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Definitions

**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:

a) Influence the objective performance of his, her or its obligations to that client; or
b) Prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client

Including, but not limited to:

i. A financial interest;
ii. An ownership interest;
iii. Any relationship with a third party.

**Employee** means for the purposes of this document all directors, officers and employees of Willis.

The term "insurers" includes "reinsurers", "insurance" includes "reinsurance" and "insureds" includes "reinsureds" and vice versa.

**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:

a) An ownership interest;
b) Training, that is not exclusively available to a selected group of providers or representatives, on:
   i. Products and legal matters relating to those products;
   ii. General financial and industry information;
   iii. Specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

**Immaterial financial interest** means any financial interest with a determinable monetary value, the aggregate of which does not exceed ZAR 1,000 in any calendar year from the same third party in that calendar year received by:

a) A provider who is a sole proprietor; or
b) A representative for that representative’s direct benefit;
c) A provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

**Ownership interest** means:

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

**Provider** means an authorised financial services provider, and includes a representative.

**Third party** means:

a) A product supplier;
b) Another provider;
c) An associate of a product supplier or a provider;
d) A distribution channel;
e) Any person who in terms of an agreement or arrangement with a person referred to in paragraphs a) to d) above that provides a financial interest to a provider or its representatives.

An Associate

a) In relation to a natural person, means:

i. A person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
ii. A child of that person, including a stepchild, adopted child and a child born out of wedlock;
iii. A parent or stepparent of that person;
iv. A person in respect of which that person is recognised in law or appointed by a Court as the person legally responsible for managing the affairs of or meeting the daily care needs of the first mentioned person;
v. A person who is the spouse, life partner or civil union partner of a person referred to in subparagraphs ii. to iv.;
vi. a person who is in a commercial partnership with that person.

b) In relation to a juristic person:

i. Which is a company, means any subsidiary or holding company of that company, any other subsidiary of that holding company and any other company of which that holding company is a subsidiary;
ii. Which is a close corporation registered under the Close Corporations Act, 1984 (Act No. 69 of 1984), means any member thereof as defined in section 1 of that Act;
iii. Which is not a company or a close corporation as referred to in subparagraphs i. or ii., means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
   a. Had such first-mentioned juristic person been a company; or
   b. In the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company;
iv. Means any person in accordance with whose directions or instructions the board of directors of or, in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.

c) In relation to any person:

i. Means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph;
ii. Includes any trust controlled or administered by that person.
Executive Summary

1. Introduction

The company conducts its business honestly and ethically wherever we operate in the world. We constantly improve the quality of our services, products and operations and strive to create and maintain our reputation for honesty, fairness, respect, responsibility, integrity, trust and sound business judgment. No illegal or unethical conduct on the part of officers, directors, employees or affiliates is in the company's best interest. The company will not compromise its principles for short-term advantage. The ethical performance of this company is the sum of the ethics of the men and women who work here; thus, we are all expected to adhere to high standards of personal integrity.

In accordance with the Financial Advisory and Intermediary Services General Code of Conduct a provider and/or representative must avoid, and where this not possible, mitigate any conflict of interest between the provider or the representative and a client.

A conflict of interest may arise if:

a) Willis' own interests conflict with those of a client; or
b) Willis is unable to act in the best interests of one client without adversely affecting the interests of another client.

A conflict does not automatically mean Willis cannot continue to act, however, we must:

a) Communicate clearly with the client in writing;
b) Satisfy ourselves that there is no practical reason why we cannot manage any given conflict of interest; and
c) Have taken practical/organisational steps to manage the conflict where appropriate.

Where a conflict of interest or potential conflict of interest is identified, we will use all reasonable endeavours to address the conflict at the earliest possible stage and to communicate openly and transparently with our clients.

We act as the agent of the client and as a matter of law and Willis Policy we must always operate in the best interests of our clients. However, Willis may have two clients with competing interests, or Willis’ interests may not align with the interests of the client. Therefore, Willis’ policy is to be transparent on conflicts and the way in which conflicts of interest are dealt with and to be clear, fair and not misleading when communicating with clients on conflicts of interest issues.

Willis Policy is also to be fully transparent on the issue of remuneration with its clients.

It is the responsibility of all employees to identify and report conflicts of interest as and when they arise so that such conflicts can be appropriately managed.

Where it is possible to manage a conflict of interest, using disclosure and if appropriate practical conflict management procedures (such as information barriers) we can continue to act for the client.

