

### Liberty Agents wanting to sell Liberty Gap Cover

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Liberty Gap Cover and Dental Gap Cover are short-term insurance products and you will be selling these products as a representative of Zestlife under the supervision of Sebastian Zoutendyk unless you have the required experience and qualifications to sell these products.

You will operate under supervision for the first year or until you have the required qualifications. Please inform your clients that you are operating under supervision.

#### HOW TO SIGN UP

**1. Personal information (refer to page 3 and complete all sections, sign and date)**

**2. TCF and POPI (refer to page 4 answer all questions, sign and date)**

**3. Supervision agreement**

Complete all the information required:

- Your name and ID as Supervisee (refer to pg. 5)
- Sign as the Supervisee (refer to pg. 11)
- Annexure A - Provide date of First Appointment and sign as Supervisee (refer to pg. 12)
- Annexure B - Provide date of First Appointment and sign as Supervisee (refer to pg. 13)
  - List details of relevant qualification obtained (refer to pg. 13)

**4. Representative mandate**

Complete all the information required

- Your name and ID (pg. 14)
- Your Address (pg. 20)
- Sign as Representative (pg. 20)

**5. Compliance Declaration**

Read the Compliance Declaration and complete the following:

- Name and capacity (pg. 22)
- Sign the Declaration (pg. 24)

**6. Gap Cover and Dental Gap Cover Product Training Guides**

Study the Product Training Guides and complete the following:

- Name and date (pg. 35)
- Sign the acknowledgement (pg. 35)

**7. Representative Debarment Policy**

Read the Debarment Policy and complete the following:

- Name (pg. 40)
- Sign the Policy and insert Signature date (pg. 40)

**8. Please provide the following personal documents.**

- ID
- Cancelled cheque or copy of bank statement (not older than 3 months) as confirmation of bank account
- VAT certificate (if registered for VAT)
- Proof of qualifications
- Proof of date first appointment in a FSCA role as a representative with any FSP

**9. Submit all the above signed documentation and personal documents to [info@zestlife.co.za](mailto:info@zestlife.co.za).**

**10. Complete the online Liberty Gap Cover and Dental Gap Cover product test**

- Go to <https://www.flexiquiz.com/SC/N/15bc82a3-b957-4ff6-8635-0aeeceb5959>
- Register with your first name, surname and email address and complete the test.

***Applications can only be finalised and approved once all signed documentation and personal documents set out in points 1 to 8 above have been received and you have passed the online Liberty Gap product test as per point 10.***

## **WHAT ZESTLIFE DOES ONCE THE APPLICATION HAS BEEN SUBMITTED**

- Process the application and inform you of any additional or outstanding information.
- Finalise and approve the application.
- Once approved, Zestlife will send you the following documentation:
  - Copy of signed agreement
  - Certificate of representation
  - Copy of Zestlife's FSP license
  - Marketing material
  - Product application form
  - Record of advice form
  - Policy documents
  - Replacement policy template
  - Claim form and guide
- Pay commission monthly based on premiums received. Commission is paid by the 15<sup>th</sup> of the month following the calendar month in which the premium was collected. A commission statement will be e-mailed to you. Commission will only be paid while you are authorised to sell the product and meet the ongoing legislative requirements. Commission on the Universal option for clients older than 65 is 15% (incl. VAT) and 20% (incl. VAT) for all other Gap Cover options and Dental Gap Cover.
- Zestlife has an obligation to deduct 25% tax from commission paid to a broker's personal account, since the broker is classified as an Independent Contractor for tax purposes.
- The PAYE tax deducted will be reflected on your monthly commission remittance. Zestlife will pay the tax to SARS in the month in which it is deducted and will issue you with an IRP5 at the end of the tax year reflecting the tax already paid on your commission earnings.
- If you require the deduction of a different % of PAYE tax then the Income Tax Act makes provision for you to obtain a Tax Directive directly from SARS. This can be done on your e-filing profile. You will need to apply for an IRP3(b) directive. Our details needed for the application are: Zest Life Investments (Pty) Ltd, PAYE reference no. 7070771607
- You will need to provide us with a valid Tax Directive to enable us to deduct a different %of tax. Please note that a Tax Directive is only valid for the tax year for which it was applied. We are obliged to deduct 25% until such time as a valid Tax Directive is provided.

## PERSONAL INFORMATION

Residential Address:		
		Postal code
Work number:		Cell number:
Email		Income tax number (for IRP5 purposes)
Registered for VAT	Yes/No	VAT number
Agency/Franchise	Yes/No	
Branch name or Brokerage name		
Bank details for payment of commission:		
Account holder		
Bank		
Branch code		
Account number		
Account type		

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Signature

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Date

## TCF and POPI

<b>Treating Customers Fairly (TCF)</b>		
Are you, as a business, aware of your responsibilities in terms of TCF?	<b>YES</b>	<b>NO</b>
Are your clients made aware of their rights in regards to TCF?	<b>YES</b>	<b>NO</b>
Do you analyse and assess complaints received in terms of TCF?	<b>YES</b>	<b>NO</b>
Do you have a complaints policy and reporting framework?	<b>YES</b>	<b>NO</b>
Do you have processes in place to monitor TCF risk indicators?	<b>YES</b>	<b>NO</b>
Do you have processes in place to monitor quality of advice given?	<b>YES</b>	<b>NO</b>
Do you have a robust complaints management process?	<b>YES</b>	<b>NO</b>
Are you able to provide management information on customer experience?	<b>YES</b>	<b>NO</b>
Do you have a conflict of interest policy and processes to manage this?	<b>YES</b>	<b>NO</b>
Do you have processes in place where unauthorised advice has been given?	<b>YES</b>	<b>NO</b>
Who, in your business, is responsible for TCF?		

<b>Protection of Personal Information (POPI)</b>		
Are you, as a business, POPI compliant?	<b>YES</b>	<b>NO</b>
Do you have procedures in place to ensure the safekeeping of information?	<b>YES</b>	<b>NO</b>
Do you advise clients if their information is being used for any other purpose?	<b>YES</b>	<b>NO</b>

\_\_\_\_\_  
Intermediary name

\_\_\_\_\_  
Signature

\_\_\_\_\_  
Date

**ZESTLIFE  
SUPERVISION AGREEMENT (202001 v.4)**

**SUPERVISION AGREEMENT**

Made and entered into by and between

Zest Life Investments (Pty) Ltd

(the Financial Services Provider hereinafter referred to as **the Provider**)

FSB Number 37485

and

Sebastian Zoutendyk

**(the Supervisor)**

ID number: 6705165482082

and

(in his/her capacity as a Representative (under supervision) of the provider hereinafter referred to as the Supervisee)

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(with ID number)

## **1. PREAMBLE**

- 1.1 Whereas the Provider has appointed the Supervisee in his/her capacity as Representative in order to render financial services under supervision in terms of the exemption granted in terms of FSCA FAIS Notice 86 of 2018.
- 1.2 Whereas it is agreed that the Provider, in its sole discretion may assign or appoint a new Supervisor at any stage during the supervision period.
- 1.3 Whereas the Supervisee does not satisfy at the date of his/her appointment the Fit & Proper requirements associated with Minimum Experience and/or Qualifications and/or Regulatory Examinations and/or Class of Business Training as provided for in the Determination of Fit & Proper Requirements and is desirous of satisfying these requirements whilst working under supervision.
- 1.4 Whereas the Supervisee satisfies the minimum entry level requirements as provided for in FSCA FAIS Notice 86 of 2018.
- 1.5 Whereas the Supervisor has the operational ability to adequately and effectively monitor and supervise the supervisee.
- 1.6 Whereas the Supervisor him/herself has adequate, appropriate and relevant skills, knowledge and expertise in respect of the financial services, financial products and functions that the Supervisee performs.
- 1.7 Whereas the Supervisor has the required coaching and assessment skills.
- 1.8 Whereas the Supervisor meets the prescribed minimum competency requirements, including CPD requirements, application to a representative appointed for the financial services and financial products for which the Supervisee will be working under supervision.
- 1.9 Whereas the Supervisor is prepared to supervise, guide and instruct the Supervisee for the duration of the term of this Agreement or such other period as determined by the Provider herein later.
- 1.10 Whereas amendments to this Agreement shall only be effective and binding on the parties when signed by their authorised signatories.

## **2. DATE OF COMMENCEMENT AND DURATION**

- 2.1 The Supervision Agreement will, subject to legislation, enter into force on the date on which it is signed by the last contracting party.
- 2.2 "Date of First Appointment" means the date on which a person was first appointed as a Representative.
- 2.3 In total, the supervision period shall not exceed a period of 6 (six) consecutive years from the Date of First Appointment upon which date this Agreement will immediately lapse and be of no further force and effect.
- 2.4 In respect of the Experience requirement:
  - 2.4.1 the Supervisee shall render financial services (advice and/or intermediary services) under supervision in respect of the financial products listed in Annexure A, and subject to clause 2.4.5, for the minimum period as indicated opposite each of the financial products and/or financial services.
  - 2.4.2 should the Supervisee be appointed to work under supervision for more than one financial product and/or financial service, he/she shall be entitled to attain the relevant experience concurrently.
  - 2.4.3 should the Supervisee be appointed to work under supervision in respect of more than one financial product and/or financial service, he/she shall remain under supervision until the experience requirement for the most onerous financial product and/or financial service has been met.

