SUPER GROUP DEALERSHIPS DIVISION
CONFLICT OF INTEREST MANAGEMENT POLICY

PURPOSE OF THIS MANAGEMENT POLICY

Our business comprises a network of franchised commercial and passenger vehicle dealerships that retail new and used vehicles and provide after sales support representing most of the major vehicle brands in South Africa.

Our success is based on building long term relationships with clients, staff and suppliers which issupported by the number of industry awards that we have received. Consequently, there has to exist a duty of loyalty and fidelity by management and staff who have the responsibility of administering our affairs honestly and prudently, and of exercising their best care, skill, and judgment for the sole benefit of clients.

Those persons must exercise the utmost good faith in all transactions involved in their duties, and they must not use their positions within the company or knowledge gained therefrom for their personal benefit.

The interests of our clients must be the first priority in all decisions and actions.

PERSONS CONCERNED

For the purpose of this document, the persons concerned are those involved in the selling of vehicles and the ancillary function of credit arrangement and insurance facilitation. The term employee includes directors, managers, and all permanent staff as well as contract staff who can influence the actions of others. For example, in addition to those of our staff that have direct dealings with clients and recommend products to them, this would include all who make purchasing decisions and anyone who has proprietary information concerning a client.

AREAS IN WHICH CONFLICTS MAY ARISE

Conflicts of interest may arise in the relations of employees with any of the following third parties and any other company with which our company and/or our employees have an association, by shareholding or any other interest including:

1. Persons and firms supplying goods and services to the company;
2. Persons and firms from whom the company leases property and equipment;
3. Competing companies;
4. Agencies, organisations and associations including insurers, underwriting managers, administrators and other brokers with whom our company transacts business;
5. Family members, friends, and other employees.

It is common for dealerships to provide monthly incentive schemes which drive the achievement of short-term performance targets in support of the dealership's growth plans and financial performance. The monthly paid cash incentives to our representatives are consequently based on the attainment of strategic, financial, and personal performance objectives.

To eliminate unintended behavioural consequences outlined above, we have introduced specific service level standards and controls which ensure that the quantity of business secured is not achieved without also giving due regard to the delivery of fair outcomes to customers.

We have appointed external compliance officers to carry out random monitoring of all Representatives to ensure that the advice and disclosures provided to our customers correlates with our culture of treating customers fairly. On a regular basis, our compliance officers provide reports to our directors which reports 'score' the quality of advice and the advice-giving procedures of each Representative. The score chart is based on every aspect of the advice-giving procedure, which is divided into many parts. Each part is scored as a percentage and the average percentage overall is then calculated. If the Representative scores less than a certain percentage, additional training is provided. Following the training, further performance reviews are undertaken and if the Representative still fails to obtain the desired score, disciplinary action will be taken which may include suspension or debarment.

NATURE OF CONFLICTING INTEREST

In regard to those employees that provide advice and or intermediary services to clients as defined in the FAIS Act, the definition of a conflict of interest includes:

"any situation in which our company or a representative of our company has an actual or potential interest that may, in rendering a financial service to a client, –

(a) influence the objective performance of his, her or our obligations to that client; or
(b) prevent our company or our representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client."

In respect of all employees, possible conflicts include but are not limited to the following, and should be approved by management, and when approved, should be disclosed to clients as necessary:

1. An employee owning shares or holding debt or other proprietary interests in any third party or associated company;
2. Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party or associated company;
3. An employee receiving gifts, remuneration or incentives from another person or company;
4. An employee using our company's time, personnel, equipment, supplies, or goodwill for purposes other than approved activities, programs, and purposes;
5. An employee receiving money, vouchers, or anything that can be converted to money from any person or company for 'selling' specific services or products whether in pursuance of the employee's occupation or otherwise;
6. An employee being invited to lunches/dinners/shows and other entertainment events;
7. An employee receiving or accepting special travel or holiday facilities at discounted prices or as an award for providing leads or business to another company;
8. An employee providing leads to businesses owned by family and friends, whether for reward or otherwise;
9. An employee distributing products and/or services provided by businesses owned by family and friends for reward or otherwise;
10. Any activity involving clients by which family and friends can financially benefit.

11. An employee receiving personal gifts or loans from any other companies or persons dealing or competing with our company.

In terms of the above, incentives and rewards include cash or cash equivalent, vouchers, gifts, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, training, sponsorship, other incentive or valuable consideration except for incentives and rewards which could not be refused without discourtesy. In the case of transactions defined in the Financial Advisory and Intermediary Services Act, even if approved by management, such incentives and rewards must not exceed R1000 in any one calendar year from any one person or company.

No personal gift of money is allowed under any circumstances.

Disciplinary action will be taken against any person that fails to comply with this requirement.

In respect of our company as provider, possible conflicts could arise from, inter alia:

1. Our own company owning shares or holding debt or other proprietary interests in any third party or associated company, including cell captives;
2. Our company earning or receiving more than the regulated commission from insurance or other similar companies unless arising from additional services provided to the client or the supplier for which we charge a fair value;
3. Methods of employee remuneration.

INTERPRETATION

The areas of conflicting interest listed above and the relations in those areas which may give rise to conflict are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that employees will recognise such areas and relation by analogy. It is this company's policy to identifyall possible areas of potential or actual conflict and list them in this document. For this reason it is every employee's responsibility to report possible unidentified conflicts to their immediate superiors for evaluation and where necessary, inclusion in the "conflict of interest summary".