Employees must contact Group Compliance via their local compliance officer in the event that a conflict of interest arises which cannot be easily resolved satisfactorily through communication with the client or where a conflict arises which is contentious or may be the subject of dispute.

Officers, directors, and employees of the company must never permit their personal interests to conflict, or appear to conflict, with the interests of the company, its clients or affiliates. This may include but is not exclusive to:
a) Real or perceived financial gain resulting from recommendations to our clients at a cost to the client;

b) An outcome in service delivery or a transaction executed that may differ from the real interest of the client;

c) Any non-cash incentives that may be received by the business from affecting any predetermined transaction and / or product;

d) Effecting a transaction and / or product that may result in a benefit to another party other than the client.

Officers, directors and employees must be particularly careful to avoid representing the company in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors, and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.

2. **Scope of the Willis South Africa Conflicts of Interest policy**

Willis Conflicts Management Policies and Procedures apply to all business activities carried out by all employees.

The Conflict of Interest Policy contains a comprehensive, although not exhaustive, list of scenarios in which conflict of interest considerations need to remain at the forefront of the minds of employees.

3. **What do you need to know**

Ensure that you understand the Conflict of Interest materials provided to you, these include:

a) This Conflict of Interest Policy;

b) Willis Client Bill of Rights;

c) Willis Global Policy Manual;

d) Willis Excellence Model;

e) Willis Insider Trading Policy;

f) Willis Remuneration Disclosure Principles;

g) Willis Gifts and Hospitality Policy;

h) Ensure that you are familiar with the list of prohibited behaviours found in section 5 of this policy;

i) You are not expected to memorise the Conflict of Interest Policy (it recognises the different kinds of conflicts of interest that may arise, how Willis policies address such conflicts, generally and provides guidance on how and when to seek assistance). You should however, remain alive to conflicts of interest from your first meeting with the client and throughout the period during which we service the client.

j) Remember, commercially poor management of conflict of interests may result in the loss of clients and/or reputational damage.

4. **What do you do if you identify a Potential or Actual Conflict**

If you have concerns that there may be a conflict, or a client voices such concerns to you, or you do not think that a conflict can be resolved per our policies, you must react swiftly and speak to your line manager or compliance officer for additional guidance.

Do not take any action nor communicate with other parties/employees if there is any possibility that such communications may further complicate a conflict. For example where there is a potential conflict involving different Willis Business Units or teams – refer straight your local compliance officer for assistance.
Where conflicts of interest issues are raised or discussed with clients orally you must ensure you confirm your communication in writing.

Always involve Group Compliance where this is prescribed within the Conflict of Interest Policy.

5. Queries

Contact your local or regional compliance officer or the Deputy Group Compliance Director (International).
1. Introduction

1.1. Willis’ Approach

“A firm must manage conflicts of interest fairly, both between itself and its customers and between a customer and another customer”.

The purpose of this document is to provide guidance on Willis’ policies and procedures for addressing actual, apparent and potential conflicts of interests (in this document “conflicts of interest”) that arise in the conduct of its business either generally or specifically.

In the context of its day to day business Willis routinely acts for a number of parties, including insureds, insurers, reinsureds and reinsurers and it is likely that Willis may find itself in a position where its duty to one party conflicts either with its own interests or with its duty to another party.

There are a number of methodologies that can be put in place to address conflicts of interest but it is recognised that some of these may not be practical. Therefore, Willis has developed an approach to strike a balance to provide transparency whilst retaining the ability to service its client base in a manner appropriate to the client’s needs.

The insurance and reinsurance markets in which Willis operates are complex and there could be other relationships not described in this document which may create conflicts of interest. However, it is Willis’ policy that where a conflict of interest is unavoidable or cannot be addressed within its policies and procedures the fact that a conflict of interest has arisen will be explained to the parties and information will be provided on the nature of the conflict. Whatever the circumstances Willis’ policy is to act in the best interests of a client and to avoid prejudicing any party. Thus, where a conflict of interest arises for which there is no practicable solution Willis will withdraw unless the client consents in writing to Willis continuing to act.

Willis’ position on conflicts of interest is drawn to the attention of clients through either its terms of business agreement or its standard fee agreement. Employees must remain alert to the possibility of conflicts of interest and contact Group Compliance who will review and help the business to clear potential conflicts of interest which may be reasonably foreseeable.