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- 2.4.4 the Supervisee is required to attain sufficient experience across the financial products and/or financial services for which he/she is appointed as representative, within the prescribed periods. However, should this prove to be problematic, the Provider will in its sole discretion make arrangements to either:
  - 2.4.4.1 place the Supervisee in a position where he/she can attain the remaining required experience, or
  - 2.4.4.2 extend the period under supervision to ensure that the Supervisee receives sufficient exposure to the specific financial products and/or financial services, provided that the limitation provided for in Clause 2.3 is not exceeded.
- 2.4.5 any related experience that was attained by the Supervisee under the supervision of another authorised Financial Services Provider, and attained prior to his/her appointment by the Provider shall, in the sole discretion of the Provider, be taken into account provided:
  - 2.4.5.1 the Supervisee is able to provide the Provider with a comprehensive Curriculum Vitae detailing the nature and extent of experience attained under supervision.
  - 2.4.5.2 the Supervisee was previously linked as a Representative under supervision on the Conduct Authority's central Representative Register.
  - 2.4.5.3 any prior experience attained under supervision must be confirmed by way and in the form of a detailed reference letter issued and signed by the Supervisor under whose guidance the Supervisee previously attained the experience.
  - 2.4.5.4 the Supervisor must satisfy himself/herself that the previous experience attained by the Supervisee is indeed appropriate and satisfactory in relation to the applicable financial products and/or financial services.
- 2.5 In respect of the Qualification requirement:
  - 2.5.1 subject to relevant legislation, the Supervisee shall remain under supervision until the relevant qualification has been obtained.
  - 2.5.2 The Supervisee shall comply with the qualification requirement(s) applicable to a particular financial product within 6 (six) years from the date on which the Supervisee was first appointed as a Representative in respect of that particular financial product.
- 2.6 In respect of the Regulatory Examination requirement:
  - 2.6.1 subject to relevant legislation, the Supervisee shall remain under supervision until the relevant Regulatory Examination(s) have been successfully completed.
  - 2.6.2 the Supervisee shall successfully complete the relevant Regulatory Examination(s) within 2 (two) years from date of first appointment.
  - 2.6.3 A Supervisee that only has a date of first appointment to render financial services in respect of a Tier 2 financial product, or perform the execution of sales, shall –
    - 2.6.3.1 within 2 (two) years from the date on which he / she was first appointed as a representative to render financial services, other than the execution of sales, in respect of a Tier 1 financial product, successfully complete the applicable Regulatory Examination(s).
- 2.7 In respect of the Class of Business Training requirement:
  - 2.7.1 the Supervisee shall successfully complete the relevant Class of Business Training within 12 (twelve) months from the date on which the Supervisee was first appointed as a Representative in respect of a particular financial product.
- 2.8 In respect of the Continuous Professional Development ("CPD") requirement:

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- 2.8.1 the Supervisee shall comply with the applicable CPD requirements from the date on which the Supervisee meets the class of business training requirements, regulatory examination requirements and qualification requirements; or
- 2.8.2 after six years from date of first appointment;  
whichever occurs first.
- 2.8.3 A Supervisee that only has a date of first appointment to render financial services in respect of a Tier 2 financial product, or performs the execution of sales, and who after that date is appointed as a Representative to render financial services, other than the execution of sales, in respect of a Tier 1 financial product, shall comply with the applicable CPD requirements –
  - 2.8.3.1 from the date on which the Supervisee meets the class of business training requirements, regulatory examination requirements and qualification requirements applicable to that Tier 1 product; or
  - 2.8.3.2 after 6 (six) years from the date on which the Supervisee was first appointed as a Representative to render financial services, other than the execution of sales, in respect of a Tier 1 financial product;  
whichever occurs first.

### **3. PROVIDER'S RESPONSIBILITIES**

- 3.1 The Provider shall:
  - 3.1.1 ensure that all relevant supervisory records are kept securely in such manner that it can be made available within a reasonable time to the Provider's Compliance Officer or Regulatory Authorities where so required.
  - 3.1.2 ensure that the Supervisee is at all times indicated as acting under supervision on the Regulator's central Representative Register, the Provider's Representative Register as well as the Provider's Competence Register.
  - 3.1.3 ensure that the normal working relationship between the Supervisee and Supervisor will allow the Supervisor oversight of the activities performed by the Supervisee as per this Agreement and that there is regular contact that will enable the transfer of skills which may include face-to-face contact, or contact via electronic means in the execution of duties.

### **4. SUPERVISOR'S RESPONSIBILITIES**

- 4.1 The Supervisor shall:
  - 4.1.1 ensure that he or she can at all times supervise the proper execution of the Supervisee's tasks and duties performed under supervision.
  - 4.1.2 ensure that the Supervisee is mentored and coached in respect of the financial products and financial services for which he / she is appointed, in order for the Supervisee to acquire the required skills, knowledge and competencies to perform his / her functions.
  - 4.1.3 ensure that the Supervisee is monitored under the applicable level of intensity of supervision concerned.
  - 4.1.4 observe selected meetings by the Supervisee in the rendering of services under supervision, the frequency of which may vary according to the complexity of the financial products offered and/or the experience and/or qualifications of the Supervisee.
  - 4.1.5 assess the appropriateness of the advice furnished to the Provider's clients based on a review of the analysis conducted and the record of advice as provided for in the General Code of Conduct.

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- 4.1.6 ensure that the Provider takes timeous and appropriate action to protect the interest of any client of the Provider as soon as it is established that the Supervisee's actions may not have been in the best interest of such client.
- 4.1.7 ensure that the Supervisee makes the necessary disclosures to clients and product suppliers that he/she is rendering financial services under supervision.
- 4.1.8 ensure properly documented evidence of the monitoring of the activities performed by the Supervisee in order to provide evidence for scrutiny by the Provider's Compliance Officer and the Regulatory Authorities.
- 4.1.9 ensure that the documented evidence of the supervision period reflects the supervision activities that took place, the date of such activities, the method followed and the frequency thereof.
- 4.1.10 Provide the Provider and the Supervisee on at least a quarterly basis with a written report on the supervisory activities of the preceding period which should always cover at least but not be limited to the following aspects:
  - 4.1.10.1 guidance and critical commentary where appropriate on the quality and appropriateness of the advisory / intermediary services rendered, based on the Supervisor's sampling of transactions that were finalised by the Supervisee.
  - 4.1.10.2 critical commentary where appropriate regarding feedback received from clients during interactions with the Supervisee.
  - 4.1.10.3 details of occurrences of non-compliance with relevant legislative measures in specific transactions or actions attended to by the Supervisee.
- 4.1.11 implement and ensure compliance with the Supervision Agreement.
- 4.1.12 immediately report to the Provider any unfair treatment of a client as a result of the Supervisee's actions or where the Supervisee's actions may not have been in the best interests of the client.
- 4.1.13 record and document the method, frequency and level of intensity of supervision and any changes to the aforementioned.
- 4.1.14 keep all records relating to the supervision, including information and documentation relating to –
  - 4.1.14.1 Development and Training;
  - 4.1.14.2 Supervision Activities;
  - 4.1.14.3 Assessments; and
  - 4.1.14.4 Decisions to implement a reduced level of supervision.

## **5. SUPERVISEE'S RESPONSIBILITIES**

- 5.1 The Supervisee shall:
  - 5.1.1 adhere to the requirements of this Agreement and diligently work towards acquiring professional knowledge and attaining industry experience in order to complete the supervision period as soon as reasonably possible and within the prescribed time limits.
  - 5.1.2 execute any tasks assigned to him/her and comply with any duties assigned by the Supervisor.
  - 5.1.3 undertake all relevant training identified by the Provider or Supervisor and actively pursue the completion of the required Experience, Qualification, Regulatory Examination and the Class of Business Training criteria within the prescribed time limits provided for in Annexure A and B.

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- 5.1.4 attain the necessary experience by the indicated "Due Dates" provided for in Annexure A.
- 5.1.5 successfully complete the applicable Regulatory Examinations and Qualification requirements by the indicated "Deadline Dates" provided for in Annexure B.
- 5.1.6 provide the Supervisor with any records and/or documents relating to the advice and/or intermediary services rendered by him/her, where applicable and if so required.
- 5.1.7 in all interactions with clients and product suppliers disclose at all relevant times that he/she is acting as a Representative of the Provider under supervision.
- 5.1.8 obtain the guidance of the Supervisor when in doubt about the correctness or appropriateness of any action/decision to be taken in relation to the financial services to be rendered or when performing any duties or tasks in terms of this Agreement.
- 5.1.9 Immediately inform the Provider and the Supervisor of any actual or potential conflict of interest that may arise during the supervision period.

## **6. SUPERVISION ACTIVITIES**

- 6.1 The Provider and the Supervisor shall at their own discretion determine the extent, intensity and level of the Supervisee's duties and the appropriate mix of activities to be performed by the Supervisee.
- 6.2 During the supervision process, the Supervisee will be mentored according to the training needs of the Supervisee, and in conjunction with the training programme that will be implemented in order to address those needs.
- 6.3 The supervision process may include, but are not limited to, one or more of the following activities:
  - 6.3.1 signing off on advice/intermediary services provided to clients by the Supervisee in specific transactions.
  - 6.3.2 pre-transaction sign-off by the Supervisor where intermediary services are rendered.
  - 6.3.3 accompanying the Supervisee to meetings to clients for the purpose of rendering financial services to such clients.
  - 6.3.4 random sampling of transactions concluded by the Supervisee.
  - 6.3.5 random follow-up calls to clients after the rendering of financial services by the Supervisee, in order to obtain confirmation of certain aspects of the interaction that took place with such client.
  - 6.3.6 any other activity or procedure that in the opinion of the Supervisor will enable him/her to objectively scrutinise the activities of the Supervisee in regard to the rendering of financial services.

## **7. INTENSITY OF SUPERVISION**

- 7.1 The Provider will determine the level of intensity of supervision that must apply to the Supervisee, by having regard to:
  - 7.1.1 the nature, scale and complexity of the financial services and financial products to be rendered by the Supervisee;
  - 7.1.2 the Supervisee's assessed level of competency; and
  - 7.1.3 the Risk to clients and the Provider.
- 7.2 The Provider will at regular intervals review the appropriateness, effectiveness and adequacy of the level of intensity of the supervision.
- 7.3 The Supervisor will assess whether it is appropriate for the Supervisee to work under a reduced level of intensity of supervision according to the Provider's relevant criteria and procedures.

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**8. STATUS OF SUPERVISION AGREEMENT AND TERMINATION**

- 8.1 This Supervision Agreement is in addition to the terms and conditions of any Employment Agreement or Mandate concluded with the Provider in order to act as a Representative of the Provider as contemplated in Section 13 of the FAIS Act.
- 8.2 The Supervisee acknowledges that his/her continued employment or mandate to represent the Provider is subject to his/her continuous compliance with specifically the Fit & Proper requirements.
- 8.3 This Agreement will automatically terminate in the following circumstances:
  - 8.3.1 upon expiry of the latest of the "Due Dates" provided for in Annexure A and Annexure B.
  - 8.3.2 any material breach of the conditions of this Agreement, provided that the aggrieved party will be obliged to first give written notice to the defaulting party/ies to rectify such breach with seven (7) days, failing which the termination will become effective.
  - 8.3.3 upon termination of the Employment Agreement or Mandate concluded with the Provider in order to act as a Representative of the Provider as contemplated in Section 13 of the FAIS Act.
- 8.4 This Agreement may be terminated by the Provider or the Supervisee at any time upon thirty (30) days written notice to the other party.

