



CONFLICTS OF INTEREST POLICY

The Financial Advisory and Intermediary Services Act (FAIS) requires financial service providers and representatives to avoid, and where avoidance is not possible, to mitigate and disclose actual or perceived conflicts of interests to customers.

This notice serves to inform you of Aru's conflicts of interest management policy.

The advice process requires our representatives to inform you of all the products &/ product categories they are accredited for and which can be considered in respect of any identified financial need you may have. The features, benefits and costs of all these products need to be considered to enable you to make an informed decision.

In addition, you need to be informed whether a conflict of interest exists in respect of the financial product that you are purchasing – for example, whether it does or could potentially provide the representative with more commission or fees than another financial product the representative is accredited to market and sell, and which could satisfy your identified need.

Furthermore, where an existing financial product is replaced by another financial product, a conflict of interest may arise due to the fact that the representative may receive commission/fees in respect of the replacement product.

Please find a list of Aru's external product suppliers below.

1. Allan Gray
2. Discovery
3. Liberty
4. Old Mutual
5. Sanlam
6. Discovery Insure
7. Old Mutual Insure
8. Cartrack (Value Added Product)

Aru Representatives earn an agreed salary/commission. Our financial advice process is central to mitigating the risk which conflicts of interest potentially hold for customers. This is achieved through integrating the legislative requirements regarding the provision of financial advice into our advice process, so ensuring that our representatives make all the required disclosures, and take reasonable steps to seek from you appropriate and available information regarding your financial situation, financial product experience and objectives to provide you with appropriate advice. They will then, for purposes of providing advice, conduct an analysis based on the information obtained; identify the financial product or products that will be appropriate to your risk profile and financial needs; and, where a financial product is to replace an existing financial product, fully disclose to you the actual and potential financial implications, costs and consequences.

In addition, records of the advice as required by FAIS are kept and effective management controls overseeing the new business submission process are in place.

Aru allows employees to accept an immaterial interest. This refers to any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, training, sponsorship, other incentive or valuable consideration not considered to be 'immaterial'. Immaterial financial interest means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1,000 in any calendar year received by an FSP or its associate, or representative from the same third party in that calendar year. No matter how well-meaning or well-intentioned a gift, the potential exists for impropriety or the appearance of impropriety to be present because of the existence and acceptance of the gift. To avoid a conflict of interest, or the appearance thereof, Aru will examine the ethics of acceptance of any gift by our company, and its employees from vendors, suppliers, customers, potential employees, potential vendors or suppliers, or any other individual or organization, under any circumstances. Any immaterial interest must be examined by Aru before acceptance.

Disclosure Regarding Special Offers that run from time to time:

From time to time Aru will run special offers where prospective clients/current clients may receive a free Full Financial Needs Analysis and/or a free or discounted special offer in respect of a product/service/treatment from a company that is not in any way connected to Aru. The value of the special offer in terms of the product/service/treatment will be paid for by Aru or that company, and will not in any way impact the salary/commission earned by the representative and/or directly or indirectly lead to a higher commission. Thus the representative or provider will not be influenced by these considerations without due care to the client and his needs, and no deed to the detriment of the client will be committed.

Furthermore, Aru will ensure that special offers do not cause any financial interest to a representative for:

- ☐ giving preference to the quantity of business secured for the provider to the exclusion of quality of service rendered to clients.
- ☐ giving preference to a specific product supplier, where a representative may recommend more than one product.
- ☐ giving preference to a specific product of a product supplier, where a representative may recommend more than one product.

Aru will not deal in any financial product for own benefit, account or interest where the dealing is based upon advance knowledge of pending transactions for or with clients, or on any non-public information the disclosure of which would be expected to affect the prices of such product.

Aru's Conflicts of Interest Policy can be found on our website at www.arufsp.co.za