31 May. and commence on completion of the regulatory exams. Outcomes of all activities must be recorded with the Registrar in the manner determined by the Registrar.

Any prospective employee who will render a financial service must provide the FSP with confirmation of experience and qualifications in order to establish compliance with the legislation. If you do not meet the requirements, you are able to perform your functions under supervision. Supervision may be direct or indirect depending on the requirements. A key individual may not work under supervision to gain experience of managing and overseeing an FSP but may work under supervision in order to obtain the necessary product experience if the role includes that of a representative.

The supervisor will oversee the conduct and perform appraisals and progress assessment to assist the supervisee to

acquire the skill to render the financial service. Reviews of the financial services rendered will also be undertaken by the supervisor.

2.1. Competence includes:

- Experience
 - An FSP and representative must have adequate and appropriate experience to render financial services.
 - A KI must have adequate and appropriate experience to manage and oversee the rendering of financial services.
- Qualifications
 - A KI and representative must have a qualification recognized by the Registrar;
- Regulatory exams
 - A KI and representative must have passed the applicable regulatory exam before authorisation, approval, or appointment;
- Class of business training which must take place prior to representatives engaging with customers;
- Product specific training which must take place prior to representatives engaging with customers;
- knowledge tested through examinations determined by the Registrar.

2.2. A competence register must be maintained to record the successful completion of the competency requirements inclusive of qualifications, RE, training and CPD. The register must be updated with training information within 15 days of any training occurring. Compliance will circulate this register on a quarterly basis to ensure that representatives are evaluated for competence.

3. Operational ability.

3.1. The FSP, KI and representatives must have the operational ability to manage and oversee the rendering of financial services for the financial products subclasses for which they are authorised.

4. Financial soundness;

4.1. Mr Price Money as an accountable institution and financial services provider is obligated by the FSCA to complying with the FAIS financial soundness requirements.

5. Continuous professional development ('CPD") and training.

5.1. Training plans must be in place for CPD, and this is identified at the beginning of the year and any unplanned CPD training will be recorded;

5.2. KI's and representatives must submit their CPD activities to the FSP within 15 days of the end of the CPD cycle.

5.3. CPD activities must be recorded in the competence register within 30 days of the end of the CPD cycle.

5.4. The CPD cycle is from the 1 June to the 31 May.

5.5. CPD points will only be recognized where the supplier is an approved or accredited provider.

Certain requirements do not apply to Category I representatives that are appointed only to perform **execution of sales** or specific financial services for the split Tiers. These are to be discussed with the Compliance Officer prior to appointment of the representative. Category I representatives appointed on Mr Price Money Mr Price Money's license and are exempt as per Annexure C.

KI's and HoD's must confirm with Compliance that the person meets the F&P requirements prior to employment.

9. COMPETENCY OF KEY INDIVIDUALS AND REPRESENTATIVES

All key individuals and representatives must comply with the Fit and Proper requirement of competency, which involves obtaining the minimum experience, qualifications, completing the regulatory exams and undergoing continuous professional development. The three-year cycle of continuous professional development will vary between 15 and 60 hours and commence regulatory exam completion. Outcomes of all activities must be recorded with the Registrar in the manner determined by the Registrar.

Any prospective employee who will render a financial service must provide the FSP with confirmation of experience and qualifications in order to establish compliance with the legislation. If you do not meet the requirements, you are able to perform your functions under supervision. Supervision may be direct or indirect depending on the requirements. A key individual may not work under supervision to gain experience on managing and overseeing an FSP but may work under supervision in order to obtain the necessary product experience if the role includes that of a representative.

The supervisor will oversee the conduct and perform appraisals and progress assessment in order to assist the supervisee to acquire the skill to render the financial service. Reviews of the financial services rendered will also be undertaken by the supervisor.

10. CHANGES IN PERSONAL CIRCUMSTANCES OF KEY INDIVIDUALS AND REPRESENTATIVES

The FSCA requires both key individuals and representatives to be fit and proper in respect of personal character qualities of honesty, integrity, and good standing. Should any change occur in your personal circumstances which affects your fit and proper requirement you are obliged on your own initiative to advise the FSP. Appropriate action may be taken if it is found that you are unable to fulfill the role of either key individual or representative due to the change in personal circumstances. The Compliance Officer will attend to the removal of such key individual or representative from the FAIS register.