1.2. Application of Policies and Procedures

The policies and procedures set out in this document apply to all Willis Employees, and may apply to those to whom Willis may outsource some of its business activities.

A failure to adhere to Willis’ policies will be dealt with in accordance with Willis’ disciplinary procedures.

1.3. What is a Conflict of Interest

A Conflict of interest is 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:

a) Influence the objective performance of his, her or its obligations to that client; or
b) Prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client

Including, but not limited to:

i. A financial interest;
ii. An ownership interest;
iii. Any relationship with a third party.
A conflict of interest arises where Willis puts itself in a position where its duty to one party conflicts either with its self-interest or with its duty to another party. A conflict may arise where Willis has an interest or is likely to make a financial gain or avoid a financial loss at the expense of a client or where Willis has a financial or other incentive to favour the interest of one client over the interests of another client.

For an employee a conflict of interest will arise when an employee's personal interest interferes in any way with the interests of any of Willis' clients. A conflict situation will arise when an employee takes actions or has interests that may make it difficult to perform his or her work objectively and effectively.

A conflict of interest may also arise when an employee or a member of their immediate family, receives inappropriate personal benefits, including those not necessarily giving an economic benefit, as a result of their position in Willis (reference Willis Global Policy Manual - Our Ethical Code).

Conflicts of interest may not always be clear-cut and if there are any concerns, questions or queries in relation to a matter immediate advice must be sought. Employees should speak in the first instance to their local compliance officer who will liaise with the Deputy Group Compliance Director (International).

Failing to disclose concerns with potential conflicts of interests can have adverse implications for Willis and employees involved.

1.4. How does Willis manage Conflicts Of Interest

Willis' approach to managing conflicts of interest is through a combination of adherence to the policies referred to below, transparency and, where required, the informed consent of the party or parties involved:

1.4.1. Willis Client Bill of Rights

The Willis Client Bill of Rights represents our policy of independence and sets out 10 principles supporting Willis' commitment to upholding the highest standards of integrity. It guides our culture and our actions.

1.4.2. Willis Global Policy Manual

The Willis Global Policy Manual brings together, at high level, policies on a range of subjects, particularly our Ethical Code and Whistleblowing Policy and Business Principles. It is designed to help employees know what is expected of them. The principles are common sense and when followed ensure that employees conduct themselves in a manner in which an unswerving commitment to integrity and mutual respect is a key hallmark.

The Willis Global Policy manual incorporates:

i. Our Ethical Code (including our Whistleblowing policy); and
ii. Our Business Principles.
1.4.3. Willis Excellence Model

The Willis Excellence Model ("WEM") is our process framework which identifies the steps and standards to be followed in providing to our clients services in their best interests.

For our insurance and reinsurance business, WEM establishes the steps to be followed in the placement and claims process. These steps include checklists and template wordings that address the process for:

i. The collection of sufficient relevant information about our client and his risks. This is the first step in our partnership with the client to understand his company, his industry and his individual needs;
ii. The communication of the insurers proposal to provide coverage and then the completion of the binding;
iii. Negotiating and finalizing the client’s policy wording;
iv. Premium settlement; and
v. Claims notification, claims handling and settlement.

WEM is a key element of our management system of controls and has been designed to support the quality of service Willis provides to its clients. The WEM standards are monitored and enforced through a global employee training program, regular compliance file reviews and a rigorous internal audit program. Reports on these audits are presented to the Willis CEO, the Willis Board, the Willis Group Chairman and Chief Executive Officer and the Audit Committee of the Willis Group Holdings Limited Board of Directors.

1.4.4. Willis Remuneration Disclosure Principles

The Willis Client Bill of Rights states that Willis will describe to its clients the services and value it provides and how it is compensated for these services in plain and simple language (Principle 2).

The Willis Remuneration Disclosure Principles set out how Willis will comply with principle 2. In summary, Willis will explain to its prospective clients, in its first meeting and or communication with such clients, it will be remunerated for the services provided. This explanation shall take place before the transaction is completed for the client. Further information on these principles can be found in section 3.5 below.

1.5. Communication and Monitoring

1.5.1. Ensuring the Willis policy is not only understood but implemented:

i. All new employees will be given access to a copy of the Willis Conflict of Interest Policy with their induction material.
ii. The Willis Conflict of Interest Policy is available to all employees via the Governance Folder on the share drive; and
iii. An Annual Compliance Verification Questionnaire is completed by employees.