The fact that one of the interests described above exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant facts and circumstances it is necessarily adverse to the interests of clients.

However, it is the policy of the company that the existence of any of the interests described above shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the employees to scrutinise their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Similarly it is the responsibility of all employees to identify and report on possible conflicts of interest that may emanate from the working relationship that this company has with any of its associates or other business partners, whether there is a financial interest or otherwise.

DISCLOSURE TO CLIENTS

We will disclose all conflicts of interest and potential conflicts of interest to our clients in at least one of the following ways:

1. By declaring them verbally at the point of sale;
2. By declaring them in writing as soon as practicably possible following a sale.

In selecting one or both of the above, we will take into account the type of conflict and the impact it might have on the client's decision to purchase or decline our products/services. All allowable incentives will be disclosed at the point of sale, as will the responsibilities of each and every company in the servicedelivery chain.

ASSOCIATE COMPANIES AND/OR RELATIONSHIPS IN RESPECT OF THE SERVICES WE PROVIDE IN TERMS OF THE FAIS ACT

Cell Captive within Guardrisk Insurance Company – 100% owned by our company. This company provides insurance products in respect of credit protection for our motor customers. The policy types include, but are not limited to credit life and ancillary covers, deposit protection, credit shortfall and extended warranty insurance.

General Risk Administrators (Pty) Ltd – 0% owned by our company. This company provides administration services to Guardrisk Insurance Company, the insurer with whom we place insurance products in respect of credit protection for our motor customers.

TRANSACTIONS WITH ASSOCIATED COMPANIES

Possible conflicts arising through the use of associated companies have been identified and eliminated as far as possible. General Risk Administrators (Pty) Ltd has been appointed as our primary administrator but the company has a financial interest in the underwriting results. For this reason we employ an independent arbitrator where necessary to settle any disputes.

CONFLICT OF INTEREST EMPLOYEE ACCEPTANCE

Every employee is requested to sign a statement of acceptance that if a supplier or outside third party, whether an associate of our company or otherwise, offers to provide any incentive of whatsoevernature to any of our employees or associate companies, it is to be reported to the employee's immediate superior as soon as possible.

The statement also requires employees to provide information with respect to businesses and/or parties with whom we deal and that are related to them, including

- a spouse, domestic partner, child, mother, father, brother or sister;
- any corporation or organisation of which the employee is a board member, an officer, a partner, participates in management or is employed by, or is, directly or indirectly, a debt holder or the beneficial owner of any class of equity securities in excess of 10%; and
- any trust or other estate in which an employee has a substantial beneficial interest or as to which an employee serves as a trustee or in a similar capacity.

This statement is deemed to be included in every employee's service contract.

TRAINING OF EMPLOYEES

As this policy links to and forms a part of every employees employment contract, we include training regarding this conflict of interest management policy in every orientation programme that we host in respect of new employees, as well as providing regular and continuous updates within our ongoing professional development programmes for existing employees.

ADOPTION BY BOARD OF DIRECTORS

This policy was adopted by the Board of Directors on

CONFLICT OF INTEREST SUMMARY

Possible conflicts of interest identified	Measures for avoiding the conflict	Mitigating the conflicts of interest	Measures for disclosure	Internal controls	Consequences of non-compliance
Employees receiving gifts, vouchers, holidays or any other ‘handout’ from suppliers or associated companies	All prohibited unless approved by management. In respect of FAIS Services, approved incentives cannot exceed R1000 in the annual aggregate from any one person or company	None necessary	None necessary	Included in employment statement and ongoing declaration of honesty and integrity by employee	Disciplinary action.
Employees being employed by another company	Must be approved by management and approval will only be granted if not competing with our company or a client	None necessary	None Necessary	Must obtain permission from line manager and recorded on personnel file	Disciplinary action.
Receiving remuneration for services other than from our company	Must be approved by management and approval will only be granted if not competing with our company or a client	None necessary	None Necessary	Must obtain permission from line manager and recorded on personnel file	Disciplinary action.
Being invited by a supplier/insurer to lunches/dinners/shows and other entertainment events;	Must be approved by management and dependent on value of event	None necessary	Disclosed to client during any discussion involving that supplier	Permission to be obtained from line manager	Disciplinary action.
Any activity involving clients by which family	Prohibited unless agreed to	Excluding the employee	Disclosed to client	Employees must provide	Disciplinary action

and friends of an employee can financially benefit.	by line manager (only in special circumstances)	from discussions with clients	during any discussion involving that supplier	ongoing disclosure as to which family members or friends could be involved and why	
Our company owns a cell captive with Guardrisk Insurance Company	Conflict cannot be avoided, but can be mitigated.	Appointment of Independent expert for dispute resolution	Included in written disclosure document	Procedure documented for dispute resolution	No conflict identified
Our company has agency contracts with only a few selected insurers	We make sure that the agencies we have are representative of the entire insurance industry	We do annual surveys of insurers to ensure that we have a full armoury of products and services on offer	We provide a copy of our list of selected insurers to all our clients at the point of sale	The line managers do 'spot checks' to ensure that this is provided.	Disciplinary action where appropriate