<b>Signed for and on behalf of the Provider</b>	
Signature:	Name:
At:	Date:
<b>Signed by the Supervisor</b>	
Signature:	Name:
At:	Date:
<b>Signed by the Supervisee</b>	
Signature:	Name:
At:	Date:

**ANNEXURE A**

“Date of First Appointment” means the date on which a person was first appointed as a Representative.

<b>Date of First Appointment:</b>	
Supervisor Signature:	Date:
Supervisee Signature:	Date:

The Supervisee shall work under the following supervision and experience periods and in respect of the financial products and financial services.

<b>Category I Advisory FSP</b>		<b>Advice</b> Min required experience	<b>Intermediary Services</b> Min required experience
1.23	Short – Term Insurance: Personal Lines A1	12 Months	6 Months

**ANNEXURE B**

“Date of First Appointment” means the date on which a person was first appointed as a Representative.

<b>Date of First Appointment:</b>	
Supervisor Signature:	Date:
Supervisee Signature:	Date:

The Supervisee shall comply with the qualification requirement(s) applicable to a particular financial product within 6 (six) years from the date on which the Supervisee was first appointed as a Representative in respect of that particular financial product.

<b>Qualification(s)</b>		<b>Due Date</b>
1.	Matric	
2.	Required qualification within 6 years from date of first appointment as a representative	
3.		

Please attach proof of all the qualifications listed above.

The Supervisee shall successfully complete the relevant Class of Business Training within 12 (twelve) months from the date on which the Supervisee was first appointed as a Representative in respect of a particular financial product.

<b>Class of Business Training</b>		<b>Due Date</b>
1.	Complete Gap on-line test	1 month within applying to become a representative
2.		
3.		

**REPRESENTATIVE MANDATE  
Gap Cover and Dental Gap Cover**

(in terms of section 13(1)(b) of the FAIS Act)

made and entered into by and between

ZEST LIFE INVESTMENTS PROPRIETARY LIMITED

FSP37485

(hereinafter referred to as **the FSP**)

and

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Name and Surname

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ID

(hereinafter referred to as **the Representative**)

## 1. INTERPRETATION

In this agreement, unless inconsistent with or otherwise indicated by the context:

- 1.1 **"Mandate agreement"** means this agreement, together with any annexures thereto.
- 1.2 **"FAIS"** means the Financial Advisory and Intermediary Services Act, 37 of 2002 (as amended) or its successor and subordinate legislation.
- 1.3 **"FICA"** means the Financial Intelligence Centre Act, 38 of 2001 (as amended) or its successor and subordinate legislation.
- 1.4 **"Confidential information"** includes but is not limited to any of the FSP's trade secrets, confidential information in general which relate to the business, including (but not limited to) intellectual property, financial methods, policies and philosophies, marketing methods, incentive schemes, formulae, processes, systems, sources of supply, business methods, inventions, specialised knowledge of training material and training programmes, staff welfare, business connections, internal control systems, policies and strategies, salary and wage policies, security methods, knowledge of the clients and business associates, contractual arrangements and financing techniques, personnel, strategic plans, any software and/or database information, and other matters which relate to the business of the FSP in respect of which information is not readily available in the ordinary course of business to a competitor.
- 1.5 **"Notice"** means written notice.
- 1.6 **"Signature date"** means the date of the affixing of the last remaining signature to this agreement.
- 1.7 **"The business"** means the business of the FSP and those activities associated with the financial services industry.
- 1.8 **"Financial service"** means the furnishing of advice and/or the rendering of an intermediary service as contemplated in FAIS.
- 1.9 A reference to one gender shall include the other genders.
- 1.10 Where the singular form of a word, is used it shall be deemed to include the plural and vice versa.

## 2. REPRESENTATIVE APPOINTMENT

- 2.1 The FSP hereby appoints and mandates the Representative to render financial services in respect of the financial products listed in **Annexure "A"** on its behalf, subject to the terms and conditions as set forth hereinafter and for the period of the appointment.
- 2.2 The Representative hereby accepts the appointment and mandated authorisation and agrees to render the financial services to the best of his ability and in accordance with the terms and conditions set forth hereinafter.
- 2.3 The Representative hereby agrees to hold himself available to render at the FSP's request, financial services on its behalf and to its clients and undertakes to comply with the provisions of all relevant legislation pertaining to his appointment as a Section 13 FAIS Representative.
- 2.4 The Representative acknowledges that his appointment and authorisation as Representative is subject to the FAIS Act and relevant subordinate legislation.
- 2.5 The FSP accepts responsibility for any activities performed by the Representative that falls within the scope of, or in the course of implementing this mandate agreement.

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- 2.6 The FSP will provide the Representative with a certificate in terms of Section 13(1)(b) of the FAIS Act as confirmation of his authorisation in terms of this mandate agreement.
- 2.7 It is specifically recorded that the Representative will render services as an independent contractor. It is accordingly recorded that the Representative is not an employee for the purposes of the Labour Relations Act, the Basic Conditions of Employment Act, the Unemployment Insurance Act, the Employment Equity Act and/or any other relevant legislation that may normally be applicable to an employer/employee relationship.
- 2.8 It is furthermore specifically recorded that Zestlife will deduct income tax at 25% from any commission payable into the Representative's own personal bank account and that the Representative undertakes and warrants that he has registered with the South African Revenue Service as an independent tax payer and he indemnifies the FSP against any claim for any other additional income tax that may be levied against him. Should the Representative require a different % of PAYE tax to be deducted, then the Representative will have to apply to SARS for an IRP3(b) directive and supply Zestlife with a valid Tax Directive for the deduction for the tax year.

### **3. COMMENCEMENT AND DURATION**

- 3.1 The mandate agreement shall become of force and effect and binding upon the signature date and shall continue until terminated in terms of clause 6 below.

### **4. REPRESENTATIVE'S OBLIGATIONS**

- 4.1 The Representative acknowledges that the FSP has a legal duty to ensure that its representatives comply with the provisions of FAIS and FICA.
- 4.2 The Representative shall at all times ensure that he renders financial services in accordance with the service standards set by the FSP and that he complies with the provisions of FAIS and FICA.
- 4.3 The Representative shall comply with all lawful instructions, processes and procedures as communicated by the FSP and its appointed Compliance Officer from time to time.
- 4.4 The Representative undertakes to perform the following services on behalf of the FSP:
- 4.4.1 to render financial services in respect of the Representative's authorised Categories and subcategories as provided for in **Annexure "A"**.
  - 4.4.2 general administrative duties.
  - 4.4.3 any other related services that may be required by the FSP or its clients from time to time.
- 4.5 The Representative shall only provide such financial services as he is authorised to provide.
- 4.6 The Representative shall study the General Code of Conduct for Authorised FSPs and Representatives and inform the FSP of any uncertainty or confusion regarding the Code of Conduct's requirements.
- 4.7 The Representative shall properly and fully disclose all relevant information to clients and potential clients as required by the General Code of Conduct.
- 4.8 The Representative shall follow the procedures laid down by the FSP so as to ensure that the advice provided to clients is suitable to their requirements
- 4.9 The Representative shall maintain a record of the advice provided to clients.
- 4.10 The Representative shall follow the procedures laid down by the FSP in regard to any complaints received from clients.

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- 4.11 The Representative is aware of and shall comply with the requirements of the Financial Intelligence Centre Act, 2001 (Act 38 of 2001) where applicable.
- 4.12 The Representative undertakes to satisfy the minimum Fit and Proper requirements within the prescribed timeframes, failing which, the Representative's authorisation to render financial services on behalf of the FSP will summarily be revoked.
- 4.13 The Representative shall fully and properly inform the Compliance Officer of the FSP of any changes to his/her personal circumstances that may in any way impact on his Fit and Proper status.
- 4.14 The Representative acknowledges that there is a statutory duty on the FSP to institute debarment proceedings against the Representative, where it is determined that the Representative has contravened and / or failed to comply with any provisions of the FAIS Act (including subordinate legislation related thereto) in any material manner. "Material" may be defined as being of real importance or great consequence. The following factors may be taken into consideration in determining whether or not a contravention, or any instance of non-compliance, should be regarded as material:
- 4.14.1 the actual or potential risk of withdrawal of the FSP's authorisation to continue rendering financial services.
  - 4.14.2 the actual or potential for financial loss or damages suffered by the FSP or its clients.
- 4.15 In addition, the Representative acknowledges that there is a statutory duty on the FSP to institute debarment proceedings against the Representative, where it is determined that the Representative is unable to satisfy any of the following Fit and Proper requirements:
- 4.15.1 the personal character qualities of honesty, integrity and good standing.
  - 4.15.2 the qualification requirements within the prescribed timeframes.
  - 4.15.3 the financial product experience requirements within the prescribed timeframes.
  - 4.15.4 the regulatory examination(s) requirements within the prescribed timeframes.
  - 4.15.5 the continuous professional development requirements within the prescribed timeframes.
  - 4.15.6 the class of business training within the prescribed timeframes.
  - 4.15.7 the product specific training within the prescribed timeframes.
- 4.16 The FSP shall exercise its own discretion whether or not to proceed with debarment proceedings against the Representative irrespective of whether this mandate agreement has been terminated or not.
- 4.17 The Representative acknowledges that the FSP has procured the services of the Representative for the sole purpose of rendering financial services for the products listed in Annexure A, on its behalf and regards the Representative's continued authorisation to render such services as essential to the FSP's daily tasks and overall job function.
- 4.18 The Representative acknowledges that where his authorisation as a Representative is revoked, he/she will be unable to perform the duties, tasks and obligations in terms of this mandate agreement.
- 4.19 Notwithstanding anything to the contrary contained herein, the parties mutually agree to immediately terminate the mandate agreement should the Representative be unable to satisfy the following minimum Fit and Proper requirements:
- 4.19.1 the personal character qualities of honesty, integrity and good standing.
  - 4.19.2 the qualification requirements within the prescribed timeframes.
  - 4.19.3 the financial product experience requirements within the prescribed timeframes.
  - 4.19.4 the product specific training within the prescribed timeframes.