Also, Internal Audit and Compliance have programmes in place to monitor adherence to Willis' operational and financial procedures.

1.5.2. Employees who identify a specific conflict of interest:

i. Will refer it to their local compliance officer and he or she will discuss it with the Deputy Group Compliance Director (International) who will provide guidance and direction on how the potential conflict will be addressed.
1.5.3. Recording of Conflicts of Interest

i. Specific conflict of interest will be recorded by the local compliance officer in the Willis Conflicts Register and reported quarterly to the Willis Board.

1.6. Disclosure to Clients

In all instances in which a conflict of interest is identified it is Willis policy that the appropriate disclosures are made to the client in writing or by email, after discussing with your local compliance officer and line manager. Depending on the nature of the conflict such communication may take the form of a standard conflict statement, or, alternatively, where verbal communication has been provided to the client, by confirmatory email or letter.

Conflict of Interest disclosures will include sufficient detail (taking into account the nature of the client) to enable the client to take an informed decision with respect to the context in which the conflict has arisen.

1.7. Role of Group Compliance

It is Willis policy that employees are responsible for identifying and notifying conflicts of interest. Where a potential conflict arises and may be dealt with by disclosure and communication with the client, employees must make such disclosure in writing or by email. Where more complex conflict management structures or tools are required employees must notify and involve their local compliance officer or regional compliance officer.

Group Compliance’s involvement is to ensure that there is:

i. Separate supervision independent of the Business Unit function; and
ii. There is appropriate independent guidance for employees involved in the provision of services which may be a subject of a conflict.

1.8. Escalation Procedure

i. Identification of the conflicts issue by the employee.

ii. Escalation where the issue cannot be resolved by the employee, Country Management or local compliance officer, the conflict of interest must be referred to the Deputy Group Compliance Director (International).

iii. Communication to the client and written confirmation to Group Compliance of complex conflicts of interest which cannot satisfactorily be dealt with through written disclosure to client.
2. Conflict of Interest – General

2.1. Introduction

This section addresses the conflicts of interest that may arise outside the operational services provided to clients and explains how such conflicts may be managed. The matters referred to in this section are not intended to represent an exhaustive list.

2.2. Interests in Insurers or Underwriting Agents

Willis Group policy is that no Willis Company will have and/or retain a significant equity or profit-participating interest (i.e. more than 5%) in a general commercial insurer, reinsurer, life insurer or underwriting agency used for the placement of clients’ insurance risks. Where Willis owns an underwriting agency or company the ownership relationship will be disclosed to clients prior to a placement of a risk.

2.3. New Products

2.3.1 A conflict of interest may arise where Willis, either alone or with insurers develops a new insurance product. The conflict may arise between whether the product represents the clients’ best interest or whether the remuneration structure for Willis from the product is seen as an unfair inducement.

2.3.2 Where the insurance product developed by Willis alone or in liaison with an insurer contains features which are new or different to the typical features of insurance generally used such insurance product will be referred to the Group Risk Manager who will determine the extent to which the product needs to be referred to the Enterprise Risk Management Committee, for approval before such product is marketed. Further, the Group Risk Manager will review the product and the remuneration to be paid to Willis, in connection with the product, with Group Compliance to ensure that the product does not conflict with the interests of Willis’ clients and the remuneration structure does not constitute an unfair inducement or otherwise encourage Willis to breach its obligations to any insured.

2.3.3 In considering new products the Business Unit will be requested to evidence and document that:

i. The product developed and to be marketed is based on a clear understanding of the likely and conditions applicable, particularly exclusions, are clear, fair and not misleading;

ii. They have a process to respond to changes that may affect the new product and its impact on clients and insurers needs of the targeted clients i.e. it will deliver the level of protection promised and the terms

2.4. Clients in Similar Sectors

2.4.1 A conflict of interest may arise where Willis acts on behalf of clients in similar business sectors. As a consequence, in the absence of a Confidentiality Agreement between the client and Willis, the use of confidential information as compared to general sector knowledge has to be carefully managed (see 2.4.8 below).

2.4.2 Confidential information is any information, written or oral, provided by or in relation to a client in respect of its own specific circumstances. This includes all information provided in negotiations and discussions with a client or relating to a client, or that is contained in documents and correspondence provided by a client or relating to a client, except where such information is publicly available or generally known.
Examples:

**Example A:** Willis works for Client A and Client B. Client A is in a similar field to Client B. Client B asks its brokers to advise on the insurance programme in place on Client A.