You will be required to sign an annual declaration confirming that there have been no changes to your personal circumstances that would affect your fit and proper status. All employment contracts contain a clause that states that if you fail to meet the fit and proper requirements, appropriate action may be taken against you.

11. LICENCE REQUIREMENTS

The key individual must ensure that a certified copy of the license is prominently displayed, in a durable manner within every business premises of the FSP and that all business documentation, advertisements and other promotional material contain a reference to the fact that such a license is held. A license may not be used by any person for business purposes where the license has lapsed, been withdrawn, or suspended by the FSCA.

The license must be available immediately or within a reasonable time should a person request proof of the FSP's licensed status.

12. PROVIDING CUSTOMER CONFIRMATION OF STATUS

If you have been appointed as a representative by the FSP, you will receive a certificate/identity card confirming that you are authorised to act on behalf of that FSP and that it accepts responsibility for those activities performed within the scope of or within the course of implementing such contract of employment. In terms of the Act, you must present this certificate to a customer prior to offering them any financial services.

You may not perform any act or publish any statement in an advertisement, brochure or similar communication relating to a financial service of the FSP that is misleading, false, deceptive, contrary to public interest or contains an incorrect statement of fact.

13. DEALING WITH FINANCIAL SERVICES RELATED BUSINESS

You may only conduct financial services related business with a person rendering financial services if that person has been issued with a license for the rendering of such financial services and the conditions and restrictions of that license authorizes the rendering of those financial services, or the person is a representative as defined in the Act.

You should therefore request such confirmation from the person concerned or alternatively make use of the FSCA website to confirm that the entity and/or representative are registered and approved under the appropriate sub-categories. This confirmation must be maintained in a suitable form for Compliance to review.

(TCF: Outcome 1)

14. CODES OF CONDUCT

It is important that you familiarize yourself with the codes of conduct that are applicable to your business area. Various codes exist for different categories and are as follows:

- General Code of Conduct for Authorised Financial Service Providers and their Representatives;
- The General Code will apply to you in addition to any Specific Code that is applicable to your business. You will be required to sign an annual declaration confirming that you have read and understood the codes and undertake to comply with same.

15. DEBARMENT

If you no longer comply with the fit and proper requirements or have contravened the FAIS Act in a material manner, you will be prohibited by the FSP from rendering a financial service. Such authority to act will be withdrawn and you will be removed from the register. The FSP must immediately take steps to ensure that such a debarment does not prejudice any customers. The Compliance Officer will advise the Registrar within 15 days of the debarment occurring and reasons, therefore. The Registrar has the power to make known any debarment through notice in on the official website or any other appropriate public media.

16. ACTS OF NON-COMPLIANCE

If you become aware of cases of non-compliance with the Act or regulations you must, within a reasonable time, report this to the Compliance Officer who will record same and the reasons for such non-compliance in a register. These records must be kept for the 5 (five) year period.

17. COMPLAINTS

In the event you receive a complaint, you must advise the complainant to lodge such a complaint in writing and follow the complaints policy which outlines the process that must be followed to ensure fair and effective resolution of complaints. Compliance will record such complaints together with an indication of whether such complaint has been resolved. These must be kept for a period of five (5) years.

(TCF: Outcome 6)

18. MAINTENANCE OF RECORDS

All records of the following must be kept for 5 years after termination of the service or product.

- a. If your customer cancels an existing product prematurely, you must record this fact in the customer file or any other appropriate place;
- b. Any written and verbal communications with customers where advice is given, irrespective of whether the advice resulted in a transaction occurring, must be recorded. This can be in written or taped format. A record of this communication must be kept by you and must reflect the basis on which the advice was given, and in particular:
 - a brief summary of the information on which the advice was given;
 - the financial products considered and recommended;
 - an explanation as to why these products are likely to satisfy the customer's identified needs and objectives; and
 - If the product is a replacement product, a comparison between these products and why it is more suitable than the replaced product.
- c. You must ensure that any records that are stored electronically are easily accessible and readily reducible to written or printed form. Currently, electronic information is backed up throughout a working day to an on-site server and replicated to an off-site server daily in terms of the Disaster Recovery Plan. Various divisions have voice recording of telephone calls, which are also backed up.

If you store your records offsite, you must have entered into an agreement that governs the relationship and these documents must be recoverable within 7 days of request. You must be satisfied that the records are stored in accordance with acceptable standards and are safe from destruction.