- 4.20 Due to the nature of the FSP's business the Representative may be required to undergo training, including training regarding the requirements of FAIS and FICA. The Representative agrees to make himself available for training where so required by the FSP.
- 4.21 All books, manuals, records, memoranda, correspondence, business and related equipment and technology, systems, software or other assets prepared, maintained or used by the Representative during the mandated period, or which the Representative is able to prepare by virtue of knowledge acquired during the course of the mandated period, will at all times remain the property of the FSP and must be delivered to the FSP upon termination of this mandate agreement.
- 4.22 Any information and documentation relating to financial products, including authorisations to act on behalf of clients, allocated or procured by the Representative during the course of the mandated period is done so on behalf of the FSP and will at all times remain the property and privilege of the FSP and shall be returned to the FSP upon termination of this mandate agreement.
- 4.23 The Representative undertakes not to disclose any confidential information, including client information, to any third party or entity, whether within or outside the borders of South Africa, during the operation of this mandate agreement or after its termination, unless the FSP specifically agrees to such disclosure in writing.
- 4.24 The Representative shall protect and keep confidential all information acquired or obtained from a client or a product supplier in regard to such client or supplier.
- 4.25 The Representative shall keep all client files safe while in use and properly and securely filed when not under his care.
- 4.26 The Representative undertakes to immediately notify the FSP of any submitted formal complaint related to the rendering of financial services.
- 4.28 The Representative may not outsource or sub delegate any activity or part thereof relating to the rendering of financial services which that Representative performs on behalf of the FSP.

## **5. REMUNERATION**

- 5.1 As consideration for the services rendered to the FSP by the Representative, the FSP shall pay to the Representative full commission earned in respect of financial products sold, subject to any contractual arrangements between the FSP and relevant product suppliers. Such remuneration or fee paid in respect of an activity or function for which the Representative is employed will be:
- 5.1.1 reasonable and commensurate with the actual function and activity; and
  - 5.1.2 not structured in a manner that may increase the risk of unfair treatment of clients.
- 5.2 Such payment shall be made by the 15th of the month following the month in which the premium was collected. Commission will be recouped on any premium that subsequently became unpaid.

## **6. TERMINATION**

- 6.1 Notwithstanding anything to the contrary herein contained, this mandate agreement may be terminated by the FSP at any time on any reasonable grounds or otherwise in the event of failure on the part of the Representative to comply with any provision of FAIS or FICA or any directives or guidelines issued by the FSP from time to time in regard to the rendering of financial services.

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- 6.2 While not detracting from the generality of 6.1 above, it is a condition of this mandate agreement that the FSP shall be entitled to terminate the mandate agreement, due to the below mentioned serious forms of breach of contract, summarily and without compensation or payment in lieu of notice if:
- 6.2.1 the Representative commits a material breach of any of its obligations under the mandate agreement;
  - 6.2.2 the Representative is declared insolvent or provisionally insolvent;
  - 6.2.3 the Representative is subject to any pending proceedings which may lead to insolvency or provisional insolvency;
  - 6.2.4 the Representative fails to comply with, or no longer complies with any of the relevant Fit and Proper requirements in FAIS, including the requirements of honesty, integrity and good standing;
  - 6.2.5 the Representative makes or has made any false declaration concerning his Fit and Proper status;
  - 6.2.6 the occurrence of any circumstances justifying termination on grounds of breach of the provisions of any Code of Conduct or the common law; and
  - 6.2.7 a Compliance Officer submits to the FSP a written report of material non-compliance with FAIS or FICA by the Representative.
- 6.3 Either party may terminate this mandate on thirty (30) days' prior notice to the other.
- 6.4 Upon termination of this mandate agreement for any reason, the Representative shall immediately take, where reasonably necessary or appropriate in consultation with the FSP, clients and product suppliers concerned, reasonable steps to notify all affected clients accordingly and ensure that outstanding business is completed or transferred to the FSP or another representative of the FSP.

## **7. DISPUTES**

- 7.1 If any dispute or difference arises as to the validity, interpretation, effect or rights and obligations of either party under this mandate, either party shall have the right to require that such dispute or difference be referred for a decision to arbitration before a single arbitrator.
- 7.1.1 The arbitration shall be held in an informal manner at Cape Town and the identity of the arbitrator shall be mutually agreed upon between the parties within a period of 5 (five) days from the date that the arbitration is called for or, failing such mutual agreement within 5 (five) days, as nominated by the Chairman for the time being of the Western Cape Bar Council or the President of the Western Cape Law Society (or its successor). The arbitrator shall be an attorney or advocate of 10 (ten) years' standing or more with experience and knowledge of insurance law and with no interest in the proceedings.
  - 7.1.2 The parties agree to keep the arbitration, its subject matter and evidence heard during the arbitration confidential and not to disclose it to any other person.
  - 7.1.3 The decision of the arbitrator shall be final and binding upon the parties and not subject to appeal.
  - 7.1.4 The arbitrator shall include in his award an order as to the costs of the arbitration and who shall bear them.
  - 7.1.5 The arbitrator shall at his sole discretion decide on the formulation of the dispute for arbitration but shall at all times be guided by the requirements of FAIS and all applicable ancillary legislation.
  - 7.1.6 The inclusion of this arbitration clause shall not prevent a party from applying to court for urgent relief in the appropriate circumstances.
- 7.2 The parties agree that all the terms of this mandate are material.
- 7.3 The Representative indemnifies the FSP against any claims arising out of any breach of this mandate agreement by the Representative.

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**8. GENERAL**

- 8.1 The parties hereto agree to observe the utmost good faith in their dealings with one another and in their relationship with all clients of the FSP and particularly undertake at all times to render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry.
- 8.2 This mandate agreement shall remain in force until it is lawfully terminated by either party.
- 8.3 This mandate agreement will be governed by the law of the Republic of South Africa.
- 8.4 No alteration or variation of this mandate agreement will be of any force or effect unless recorded in writing and signed by both parties.
- 8.5 The parties choose as their respective *domicilium citandi et executandi*:

The FSP at:  
2nd Floor Sunclare Building  
21 Dreyer Street  
Claremont  
Cape Town  
The FSP’s e-mail address and facsimile number: [info@zestlife.co.za](mailto:info@zestlife.co.za)

The Representative at:  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

The Representative’s e-mail address: \_\_\_\_\_

<b>Signed for and on behalf of the FSP</b>	
Signature:	Name:
At:	Date:
<b>Signed for and on behalf of the Representative</b>	
Signature:	Name:
At:	Date:

**ANNEXURE "A"**

<b>Category I Advisory FSP</b>		<b>Advice</b>	<b>Intermediary Services</b>	<b>Services under Supervision</b>
1.1	Short-term Insurance: Personal Lines A1 (Gap and Dental Gap)	Yes	Yes	Yes

**ZESTLIFE**  
**COMPLIANCE DECLARATIONS CONFLICT OF INTEREST AND COMPLAINT RESOLUTION**

FSP Name	Zest Life Investments (Pty) Ltd
Responsible Person Name	
Responsible Person Capacity	

**HONESTY, INTEGRITY & GOOD STANDING DECLARATION**

*By signing this document, I acknowledge that I understand the statements made hereunder and declare such statements to be true at the date indicated next to my signature*

1. I have never been found guilty (and that conviction has not been expunged) in any criminal proceedings or liable in any civil proceedings by a court under any law in any jurisdiction of:
  - 1.1 an offence under a law relating to the regulation or supervision of a financial institution as defined in the Financial Institutions (Protection of Funds) Act, 2001 (Act No. 28 of 2001) or a corresponding offence under the law of a foreign country;
  - 1.2 theft, fraud, forgery, uttering a forged document, perjury or an offence involving dishonesty, breach of a fiduciary duty, dishonourable or unprofessional conduct; or
  - 1.3 an offence under the Prevention of Corruption Act, 1958 (Act No. 6 of 1958), the Corruption Act, 1992 (Act No. 94 of 1992) or Parts 1 to 4, or section 17, 20 or 21, of the Prevention and Combating of Corrupt Activities Act, 2004 (Act No. 12 of 2004), or a corresponding offence under the law of a foreign country;
2. I have never been convicted (and that conviction has not been expunged) of any other offence committed after the Constitution of the Republic of South Africa, 1996, took effect, where the penalty imposed for the offence was imprisonment without the option of a fine, or a significant fine;
3. I have never accepted civil liability for, or have never been the subject of a civil judgment in respect of, theft, fraud, forgery, uttering a forged document, perjury or any conduct involving dishonesty, breach of fiduciary duty, misrepresentation, or negligent, dishonourable and unprofessional conduct;
4. I have never been the subject of frequent or material preventative, remedial or enforcement actions by the Registrar or a regulatory authority;
5. I have never been removed from an office of trust for theft, fraud, forgery, uttering a forged document, misrepresentation, dishonesty, breach of fiduciary duty or business conduct;
6. I have never breached a fiduciary duty;
7. I have never been suspended, dismissed or disqualified from acting as a director, managing executive, public officer, auditor or statutory actuary (or his or her alternate) under any law or any action to achieve one of the aforementioned outcomes has never been instituted against myself;
8. I have never been refused a registration, approval, authorisation or licence to carry out a trade, business or profession, and I have had that registration, approval, authorisation or licence suspended, revoked, withdrawn or terminated by a regulatory authority;
9. I have never been denied registration or membership of any professional body or have had that registration or membership revoked, withdrawn or terminated by a professional body because of matters relating to honesty, integrity, or business conduct;
10. I have never been disciplined, reprimanded, disqualified, or removed in relation to matters relating to honesty, integrity, incompetence or business conduct by a –
  - 10.1. professional body; or
  - 10.2. regulatory authority, or any action to achieve one of the aforementioned outcomes has been instituted against myself;
11. I have never knowingly been untruthful or provided false or misleading information to, or have never been uncooperative in any dealings with, the Registrar or a regulatory authority;
12. I have never demonstrated a lack of readiness and willingness to comply with legal, regulatory or professional requirements and standards;

13. I have never been found to be not fit and proper by the Registrar or a regulatory authority in any previous assessments of fitness and propriety and (if applicable) the reasons for being found not fit and proper have been remedied;
14. I have never been involved, am currently not involved as a director, trustee, member, partner, controlling shareholder or managing executive and I am not concerned in the management of a business that has been –
- 14.1. the subject of any matter referred to in subparagraphs 1, 2, 3, 4, 6, 8, 10.2, 11, 12, 13, or 15; or
- 14.2. placed in liquidation or business rescue; while I have been connected with that organisation or within one year of that connection.
15. I have never failed to disclose information required in terms of the Financial Advisory and Intermediary Services Act (Act No. 37 of 2002), including a failure to disclose information in accordance with Section 10 of Board Notice 194 of 2017;
16. I am not an unrehabilitated insolvent;
17. I do not have any additional information which should be brought to the Compliance Officer's attention that may have an impact on the evaluation of my good character and integrity.