**Answer A:** The broking team working for Client A may not provide or disclose information to the broking team working for Client B.

**Example B:** Willis services a large hotel chain. Willis M&A team are approached by a private equity firm who wish to buy the hotel chain.

**Answer B:** No information may be disclosed to the M&A practice without the express written permission of the client or through formal channels such as a due diligence data room.

2.4.3 The duty to keep insureds’ confidential information exists across Willis and does not simply prohibit the disclosure of information to external parties.

2.4.4 Employees should note that confidential information must never be provided to another Willis employee unless that employee is also working for the client to whom the confidential information belongs. Express written consent must always be obtained from the client where any other disclosure of confidential information is to be disclosed to another (unrelated) party. Therefore, where an employee is asked to provide a consultancy report or perform a due diligence exercise on an existing Willis client, information barriers must be set up in association with Group Compliance and may include:

i. Separate placing personnel/teams;
ii. Ensuring hard copy files are kept confidential;
iii. Adhering to a formal process for the disclosure of documents; and/or
iv. A process to maintain client consents (both correspondence seeking information and the responses to such requests).

Employees must ensure that the protocols established are adhered to at all times. Such procedures are equally important whether the party requesting information is a Willis party or a non-Willis party.

2.4.5 The restrictions set out above do not apply to general sector knowledge which, subject to any other limitations on its use, may be used, circulated and divulged without restriction. General sector knowledge is information which is not client specific but amounts to general knowledge and know-how, and the body of skill, experience and expertise that inevitably accumulates during the course of business dealings with clients and an employee’s employment.

2.4.6 In determining the extent to which information gained can be used without creating a conflict of interest, employees are to proceed as follows:

i. The information gained from client work as part of Willis’ or an employee's experience and knowledge can be used by an employee in the course of his work but the employee may not divulge any specific knowledge to anyone else without the client's permission unless the exception referred to in 2.4.2 above applies.

ii. Willis and employees can use general sector knowledge to benefit any client i.e. the information and experience Willis has attained in its business dealings over the years and, for employees, the information, skill and experience that an employee has attained over the course of employment with Willis or any other company.
2.4.7 Furthermore, each employee, in conducting work for clients in similar business sectors, must always consider the following so that if the employee feels a positive answer applies he or she should seek the assistance of his or her local compliance officer or regional compliance officer as a conflict of interest may arise or may have arisen:

i. Would I or Willis be acting differently in the handling and disclosure of information if Willis only had one client in this business sector?

ii. Do the clients have different interests and have they been recognised?

iii. Has a client given Willis or me a piece of information on a "confidential" basis that would affect the work done for the other party, if Willis could use it or disclose it?

iv. The above questions are to be kept under constant review during the period of conducting business for the client.

2.4.8 Where there exists a Confidentiality Agreement between the client and Willis, the Account Executive is responsible for ensuring all employees involved with the client are aware of the obligations under such agreement.

2.5. Premium Financing

2.5.1 A conflict of interest may arise should Willis insist that a client's premium financing arrangements must be arranged through a Willis preferred provider.

2.5.2 It is Willis' policy to always allow clients to arrange their own premium financing if they do not wish to use Willis' preferred provider. Also if the client's insurer offers a free premium finance facility this facility will be offered to the client before that of Willis' preferred provider.

2.5.3 Willis in introducing clients to its preferred provider for premium finance will disclose the remuneration it receives from such provider to the client before the client enters into the premium finance arrangement.

2.6. Employee's Interests in Insurers

2.6.1 A conflict of interest may arise if employees, members of their immediate family or Associates have shareholdings or other financial interests in a particular insurer or underwriting agency in circumstances where the Associate acts on behalf of an insured in seeking to arrange or effect insurance through that insurer or underwriting agency.

2.6.2 Willis' approach is that a conflict of interest will only be considered to arise if the employee's interest in an insurer or underwriting agency represents more than 10% of the equity voting rights or profit participating shares of that entity's capital. A member of an employee's immediate family or Associate is defined as per the Financial Advisory and Intermediary Services General Code of Conduct (refer to the definitions section above).

2.6.3 Willis employees, as part of an annual compliance verification questionnaire, will confirm whether or not they have interests or 10% or more in the equity voting rights or profit participating shares of the capital of an insurer or underwriting agency recommended to a client.
2.7. Dealing in the Shares of a Client or Insurer (insider trading)

2.7.1 A conflict of interest may arise if an employee uses information acquired in the course of employment to purchase or sell the securities of a client company or insurer (e.g. shares).