19. CONFLICTS OF INTERESTS

You must disclose to your customer the existence of any personal interest you may have in a financial service, or of any circumstance which gives rise to an actual or potential conflict of interest in relation to such service. You must always act in the best interests of your customer and take all reasonable steps to ensure their fair treatment. As non-cash incentives and/or other indirect consideration received by you can be viewed as a potential conflict of interest, you must disclose this to your customers and Compliance. Any gifts you receive or give must be handled in terms of the gift policy which is contained in the Code of Ethics. In terms of legislation, all FSP's are required to maintain a 'Conflict of Interest Management Policy.' The annual declaration signed by you will confirm that you undertake to comply with the Code of Ethics and the Conflict-of-Interest Management Policy, as well as a bi-annual declaration confirming that you have not received from or offered any financial interest to another FSP or representative.

Furthermore, the Mr Price Money may not offer sign-on bonuses to any person as part of its recruitment strategies or as an incentive to become a representative or provider in terms of the FAIS Act. The Code of Conduct prohibits offering a sign-on bonus to any person other than to a new entrant (a person who has never been authorised as a financial services provider or appointed as a representative by any financial services provider).

(TCF: Outcome 6)

20. CONFIDENTIAL INFORMATION

You are required to maintain the confidentiality of all customer information unless the customer's consent is obtained, or a legal process requires it be disclosed. A statement to this effect is contained in the employment contracts of staff and in the various agreements that are signed by customers.

21. DISCLOSURES

You are responsible for ensuring that proper disclosure is given to your customers. This disclosure relates to information on the FSP, product and product supplier. You must provide customers with the disclosure letter and keep a signed copy in the file. The disclosure letter includes information on the FSP but is not product specific. The letter is version controlled and will be updated by Compliance when necessary.

As the disclosure letter is specific to the FSP, you are required to ensure that information on the products is disclosed to the customer. While information on products supplied by the FSP is contained in the agreement to be signed by the customer it is important that the customer receives this information prior to signing it in order to make an informed decision.

Where the product is marketed as an investment or having an investment component, you must ensure the customer is advised on the manner in which the value of the investment is determined (including underlying assets or other financial instruments). You must advise on fees/charges to be levied against the product which includes a breakdown of how the fees are levied and the recipient of same. You must make your customer aware of any rebate or platform fee arrangements you have in place.

You may not, in dealing with a customer, compare different financial products, product suppliers, providers or representatives, unless the differing characteristics of each are made clear, and you may not make inaccurate, unfair or unsubstantiated criticisms of any financial product, product supplier, provider or representative.

Where you have provided a customer with advice or are rendering an ongoing financial service to a customer in respect of one or more financial products, you must on a regular basis (but not less frequently than annually) provide the customer with a written statement identifying the products where they are still in existence, and providing brief current details of:

- any ongoing monetary obligations of the customer in respect of such products;
- the main benefits provided by the products;
- where any product was marketed or positioned as an investment or as having an investment component, the value of the investment and the amount of such value which is accessible to the customer; and
- any ongoing incentives, consideration, commission, fee or brokerage payable to the provider in respect of such products.

(TCF: Outcome 3)

22. ADVICE

Advice is defined as any '*recommendation, guidance or proposal of a financial nature*' furnished:

- in respect of the purchase of or investment in a financial product;
- on the conclusion of any other transaction aimed at incurring any liability or the acquiring of any right or benefit in respect of a financial product; or
- on the variation of any term or condition applying to a financial product, on the replacement of any product or on the termination of any purchase of or investment in any such product.

Advice does *not* include factual advice given:

- on the procedure for entering into a transaction in respect of a financial product;

- in relation to the description of a financial product;
- answering routine administrative queries;
- in the form of objective information about a particular financial product; or
- by the display or distribution of promotional material.

Mr Price Money does not provide advice.

23. RECORD OF ADVICE

If you provide any advice, a record of such advice must be maintained. Mr Price Money does not provide advice.

(TCF: Outcome 4)

24. INTERMEDIARY SERVICES

In the Act, a financial service includes advice and an intermediary service. These services are defined as follows:

“*Intermediary services*” is any act other than the furnishing of advice, performed by a person for or on behalf of a customer or product supplier—

- (a) the result of which is that a customer may enter into, offers to enter into or enters into any transaction in respect of a financial product with a product supplier; or
- (b) with a view to—
 - (i) buying, selling, or otherwise dealing in (whether on a XX or non-XX basis), managing, administering, keeping in safe custody, maintaining, or servicing a financial product purchased by a customer from a product supplier or in which the customer has invested;
 - (ii) collecting or accounting for premiums or other moneys payable by the customer to a product supplier in respect of a financial product; or
 - (iii) receiving, submitting, or processing the claims of a customer against a product supplier.