### **CONFLICT OF INTEREST DECLARATION (V 2019 05)**

#### **What would be regarded as a possible Conflict of Interest?**

**"Conflict of Interest"** means any situation in which a provider or a representative has an actual or potential interest that may, in rendering a financial service to a client:

- influence the objective performance of his, her or its obligations to that client; or
- prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client, including but not limited to:
  - a financial interest;
  - an ownership interest;
  - any relationship with a third party.

**"Financial Interest"** means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration, other than:

- an ownership interest;
- training, that is not exclusively available to a selected group of providers or representatives, on:
  - products and legal matters relating to those products;
  - general financial and industry information;
  - specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
- a recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

**"Ownership Interest"** means

- any equity or proprietary interest, for which fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person, and
- includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

**"Third Party"** means

- a product supplier;
- another provider;
- an associate of a product supplier or a provider;
- a distribution channel;
- any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to a provider or its representatives.

**DECLARATION:**

*By signing this document, I acknowledge that I understand the statement made hereunder and declare such statement to be true at the date indicated next to my signature*

1. I am not aware of any actual or potential conflict of interest which has not been brought to the attention of the FSP's compliance officer in writing.
2. I understand that I may be subject to disciplinary action, which may ultimately lead to my dismissal, in the event of my failure to disclose an actual or potential conflict of interest via the proper communication channels.
3. As a representative I understand that I may not request or induce in any manner a Client to waive any right or benefit conferred on the Client by or in terms of any provision of the General Code of Conduct, or recognise, accept or act on any such waiver by a Client, and any such waiver is regarded as null and void.

**COMPLAINT RESOLUTION PROCESS**

I confirm that I have read and fully understand Zestlife's Complaint Resolution Process as published on <http://www.zestlife.co.za/about-us/legal-accounting>

\_\_\_\_\_  
Representative Signature

\_\_\_\_\_  
Date



# Liberty Gap Cover

## Product training Guide 2023

### **PROCESS TO BE FOLLOWED BY A REPRESENTATIVE FOR A LIBERTY GAP COVER SALE AND PRODUCT TRAINING GUIDE**

This document constitutes a summary of the process to be followed by a representative when selling a Liberty Gap Cover policy and a description of the Liberty Gap Cover Product for 2023. Please read this carefully and acknowledge that you have read and understood the contents by signing this document in the space provided.

### **LIBERTY GAP COVER PRODUCT TRAINING GUIDE**

#### **The Gap payment**

Most medical schemes will cover the costs of in-hospital specialist treatment at the medical scheme rate but specialists charge substantially more than the medical scheme rate leaving the member liable for the difference (payment gap).

Other costs that the member could be liable for are co-payments, sub limits and deductibles e.g.

- co-payments on selected procedures or services for example, X rays, pathology services and MRI scans;
- hospital admission co-payments; and
- shortfalls as a result of sub limits on specified procedures imposed by the medical scheme.

#### **Members of any medical scheme can be insured against medical expense shortfalls through Liberty's top-of-the-range Gap Cover options.**

**Liberty Universal Gap Cover** offers the most comprehensive medical expense shortfall cover along with additional financial protection for a wide range of health risks. This option can be selected as single individual or family cover.

**Liberty Essential Gap Cover** offers affordable medical expense shortfall cover for the most frequent shortfalls, along with additional financial protection for selected health risks. This option can be selected as single individual or family cover.

**Zestlife Optimal Gap Cover** offers high levels of cover and affordability to match the needs of individuals younger than 35.

These options are available to main members and dependants of all South African registered medical schemes. The cover offered by these policies can be further enhanced by taking out **Extended Cancer** and/or **Dental Gap Cover** options.

*Please note that Liberty Gap Cover is not a medical scheme or a substitute for medical scheme cover. It's a health insurance policy that provides cover for medical expense shortfalls that arise when your medical aid only covers your medical treatment and procedure costs in part. To qualify for this cover the medical aid's part payment must be paid from the medical aid hospital benefit or major medical benefit.*

## Section A – Medical Expense Shortfall Cover

Policy benefits in this section are subject to a combined maximum cover limit of R192 000 per individual insured per calendar year

MEDICAL EXPENSE SHORTFALLS COVERED	Universal Gap Cover	Essential Gap Cover	Optimal Gap Cover
<b>In-hospital</b>			
<p><b>Cover for shortfalls on doctors and specialist charges that exceed the medical aid tariff amount.</b></p> <p>The shortfall covered is the difference between doctors and specialist charges less the medical tariff or contribution to these charges (whichever is the greater of these 2 amounts).</p> <p>This benefit covers in-hospital doctor and specialist shortfalls for a wide range of surgery, treatments and procedures that may be required. Including in-hospital dental procedures and treatment for cancer.</p>	<p>✓</p> <p>Up to 500% (5 times) of the medical aid tariff</p>	<p>✓</p> <p>Up to 300% (3 times) of the medical aid tariff</p>	<p>✓</p> <p>Up to 400% (4 times) of the medical aid tariff</p>
<b>Out-of-hospital</b>			
<p><b>Cover for shortfalls on ±50 out-patient procedures including CT, PET and MRI scans.</b></p> <p>The shortfall covered is the difference between doctors and specialist charges less the medical tariff or contribution to these charges (whichever is the greater of these 2 amounts).</p> <p>This benefit covers doctor and specialist shortfalls for approximately 50 treatments and procedures that may be required. This includes chemotherapy and radiotherapy for treatment for cancer.</p>	<p>✓</p> <p>Up to 500% (5 times) of the medical aid tariff</p>	<p>✓</p> <p>Up to 300% (3 times) of the medical aid tariff</p>	<p>✓</p> <p>Up to 400% (4 times) of the medical aid tariff</p>
<b>General Co-payments</b>			
<p><b>Cover for co-payments imposed by medical aid for hospital admissions, CT, PET and MRI scans and specified medical procedures.</b></p> <p>This benefit is intended to cover co-payments imposed by medical aid for in-hospital treatment and on the ±50 out-of-hospital procedures we cover.</p> <p>Dentistry (in-hospital) and cancer treatment (not medicine) co-payments are covered.</p> <p>Penalty co-payments charged by medical aids are not covered. No cover is provided for the penalties imposed e.g. not obtaining a general practitioner referral prior to consulting with a specialist; not obtaining a pre-authorisation prior to a procedure; not following assessment criteria of medical aid back and neck program prior to undergoing spinal surgery.</p>	<p>✓</p>	<p>✓</p>	<p>✓</p>
<b>Non-network Co-Payments</b>			
<p><b>Cover for co-payments charged by medical aid when treated in a non-network hospital or by a non-network medical practitioner.</b></p> <p>This cover is provided up to a maximum amount of R11 600 and subject to one claim per policy per calendar year.</p>	<p>✓</p>	<p>✗</p>	<p>✓</p>
<b>MRI, PET and CT Scans in Excess of Medical Aid Sub-limit</b>			
<p><b>Cover in part or in full for MRI, PET and CT scans when the medical aid sub-limit has been reached. .</b></p> <p>Cover is provided up to a maximum amount of R3 200 for each individual insured under the policy per calendar year.</p> <p>This benefit cannot be claimed along with a co-payment cover claim.</p>	<p>✓</p>	<p>✗</p>	<p>✓</p>

MEDICAL EXPENSE SHORTFALLS COVERED	Universal Gap Cover	Essential Gap Cover	Optimal Gap Cover
<b>Casualty Facility Treatment for Injury in an Accident</b>			
<p><b>Cover for treatment in a hospital casualty facility within 48 hours following accidental injury.</b></p> <p>Cover is for the facility fee, medical practitioner consultation, on sight medication, ward stock, radiology and pathology, as not covered by medical aid.</p> <p>Cover is provided up to a maximum amount of R22 100 per policy per calendar year.</p> <p>This benefit does not cover casualty facility treatment for disease or illness, prescribed medicines for use after leaving the casualty facility, follow-up treatment, fees charged for the fitment and cost of prosthesis and devices such as crutches, limb guards, splints and braces.</p>	✓	✓	✓
<b>Casualty Facility Emergency Treatment</b>			
<p><b>Cover for after-hours emergency treatment for children younger than 11 in a casualty facility</b></p> <p>Cover is for the facility fee, medical practitioner consultation, on sight medication, ward stock, radiology and pathology, as not covered by medical aid, after-hours Monday to Friday between 18h00 and 07h00 and all-day on Saturdays, Sundays and Public Holidays.</p> <p>Cover is provided up to a maximum amount of R2 500 per policy per calendar year.</p> <p>This benefit does not cover prescribed medicines for use after leaving the casualty facility, follow-up treatment, fees charged for the fitment and cost of prosthesis and devices such as crutches, limb guards, splints and braces.</p>	✓	✓	X
<b>Internal Prosthesis and Artificial Joints</b>			
<p><b>Cover for medical expense shortfalls and co-payments on internal prosthesis (including artificial joints).</b></p> <p>Internal prosthesis are devices placed inside a person's body to replace a body part or to improve a lost or reduced bodily function. Examples of internal prosthesis include artificial hip and knee joints and the implanted devices in spinal fusion.</p> <p>This benefit covers the shortfall not covered in full by medical aid due to the annual limit being exceeded. It also covers co-payments charged by medical aid.</p> <p>Cover is provided up to a maximum amount of R38 500 per policy per calendar year.</p> <p>This benefit does not apply where the insured is on a medical aid option that does not include internal prosthesis cover.</p> <p>Intraocular lenses, breast implants, cochlear implants and pacemakers are not covered.</p>	✓	X	✓
<p>Stents are up to a maximum shortfall amount of R3 200 for each individual insured under the policy per calendar year.</p>	✓	X	X
<b>Robotic Medical Procedures</b>			
<p><b>Cover for medical expense shortfalls that arise from the use of robotic machinery in the course of in-hospital treatment.</b></p> <p>Cover is provided up to a maximum amount of R33 000 per policy per calendar year.</p>	✓	✓	✓
<b>Oncology Treatment Programme Co-payments</b>			
<p><b>Cover for co-payments levied by medical aid when the annual cancer treatment limit is exceeded.</b></p> <p>This benefit is to cover general and specialised treatment and biological drugs.</p> <p>Cover is subject to a maximum co-payment of 25% of the costs of treatment.</p>	✓	X	X
<b>Oncology Treatment in Excess of Medical Aid Cancer Limit</b>			
<p><b>Cover for continued treatment costs of cancer when a treatment cost limit is imposed and no further funding is provided by medical aid.</b></p> <p>This benefit can be used for general and specialised treatment and biological drugs not covered by your medical aid.</p> <p>Cover is provided for 20% of the insured's continued treatment costs.</p>	✓	X	X