2.7.2 Employees are subject to the policy set out in Willis Insider Trading Policy for dealing in Securities (reference: Willis Global Policy Manual and Willis Insider Trading Policy) i.e.:

i. No employee should deal in Willis securities or the securities of a client if he or she is in the possession, by reason of his or her employment, of "material inside" information. Further, no employee should share with an Associate (including immediate family members) "material inside" information that is "non-public" with the intent of the Associate buying securities in Willis or a client, either for an employee or any member of his or her family or with the expectation that the employee and Associate will benefit from sharing the said information. Benefit is where a profit might be made attributable to the fact that information was material inside information.

ii. Information is "material" if it has market significance in the sense that the disclosure of such information is likely to affect the market price of the securities to which it relates. Typical examples of such information are a company's financial results or a major corporate transaction, such as a merger or large acquisition. Non-public information is not material if there is no substantial likelihood that its public disclosure would have any significant market effect.

iii. Employees who breach the Willis policy will be subject to Willis' disciplinary proceedings. In addition, a breach could result in criminal or civil proceedings being brought against the employee by regulatory authorities.

2.8. Willis and its own interests

2.8.1 From time to time, the commercial interests of Willis may be in conflict with those of its clients e.g. arising out of potential liability to Willis through an alleged error or omission or because of a potential regulatory breach or damage to Willis' reputation.

2.8.2 In these circumstances Business Unit management aware of a conflict of interest should inform the local compliance officer who will liaise with the Willis Legal Department to determine the action to be taken. If the Willis Legal Department are connected to the conflict the Group Compliance Director will determine the action to be taken. Willis will inform its client where it finds that a conflict exists.

2.9. Gifts and Hospitality

2.9.1 A conflict of interest may arise where an employee accepts a gift or hospitality from an insurer or reinsurer as such gift or hospitality may be seen as an inducement to put business with that insurer. Such action may be seen to be in conflict with a client's best interests.

2.9.2 The Willis Client Bill of Rights, principle 6 prohibits employees from accepting any gifts, entertainment or trips from insurers that could create the appearance of a conflict of interest with Willis' clients. Also, the Willis Ethical Code (see Section (1) of the Willis Global Policy Manual) prohibits acceptance of business gifts beyond nominal value, and prohibits the acceptance of hospitality that places the Willis employee under any commercial obligation. This requirement is further explained in Willis’ Expenses Management Policy. Further the Willis Ethical Code sets out Willis’ commitment to good business practices and ethics in every aspect of our business conduct. As a consequence, that Code requires all employees to conduct themselves appropriately to avoid improper behaviour or even the appearance of improper behaviour. Adherence to the Willis Client Bill of Rights and the Ethical Code assists in addressing this potential conflict.
2.9.3 Willis’ Anti-Bribery and Corruption Policy makes it clear that Willis will not engage in nor trade with parties which tolerate or engage in unethical business practices. This Policy further assists Willis in ensuring that improper business practices do not result in conflicts of interest as between Willis and its clients.

2.9.4 Attendance at local insurer sponsored training events is acceptable, as is hospitality where the insurer’s invitation is made as Willis' client rather than as the insurer with whom Willis place a client’s business. Such hospitality must always be proportionate and in line with the gifts and hospitality policy. Insurer sponsored training events in which insurers cover any hotel or travel costs of the employee or those of additional guests or other such expenses above nominal value are prohibited. The Group Compliance Director determines, in these cases, what constitutes nominal value.

2.9.5 In order to further ensure the adherence to this requirement, the official policy of the business is as follows:

i. Any gifts or gratuities over the value of R1,000 in the aggregate from any other person, including such person's Associate as defined in Financial Services Board Notice 58 of 2010 (refer to definitions section) may not be accepted by any person within the organization and neither may such gifts or incentives be given by any person in the company, to any third party (refer to definitions section);

ii. Gifts or gratuities up to R1,000 in aggregate per a year may be accepted or given provided that those gifts or gratuities are registered in the monthly non-cash gifts and entertainment register, including the explanation of the reason for and purpose of the gift or entertainment. This provision applies, without limiting the generality of the foregoing, also to invitations to any functions, including lunches, dinners, training interventions and prize givings. For the giving of gifts and entertainment the Willis South Africa Expense Policy also applies.

iii. The gifts register shall be reviewed by the local compliance officer on a monthly basis for the purpose of determining whether any gifts or incentives were not inline with Willis Gifts and Entertainment policy and/or exceeded the aggregate value of R 1,000. The results of the results shall be communicated to the CEO and Group Compliance.