25. REPLACEMENT PRODUCTS

If the customer replaces a financial product with another, you must advise the customer on the effects of such replacement, i.e. the actual and potential financial implications, costs and consequences of such replacement and a comparison of the terms and conditions of the products. If you provided the products on which you are now advising replacement, you must advise your customer of any incentive, remuneration, consideration, commission, fee or brokerage received by the FSP. Please ensure you are familiar with section 8(1)(d) of the General Code of Conduct when you are advising on replacement products.

(TCF: Outcome 6)

26. ADVERTISING

If you are involved in advertising your product, you must ensure it complies with the provisions in section 14 of the code of conduct and must be approved by Compliance before it is made available to the public.

Any statement in an advertisement, brochure or similar communication relating to the financial service of the FSP, must not be misleading, false, deceptive, contrary to public interest or contain an incorrect statement of fact. If it contains performance data, include references to the source and date. Any illustrations, forecasts or hypothetical data must be supported by assumptions, and it must be clear that they are not guaranteed and are provided for illustrative purposes only. If performance is dependent on underlying assets, there must be clear indications of this fact.

Any warning statements on risk must be clearly and prominently displayed. Information about past performance must contain a warning that past performance is not necessarily indicative of future performance. If the investment value of a financial product mentioned is not guaranteed, a warning must be contained that no guarantees are provided.

(TCF: Outcome 5)

27. WAIVER OF RIGHTS

You may not request or induce a customer to waive any right or benefit conferred on the customer by or in terms of any provision of the code of conduct. You cannot recognize, accept or act on any such waiver by the customer, it is null and void. A statement to this effect is in the disclosure letter received by the customer.

(TCF: Outcome 1)

28. TERMINATION OF AGREEMENT OR BUSINESS

You must always act in the best interests of your customer and any request to terminate any agreement with the FSP must be affected immediately. If you have advised the termination, you must take reasonable steps to ensure that the customer fully understands all the implications of the termination.

In the event that the business is no longer able to service the customer for an extended period of time, a customer will be guided where to transfer their business to.

(TCF: Outcome 3 and 6)

29. SOLVENCY

All financial service providers of any category are required to meet certain solvency requirements that become effective in December 2010.

30. INSURANCE

Adequate guarantees or professional indemnity insurance must be in place by the FSP to cover the risks of losses due to fraud, dishonesty, or negligence. Currently the legislated amount for a Category I FSP is R 5 million (Board Notice 37 of 2009).

31. PROHIBITIONS

The code of conduct for FSP's contains certain prohibitions. Unless you have prior written customer consent: Any contraventions of the above prohibitions must be conveyed to Compliance.

32. AGREEMENT

You must obtain a signed agreement before rendering any intermediary service. The agreement must contain certain information, and this is contained in section 5 of the FAIS Act General Code of Conduct.

33. REPORTING

Customers must receive statements unless the customer has access via another medium and such consent is obtained in writing. The statements must contain enough information to enable them to produce a set of financials, determine the composition and market value of financial products comprising the investment and any changes therein over the reported period.