MEDICAL EXPENSE SHORTFALLS COVERED	Universal Gap Cover	Essential Gap Cover	Optimal Gap Cover
<b>Cosmetic Breast Reconstruction</b>			
<p>Cover for cosmetic breast reconstruction of a non-affected* breast following a single mastectomy resulting from breast cancer diagnosed after the commencement date of policy.</p> <p>Cover is provided for the amount not covered by medical aid up to a maximum of R24 000 for each individual insured.</p> <p>This cover is not renewed after claim payment and does not extend to subsequent breast reconstruction treatment costs.</p> <p>*Breast reconstruction for the non-affected breast is not always covered or covered in full by medical aids as it is cosmetic surgery.</p>	✓	X	X

## Section B – Health Insurance Cover

Policy benefits in this section are not subject the combined maximum cover limit of R192 000 per individual insured per calendar year.

HEALTH INSURANCE BENEFIT	Universal Gap Cover	Essential Gap Cover	Optimal Gap Cover
<b>Enhanced Cancer Cover</b>			
<p>This benefit provides R30 000 to cover unexpected costs which may arise in the event of first-time diagnosis of cancer.</p> <p>This benefit applies to first-time diagnosis of stage II regional cancer and stage I prostate cancer where the Gleason score is 8 or higher. Cover is excluded for skin tumours/cancer.</p> <p>Cover is provided only for first-time diagnosis of cancer of the insured and where the diagnosis occurs after the insured has been covered for a minimum of 12 months under the policy. The benefit is provided where diagnosis is made by a medical practitioner, supported by clinical evidence and a confirmed ICD 10 code (International Classification of Diseases Code). Payment of this benefit is subject to registration on the medical aid oncology treatment program.</p> <p>This benefit is provided as single claim cover for each person insured and does not cover subsequent cancer diagnosis.</p>	✓	X	X
<b>Accidental Dentistry Cover</b>			
<p>This benefit provides cover for up to R22 500 for accidental tooth fracture.</p> <p>This benefit is payable at a rate of R3 200 per fractured tooth irrespective of medical aid contribution to treatment cost.</p> <p>Tooth fracture is defined under this benefit as being the loss of 50% or more of the visible portion of a tooth and where the dental nerve is permanently damaged.</p> <p>The benefit covers accidental tooth fracture to permanent teeth (crowns and implants are excluded) due to an external injury to the mouth.</p>	✓	✓	✓
<b>Accidental Death and Permanent Disability Cover</b>			
<p>This benefit provides R50 000 cover for the unexpected costs that may arise in the event of accidental death or accidental permanent disability.</p> <p>The benefit ceases at age 65 for accidental permanent disability.</p>	✓	✓	✓
<b>Trauma Counselling Cover</b>			
<p>This benefit provides cover for the cost of trauma counselling required following the insured being the subject or witness of an act of violence or traumatic accident.</p> <p>This benefit provides up to R800 per session with an overall maximum benefit of R26 500 for counselling treatment that commences within 6 months of the traumatic event and is payable for a single treatment period of up to 6 months.</p>	✓	✓	✓
<b>Medical Aid and Gap Cover - Premium Waiver Cover</b>			
<p>This benefit provides cover for the combined amount of medical aid and gap cover premiums following accidental death or permanent disability of the policyholder.</p> <p>This benefit provides an amount of 12 times the combined medical aid and gap cover premiums, up to a maximum of R110 000.</p> <p>The benefit ceases at age 65.</p>	✓	✓	✓

## **OPTIONAL EXTENDED COVER**

In addition to the cover described you can now also offer your clients the option to boost their cancer cover. This extended cover option specifically enhances cancer cover as it is the most substantial funding shortfall. We therefore encourage you promote this extended cover option when signing up new policyholders but also please bring that to the attention of your existing policyholders.

The extended cancer cover cannot be taken individually and will form part of the Liberty Gap Cover Policy and not be issued as a separate policy. This will increase the total policy premium on which the broker commission will be paid.

### **Extended Cancer Cover**

This is an optional policy benefit. If the policyholder or any of their dependents insured under the policy are diagnosed with cancer for the first time, we will pay the Extended Cancer Cover benefit of R100 000 or R200 000 to cover the unexpected costs which may arise as a result of the diagnosis. This covers the policyholder and medical aid dependants insured under the policy.

This benefit is intended to assist in covering the costs of expensive oncology drugs and related treatments not covered by the insured's medical scheme. The pay-out of this benefit is made to the policyholder and is not dependent on actual treatment costs and can be used for any purpose.

In order to qualify for this additional cover, the policyholder will be required to answer an underwriting question relating to any previous diagnosis or treatment of cancer for themselves and their beneficiaries insured under the Policy. This cover has a 12-month pre-existing condition exclusion and a 6-month upfront waiting period from the date of commencement of cover and ceases at age 65.

## **TERMS AND CONDITIONS**

### **Waiting Periods and Pre-existing Condition Exclusion**

No general or condition-specific waiting periods apply. However, no benefits can be claimed for a period of 12 months from the start date of cover in respect of medical conditions, for which in the 12 months before the start date of the cover, medical advice, diagnosis, care or treatment was received or would reasonably have been recommended.

Pregnancy before the start date of cover will be regarded as a pre-existing condition and any pregnancy or birth-related claims will be excluded for 12 months from the start date of the cover.

If prior to the start date of Liberty Gap Cover, a policyholder had cover under another Medical Expense Shortfall Policy, then the pre-existing condition waiting period will only be applied to the unexpired part of the pre-existing condition waiting period from the previous policy. The pre-existing condition waiting period will, however, apply for the full period of 12 months for any benefit not provided under the previous Medical Expense Shortfall Policy.

There is a 12 month waiting period applicable to the lump sum cancer benefit payable under the Universal option.

## General Exclusions

No benefits are payable if a claim arises directly or indirectly from:

- Nuclear weapons or nuclear or ionizing radiation.
- Suicide, attempted suicide or intentional self-injury.
- The taking of any drug or narcotic unless prescribed by and taken in accordance with the instructions of a registered medical practitioner (other than the insured person).
- Any illness or injury caused by the use of alcohol.
- Illegal behaviour, or as a result of breaking the law of the Republic of South Africa;
- Participation in war, terrorist activity, invasion, rebellion, active military duty, police duty, police reservist duty, civil commotion, labour disturbances, riot, strike or the activities of locked out workers.
- Aviation accident, except on a commercial flight as a fare-paying passenger.
- Participation in any form of race or speed test involving any mechanically propelled vehicle, vessel, craft or aircraft.

## Specific Exclusions

Claims arising directly or indirectly from the following are not covered:

- Cosmetic surgery unless required due to illness or injury.
- Penalty co-payments imposed by medical aids for not following the rules of the scheme. An example of this type of penalty co-payment is the amount charged by medical aids for not obtaining pre-authorisation prior to undergoing a medical procedure.
- Pre- and post-hospitalisation doctor and specialist charges.
- Treatment for obesity or treatment that is required as a result of obesity.
- Elective or routine procedures and physical examinations including tests, annual check-ups, ECGs, contraception-related treatments, fertility and ART (assisted reproduction therapy) and elective circumcisions.
- Treatment for depression, mental or stress-related conditions.
- Claims not covered by the medical aid.
- Split billing charges. These are medical practitioner and medical service provider charges, charged separately to those submitted to medical aid.
- Private and home nursing.
- Hospital charges.
- Medication and other materials.
- External prosthesis.
- Cancer treatment or planned procedures received outside the Republic of South Africa.
- When travelling abroad, treatment for accident and illness is not covered after 90 consecutive days outside the Republic of South Africa.
- Day-to-day medical practitioner costs.
- Breast and dental implants.
- Emergency medical transportation.
- Out-of-hospital dental procedures.
- Exploratory procedures or procedures that are paid for by your medical aid on exception or ex-gratia basis.
- Diagnosis and/or treatment for sleeping disorders.
- Treatment costs for services rendered by allied health care professionals, such as but not limited to dieticians, podiatrists, audiologists, chiropractors, acupuncturists, speech therapists, biokineticists, occupational therapists, physiotherapists, diagnostic medical sonographers, physical therapists, radiographers and respiratory therapists.

## Continuation option

Upon death of the principal member a continuation option is extended to the widow/widower of the deceased principle member. The continuation option is also available for adult children when they move to their own medical aid. The administrators of the policy must receive a written request for the continuation option within 60 days of the continuation date. Continuation members will need to complete a debit order application form.

## **PROCESS TO BE FOLLOWED BY YOU AS A REPRESENTATIVE FOR LIBERTY GAP COVER SALES**

- If requested by the client, provide the client with a certificate of authority.
- Notify the client that you render advice under supervision if applicable.
- Obtain personal information from client and do a Needs analysis to identify the correct solution for the client's needs.
- Do a needs analysis to establish that the Gap Cover policy meets the client's needs as the medical aid does not cover the total medical practitioner costs when hospitalised.
- Recommend the Universal Gap Policy as a solution because it will cover the difference between the actual medical practitioner charges (up to a maximum of 5 times the Medical Scheme Tariff rate) and the amount payable by the medical scheme. Or in the case of the Liberty Essential Gap Cover option, the amount of the benefit will be limited to double the amount paid by the medical scheme and the client will experience a shortfall if a medical practitioner charges more than three times what is actually paid by the medical scheme. In the case of the Liberty Optimal Gap Cover option, the amount of the benefit will be limited to three times the amount paid by the medical scheme and the client will experience a shortfall if a medical practitioner charges more than four times what is actually paid by the medical scheme.
- Advise the client that there are similar products on the market, but you do not represent any other product suppliers and the Liberty Gap Cover product is the most established product on the market.
- Notify the client that a record of the advice given will be in the welcome pack.
- Maintain copies of all the documents used in the process above.

# Liberty Dental Gap Cover

## Product training Guide 2023

### The Dental Gap cover benefit

This health insurance policy provides cover to fund your dentistry, emergency, accidental and illness related dental treatment costs by providing a fixed benefit amount per dental claim event. The policy is annually renewable on 1 January each year.

There are two options available under Comprehensive and Core Dental Gap Cover – Individual cover for the life insured only or family cover for the principle insured, the spouse and up to 4 children under the age of 21 years as well as grandchildren. To qualify for cover a grandchild must be a dependant on the life insured's medical aid. Cover ceases for individuals insured under the policy at age 65 years.

**Comprehensive Dentistry Gap Cover:** Provides funding for a comprehensive range of dentistry treatment costs. High stated cover amounts\* are provided to fund in part or whole, the actual costs of dentistry, emergency, accidental, illness related and specialised dental treatment.

**Core Dentistry Gap Cover:** Provides more affordable funding for frequently incurred dentistry treatment costs. This option pays lower stated cover amounts\* to fund in part or whole, the actual costs of dentistry, emergency, accidental and illness related dental treatment costs.

\*Stated cover amounts are the fixed Rand amounts that will be paid, subject to the terms and conditions of the policy.

### Waiting Periods and Pre-existing Condition Exclusion

On Comprehensive Dental Gap Cover and Core Dental Gap Cover a waiting period of 3 months will apply to the Dentistry Treatment benefit and the Oral Cancer benefit.

On Comprehensive Dental Gap Cover a waiting period of 6 months will apply to the Removable Denture benefit and the Implant or Bridge benefit.

No benefits are payable during these waiting periods and the benefit can only be claimed if the diagnosis and incident occurred after the waiting period.

There is no waiting period applicable for the Emergency or Accident related benefits.

No benefit can be claimed for a period of 12 months from the commencement date or entry date of this policy in respect of a medical condition for which in the 12 months preceding the start date of the policy medical advice, diagnosis, care or treatment was received or would reasonably have been recommended.



**The table below lists Claim Events and Stated Cover Amounts provided under Dental Gap Cover's Comprehensive and Core options:**

<b>Benefit</b>	<b>Claim Events Covered</b>	<b>Comprehensive Dental</b>	<b>Core Dental Gap Cover</b>
Dentistry Treatment Benefit	General dentistry events, including check-ups for treatment of minor dental discomfort and gum disease	R750 per visit, 2 per annum per life insured	R500 per visit, 2 per annum per life insured
	Severely decayed or damaged tooth	R1 000 payable once per tooth	R500 payable once per tooth
	Impacted wisdom teeth	R1 500 payable once per tooth	R750 payable once per tooth
Emergency Dentistry Treatment	Dental abscess	R2 500 payable once per tooth every 5 years	R1 000 payable once per tooth every 5 years
	Emergency treatment of pain or Infection	R2 500 per tooth	R1 000 per tooth
Accidental Dentistry Treatment	Chipped tooth	R1 000 per tooth limited to 2 claims per 12- month period per life insured	R500 per tooth limited to 2 claims per 12- month period per life insured
	Fractured tooth	R5 000 per tooth	R2 000 per tooth
	Knocked tooth loose or out	R5 000 per tooth	R2 000 per tooth
	Jaw fracture	R25 000 per event	R15 000 per event
Dentistry Illness Treatment	Oral Cancer	R25 000 once per person insured, payable on first time diagnosis	R15 000 once per person insured, payable on first time diagnosis
Long Term Dentistry Treatment	Dentures	R5 500 payable once per upper / lower jaw every 4 years	Not Covered
	Dental Implant or Bridge	R10 000 per tooth lost, limited to one claim in 24 months	Not Covered

A claim may only be submitted for consideration after a diagnosis has been made by a dentist. All claims must be notified to Zestlife within 6 months of diagnosis by a dentist.

All claims will be assessed by Denis Insurance Administrators (Pty) Ltd.

The Dentistry Treatment Benefit cannot be Claimed together with the Emergency Benefit, the Accident Benefit or the Oral Cancer Benefit.

The Emergency Benefit can only be Claimed and paid out once per Claim Event. This means that the same Claim Event cannot give rise to a Claim and payment for both a Dental Abscess and a Dental Emergency.

Loss of milk tooth is excluded under the Removable Denture Benefit and Implant or Bridge Benefit.

The Removable Denture Benefit is available only for tooth positions from the central incisor to the 1st molar position. Dentures in the 2nd and 3rd molar positions are excluded. This benefit may not be claimed at the same time as the Implant or Bridge Benefit

Implant or Bridge Benefit - After diagnosis has been made and an occlusal instability claim has been paid for a specific tooth lost and adjacent teeth, the tooth is considered to have been properly treated. No further occlusal instability claim will be paid for this lost tooth.

### **General exclusions**

No benefit will be paid if:

- The life insured is over 65 years of age at the time of the claim event.
- There has not been a diagnosis by a dentist of the claim event.

No benefits are payable if a claim arises directly or indirectly from or is traceable to:

- Wilful self-injury or the life insured is affected temporarily, influenced or otherwise, by alcohol, narcotics, insanity or drugs.
- Ionizing radiations or contamination by radioactivity from any nuclear fuel or nuclear waste from the combustion of nuclear fuel or from any nuclear weapons material. For the purpose of this exception only, combustion shall include any self-sustaining process of nuclear fusion.
- The result of the life insured's deliberate exposure to exceptional danger (except in an attempt to save human life).
- Engaging in hazardous sports such as (but not limited to): aviation sport, paragliding, underwater diving, hang-gliding, game hunting, spear fishing, rock climbing, cycle racing, mountaineering, racing of any kind (whether as passenger or as driver) involving the use of any power driven vehicle, vessel or craft, skydiving / parachuting, para-sailing, go-carting, drag racing, rally driving, bungi-jumping, winter sports involving snow or ice, polo or horseback, steeple-chasing, or professional football or rugby.
- A need to change existing fillings for reasons including headaches, fatigue or other conditions not directly related to a tooth structure and/or for cosmetic reasons.
- War, mutiny, riot, military rising, military or usurped power, martial law or state of siege, or any event which determines the proclamation or maintenance of martial law or state of siege, insurrection, rebellion, revolution, invasion, act of foreign enemy, hostilities, warlike operations (whether declared or not), armed international conflict (whether war be declared or not), terrorist or insurgency activities, uprising, civil commotion or war, rebellion, sedition, sabotage or any activity associated with the foregoing, any act (whether on behalf of any organization, body or person or group of persons) calculated or directed to overthrow or influence any State or Government or any provincial, local or tribal authority with force, terrorism or violence, or the defence, quelling, investigation or containment thereof by any security force, or any attempt to perform any act aforementioned, or the act of any lawfully established authority in controlling, preventing, suppressing, or in any other way dealing with any occurrence referred to in the aforementioned.

## Accreditation

Liberty Gap Cover and Dental Gap Cover are short-term insurance products and you will be selling these products as a representative of Zestlife under the supervision of Sebastian Zoutendyk unless you have the required experience and qualifications to sell these products.

Agents wanting to sell Gap Cover and Dental Gap Cover will complete an application and Zestlife will consider the application and if approved will return a copy of the fully signed Supervision Agreement and Representative Mandate to the intermediary together with a certificate stating that the intermediary is authorised to sell the product and will register the intermediary as a representative of Zestlife to sell these products.

Zestlife will ensure that the intermediary is supervised with the assistance of the Liberty Broker Consultants who service them and internal Zestlife staff. The Intermediary will operate under supervision for the first year or until you have the required qualifications and need to disclose this to the client.

If the new policy replaces an existing policy the intermediary needs to complete a replacement policy record and get the client to sign it. This record needs to be sent to Zestlife with the application.

The commission for Medical Expense Shortfall Cover is calculated on a sliding scale based on monthly premium bands as follows:

- Above R1200 - 5%
- R601 to R1200 - 10%
- R300 to R600 - 15%
- Less than R300 - 20%

The commission for all Gap Cover options will remain at 20% with the exception of Universal Option individual policies with a life insured 65 or older. The commission on these Gap Cover policies will be 15%. Commission on Extended Cancer Cover is 20%.

The commission is paid by the 15<sup>th</sup> of the month following the calendar month in which the premium was collected. A commission statement is e-mailed to the intermediary listing the policy details and commission amount per policy for the specific month. Commission will only be paid once the intermediary has been authorised by Zestlife to sell the product.

To remain a Zestlife representative to sell Gap Cover and Dental Gap Cover and to continue to earn commission on existing business an agent needs to have a minimum of 6 active policies after 6 months and a minimum of 12 active policies after 12 months. Failure to reach and maintain the required minimum number of active Gap Cover policies will result in deregistration as a Zestlife Representative and no further commissions would be payable from the date of deregistration.

**I ACKNOWLEDGE THAT I HAVE READ AND UNDERSTAND THE CONTENTS OF THIS DOCUMENT WHICH FORMS PART OF THE TRAINING FOR THE LIBERTY GAP COVER AND DENTAL GAP COVER POLICIES.**

\_\_\_\_\_  
Agent Full names and Surname

\_\_\_\_\_  
Agent Signature

\_\_\_\_\_  
Date

# ZESTLIFE DEBARMENT POLICY

## 2019.07 V1

### 1. INTRODUCTION

The Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS") aims to regulate the rendering of certain financial advisory and intermediary services to clients by FSPs.

In terms of Section 14(1) of FAIS an **FSP** must remove a Representative or a Key Individual of such a Representative if:

- such a person no longer complies with the Fit & Proper Requirements as outlined in Section 13(2)(a), or
- the Representative or a Key Individual contravenes or fails to comply with any provision of the FAIS Act in a material manner.