34. OFFENCES AND PENALTIES

- It is an offence to provide or offer to provide financial services without being duly authorised by the FSCA;
- You may only conduct financial services related business with a person who has been issued a license for the rendering of such financial services and the conditions and restrictions of that license authorize the rendering of those financial service, or is a duly authorized representative as contemplated in the Act;
- It is an offence to fail to display a certified copy of your license in a prominent and durable manner within every business premises of the FSP;
- It is an offence to fail to ensure a reference to the fact that a license is held is contained in all business documentation, advertisements, and other promotional material;
- You must ensure that the license is at all times immediately or within a reasonable time available for production to any person requesting proof of licensed status under authority of a law or for the purpose of entering into a business relationship with the licensee.
- You must at all times be satisfied that every director who is not a key individual in the FSP's business, complies with the requirements in respect of personal character qualities of honesty and integrity and the Registrar must be informed of any appointment of a new director within 15 days of the appointment of same;
- You may not act in a representative capacity by rendering financial services to customers for or on behalf of any person who is not authorised as a FSP or is exempt from complying with the Act;
- You may not act as a representative unless you are able to provide confirmation, certified by the FSP that a service contract or other agreement to represent the FSP exists and that the FSP accepts responsibility for the activities of the representative performed within the scope of, or in the course of implementing, any such contract or agreement;
- It is an offence to seek reappointment after you have been debarred unless you have followed certain requirements. Please consult with Compliance should you require further information;
- It is an offence if representatives and key individuals are not competent to act and do not comply with the requirements of honesty, integrity, competence and operational ability;
- It is an offence if the FSP does not take such steps as may be reasonable in the circumstances to ensure that representatives comply with any applicable code of conduct as well as with other applicable laws on conduct of business;
- It is an offence to permit any representative that no longer complies with the requirements of honesty, integrity and competence or has contravened or failed to comply with a provision of this Act in a material manner from continuing to act in that capacity. The FSP is obliged to withdraw any authority to act on behalf of the FSP and such name(s) are required to be removed from the register;
- It is an offence for a Compliance Officer to fail to submit reports to the Registrar in the manner and regarding the matters as determined by the Registrar;
- It is an offence to not maintain records as detailed in section 15 of this Policy;
- It is an offence to fail to submit audited AFS within 4 months of financial year end;
- It is an offence if the auditor fails to report and inform the Registrar in writing of any irregularity or suspected irregularity in the conduct of the affairs of the FSP of which the auditor became aware in performing their functions, and which in their opinion, is material;
- It is an offence to continue to perform an act that has been declared an 'undesirable practice' by the Registrar;
- It is an offence for the FSP to fail to rectify any undesirable practice within 60 days of being advised to do so by the Registrar;
- It is an offence to deliberately make a misleading, false or deceptive statement, or conceal any material fact in any

application in terms of this Act;

- It is an offence to give information to an appointed auditor or Compliance Officer that is false, misleading or conceals any material fact;
- It is an offence to declare, pretend, maintain, or profess to be a representative appointed or agreement by an authorised financial service provider if you have not been so appointed or agreement.

On conviction you are liable to a fine not exceeding **R10 million** or to **imprisonment for a period not exceeding 10 years** or to **both** such fine and such imprisonment.

37. ANNEXURE A

Financial Products defined in terms of the FAIS Act applicable to Mr Price Money

Category Description	Advice Automated	Advice Non-automated	Intermediary Scripted	Intermediary Other
CATEGORY I				
Long-Term Insurance subcategory A				X
Short-Term Insurance Personal Lines				X
Long-Term Insurance subcategory B1				X
Long-term Insurance subcategory B1-A				X
Short-term Insurance Personal Lines A1				X

38. ANNEXURE B

NEW PRODUCT/SERVICE/BUSINESS CHECKLIST

Manager	
Area owing product/service/business	
Product/Service/Business name/brand	
Business motivation	
Target Market	
Product/Service/Business description	
Project Plan and Feasibility Assessment	
Business specific Risks (identified, considered, and reviewed) s39(6)(a)(viii)(A)	
Management/mitigation of abovementioned risks s39(6)(a)(viii)(B)	
Complexity of new product/activity – assumptions regarding business models, valuation, risk management practices s39(6)(a)(v)	
Treating Customers Fairly (TCF) outcomes	
Insurance requirements	
Tax/VAT complexities or advice required	
Accounting complexities or advice required	
Legal Advisors/Tax	
Due Diligence requirements (to be sufficiently robust and independent) s39(5)(d)	
OPERATIONS	
Outsourced Administration/Service providers	
Oversight of the outsourced function S39(5)(d)(xvii)	
Internal Administration	
SYSTEMS	
Infrastructure	
Applications	
Disaster recovery	
FINANCIAL ACCOUNTING	
FICA	
FAIS	
TCF	
SARB	

Other regulatory issues	
Legal	
Supporting legal opinion	
Performance of Compliance work	
SECRETARIAL	
Company Secretarial	
APPROVAL	
Sign-off: Admin/Finance	
Date	
Sign-off: Senior management/Execs	
Date	

39 FAIS REPRESENTATIVES

As a Category 1 and Tier 2 FSP, Mr Price Money representatives are exempt from certain FAIS qualifications and the necessary regulatory examinations, as we perform execution of sales. This is in line with the products offered by Mr Price Group. Should Mr Price extend their suite of products and offer products which are fully underwritten and have more requirements than we will need to introduce FAIS qualifications and the necessary regulatory examinations.