The primary objective of the debarment policy, supported by the SPB Debarment, is to prevent the continuation of financial services rendered by a Representative or a Key Individual of such a Representative, who is no longer Fit and Proper or has failed to comply with a provision of FAIS, in a material manner. Debarment therefore prohibits a person from functioning as a Representative or Key Individual for any provider, and not only for the provider who initiated the debarment.

### 2. REGULATORY FRAMEWORK

- Financial Advisory and Intermediary Services Act ("FAIS");
- Board Notice 194 Of 2017 – Determination of Fit and Proper Requirements for Financial Services Providers, 2017;
- FSCA FAIS Notice 17 of 2018 – Form and Manner of Section 14 Notifications;
- Guidance Note 1 of 2019 (FAIS) – Guidance Note on the Debarment Process in terms of Section 14 of the Financial Advisory and Intermediary Services Act;
- Financial Sector Regulation Act, 9 of 2017 ("FSRA").

### 3. DEFINITIONS

#### 3.1 FAIS Act ("FAIS")

FAIS Act ("FAIS") includes any regulation, rule or code of conduct, and any notice given, approval or exemption granted, determination made, requirement or condition determined or imposed, or any other decision referred to in Section 3(1).

#### 3.2 Financial Services Provider ("FSP")

Financial Services Provider ("FSP") means any person, other than a Representative, who as a regular feature of the business of such person:

- Furnishes advice; or
- Furnishes advice and renders any intermediary service; or
- Renders an intermediary service.

#### 3.3 Key Individual ("KI")

In relation to an authorised financial services provider, or a representative, carrying on business as -

- A corporate or unincorporated body, a trust or a partnership, means any natural person responsible for managing or overseeing, either alone or together with other so responsible persons, the activities of the body, trust or partnership relating to the rendering of any financial service; or
- A corporate body or trust consisting of only one natural person as member, director, shareholder or trustee, means any such natural person.

### **3.4 Representative**

Representative means any person, including a person employed or mandated by such first-mentioned person, who renders a financial service to a client for or on behalf of a financial services provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical, administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service -

- does not require judgment on the part of the latter person; or
- does not lead a client to any specific transaction in respect of a financial product in response to general enquiries.

### **3.5 Regulatory Authority**

The Regulatory Authority refers to the independent institution that regulates the South African financial services industry.

### **3.6 In writing**

Includes communication by electronic mail or handwritten letter that is accurately and readily reducible to writing.

### **3.7 Fit and Proper Requirements**

Fit and Proper requirements refer to the requirements published under Section 6A of FAIS.

## **4. POLICY PURPOSE**

The purpose of this policy is to protect the organisation and its clients from the compliance risks associated with the debarment of a Representative or KI, which includes:

- Reputational damage. For instance, to prevent the continuation of financial services rendered by a Representative who is incompetent and dishonest, which in turn might cause the public and / or clients to view the organisation as incompetent and / or dishonest;
- Risk of litigation. For instance, the organisation could suffer loss in revenue where dissatisfied clients of a Representative institutes various claims against the FSP via the office of the Ombud;
- To create awareness amongst KIs and Representatives of the FSP regarding the debarment procedure, due to the fact that the debarment of a Representative is considered to be a very serious matter;
- To ensure that the KIs and Representatives of the FSP know and understand the debarment requirements and the relevant procedure that must be implemented when the decision to debar a Representative is made; and
- To promote compliance with this policy document.

This policy demonstrates the organisation's commitment to protecting the rights of this organisation's clients in the following manner:

- Through stating desired behaviour and directing compliance with the provisions of FAIS and the Fit and Proper requirements;
- By cultivating an organisational culture that recognises the importance of honesty, integrity and good standing;
- By developing and implementing internal controls for the purpose of managing the compliance risk associated with the debarment of a Representative;
- By creating business practices that will provide reasonable assurance that the rights of this organisation's clients are protected and balanced with the legitimate needs of the organisation;

- By raising awareness through training and providing guidance to Representatives and KIs so that they can act honestly and with integrity; and
- By assigning specific duties and responsibilities to control owners.

## 5. POLICY APPLICATION

This policy and its guiding principles apply to:

- the organisation's governing body;
- all natural and juristic Representatives;
- all Key Individuals.

This policy's guiding principles find application in all situations relating to debarment, and must be read in conjunction with FAIS, as well as Board Notice 194 of 2017, which sets out the determination of Fit and Proper Requirements for Financial Services.

The legal duty of an authorised FSP to comply with the debarment SPB is applicable in any situation where:

- a Representative of the FSP -
- or a Key Individual of such Representative -
  - does not meet, or no longer complies with the **requirements as referred to in Section 13(2)(a)**; or -
  - has contravened or failed to comply with any **provision of FAIS** in a **material** manner.

\*Important: The decision by an FSP to debar a Representative can only be for reasons relating to the rendering of financial services. Therefore, any decision taken by an FSP to debar a Representative for reasons other than the rendering of financial services is invalid.

## 6. CREATING AWARENESS

In light of the fact that the debarment of a Representative is considered to be a serious matter, the organisation must ensure that all representatives are aware and understand the debarment policy and procedure, as well as the implications thereof.

In order to render financial services or act as a Representative or KI of a representative of any FSP, the debarred person must comply with the requirements referred to in section 13(1)(b)(ii) of FAIS for the reappointment of a debarred person as a Representative or KI of a representative.

It is for the abovementioned reason that all Representatives must read and make sure that they understand the debarment policy and the relevant SPB document which gives effect to this policy.

## 7. THE DEBARMENT OF A REPRESENTATIVE

### 7.1 FAIS REQUIREMENTS

- In terms of Section 14(1) of the Financial Advisory and Intermediary Services Act 37 of 2002 ("FAIS") an authorised Financial Service Provider ("FSP") must ensure that any Representative of the Provider or any Key Individual of such Representative who:
  - does not meet, or no longer complies with the requirements as referred to in Section 13(2)(a); or
  - has contravened or failed to comply with any provision of FAIS in a material manner,
 must be debarred.
- Such a debarred person will:
  - be prohibited by such provider from rendering any financial services; and
  - immediately have its authority withdrawn to act as a representative or key individual on behalf on the provider; and

- where applicable, have his/her name removed from the register referred to in section 13(3) of FAIS.

The provider must immediately take steps to ensure that the debarment does not prejudice the interests of clients of the Representative, and that any uncompleted business of the Representative is properly concluded.

## **7.2 FIT AND PROPER REQUIREMENTS**

- Section 13(2)(a) of FAIS makes reference to the Fit and Proper requirements, which can be specified as follows:
  - Personal character qualities of Honesty and Integrity;
  - Good Standing;
  - Continuous Professional Development;
  - Class of Business Training;
  - Product Specific Training;
  - Financial Product Experience;
  - Regulatory Examination(s); and
  - Qualification requirements.

## **8. GROUNDS FOR DEBARMENT**

- The debarment of a Representative is limited to the Fit and Proper requirements as outlined in Section 13(2)(a) of FAIS, as well as any material contravention or failure by the Representative to adhere to any provisions of FAIS, which include any subordinate legislation thereto.
- FSP's should note that the grounds for debarment must specifically relate to the aspects mentioned above. Thus, any other aspect not related to financial services shall not be considered as grounds for debarment.
- For example: If there is no evidence or indication that the Representative no longer complies with the Fit and Proper requirements, and FSP may not debar a Representative merely because such a person resigned or has terminated his / her mandate or employment with the FSP.
- The reason for debarment, whether it relates to the non-meeting of the Fit and Proper requirements, or to non-compliance with a material provision of FAIS, must have occurred and become known to the FSP while the person was a Representative.
- The FSP must also commence with debarment proceedings no later than six (6) months from the last date on which the person ceased acting as a Representative. It however is not a requirement that the proceedings be completed within the 6 (six) month period.

## **9. OBLIGATIONS ON FSP**

- In terms of Section 14(3) of FAIS, the FSP must ensure, before effecting a debarment as specified above, that the debarment process is lawful, reasonable and procedurally fair.
- It is required that adequate notice be given to a representative when debarment is intended by a Provide, and that such a representative should be provided with a reasonable opportunity to make submissions to the FSP as to why debarment should not be affected.
- Where a Debarment Official has made a finding after a debarment hearing, the FSP will be required to take certain steps, which includes:
  - Withdrawing authority which may still exist, where a decision to debar was made;

- Where applicable, removal of the debarred person's name from the register of representative;
  - Taking steps to ensure client interests is protected;
  - Notification of the representative of the decision made at the debarment hearing, including the reasons upon which the decision is based; and
  - Notification to the Authorities of an effected debarment, along with the grounds and reasons for such a debarment.
- Non-compliance with the obligations placed on the FSB in terms of legislation, which is set out in this policy, together with the supporting debarment SPB, may result in regulatory action against the FSP.

**10. THE ROLE OF THE AUTHORITIES WHEN RECEIVING A NOTICE OF DEBARMENT**

- Upon receipt of a Notification of Debarment of a representative, the Authority will record such a debarment in the register of debarred representatives and publish same as provided for in section 14(7) of FAIS. It can be noted that there is no obligation on an FSP to contact the debarred person to ascertain as to why the debarment should not be recorded and publicised.
- This recording and publication by the Authority will not amount to a review, approval or confirmation of a decision to debar, but will merely enable the Authority to -
  - consider a possible referral for criminal investigation or enforcement action, as provided for in terms of Section 167 of FSRA;
  - have adequate information available when a possible application is brought for a re-appointment of a representative, and to ensure compliance with all reappointment requirements;
  - to confirm that due process was followed by the FSP during the debarment process and that the grounds for debarment comply with Section 14(1) of FAIS.

**11. CONCLUSION**

It is common cause that the debarment of a Representative has serious implications for both the Representative and the FSP concerned. Utilising and implementing a debarment policy and process will ensure that a fair and diligent procedure is followed and will also eliminate any other concerns that the FSP may have regarding the debarment process.

**I \_\_\_\_\_ (full names and surname) acknowledge that I have read and understand the Debarment Process Note.**

\_\_\_\_\_  
Representative Signature

\_\_\_\_\_  
Date