2.10. Conflicts arising from Executive or Board Appointments

2.10.1 Appointment as an executive director of any for-profit company, either publicly or privately owned, other than those within the Willis Group of companies may result in a conflict of interest arising.

2.10.2 No employee will serve as a director, officer, employee or consultant of a company or entity that is not part of Willis unless the Employee's Partners Group member, with the agreement of the Group General Counsel has granted permission. Decisions as to whether such approval will be given will be made based upon:

i. Whether an apparent or real conflict of interest exists or is likely to occur between the business operations of Willis and the entity upon whose board the employee or director wishes to serve;

ii. Whether the commitments associated with holding an external directorship will interfere with the director/employee’s full time responsibilities at the Company; and

iii. Whether the entity on whose board the director seeks to sit is considered of good reputation.
2.10.3 In respect of any external directorship (outside the Willis Group) employees must continue to remain alert to potential conflicts of interest with Willis, and:
   i. On becoming aware of circumstances that create or potentially create a real or apparent conflict of interest the conflict of interest should be raised with the Group Compliance Director promptly;
   ii. Unless otherwise advised by the Group Compliance Director, in the event of a potential or actual conflict of interest the employee must refrain from voting in his or her capacity as a director on any proposal or participate in any discussions of the entity involving transactions, policies or other matters in which Willis has or may have an interest; and
   iii. Refrain from any discussion or decision by Willis concerning any matters involving the entity in which they hold the external directorship.

2.11. Conflicts due to the structure and nature of the Willis Group

2.11.1 In its role as intermediary Willis may face a number of conflicts issues as between its own interests and those of its clients and as between two or more clients. The likelihood of such conflicts is increased because of the size and structure of the group.

2.11.2 Sections 3 and 4 of this conflicts policy set out the types of conflict which may arise and the way in which the Willis Policy is designed to assist employees in identifying conflicts. In order to proactively identify conflicts across the group employees must ensure that they remain alert to:
   i. Potential conflicts/actual conflicts which may occur across Business Units and offices across the group; and
   ii. Potential conflicts which arise in placing and consultancy services provided across Willis Business Units.

2.11.3 Where it is known or believed that another Willis team may already be acting or may be instructed to act for another party involved in the same major project, employees should contact Group Compliance at the first opportunity.

2.11.4 Employees are reminded that it is never too early to think about potential conflicts of interest that may arise and contact should be made with Group Compliance at the earliest opportunity.

2.12. Conflicts arising as a result of Willis Policy

2.12.1 In the event that a Willis Policy conflicts with the best interests of the client (for example employees are prohibited from placing business in certain circumstances due to sanctions policy) this matter should be raised with Group Compliance. Willis Policy will be adhered to and any conflict will be dealt with in a transparent way.
3. Conflict of Interest – Placement

3.1. Introduction

A conflict of interest may arise in the placement process in a number of ways and this section explains how Willis manages these (although the following list is not exhaustive).

3.2. Willis Client Bill of Rights

Principle 1 of the Willis Client Bill of Rights states that: "Willis represents the client's best interests through our client advocacy model. Willis' global resources are committed to understanding the client's company, its industry and its individual needs. Willis' customised recommendations and solutions will be driven by what is in the client's best interests. This is the centrepiece of the value Willis provides its clients." Every employee has a copy of the Willis Client Bill of Rights and training is given to employees to ensure that Willis' expectations are met.

3.3. What are Willis' Expectations

Willis expects employees to:

i. Adhere to WEM, which addresses the FAIS "demands and needs" requirements, and related policies and procedures e.g. Willis Remuneration Disclosure Principles (see Section 3.5.2) and Marketing Protocols and Market Appraisal Process (see Section 3.6);

ii. Keep their insurance knowledge up to date;

iii. To avoid conflicts of interests and seek assistance from Group Compliance where a conflict of interest may arise and is not addressed in this document;

iv. To select the best market consistent with the coverage instructions of the client, taking into account
   a) Premium levels;
   b) Terms and conditions, especially exclusions;
   c) Claims performance of the insurer;
   d) Market security;
   e) Insurer continuity

v. Ensure they do not select an insurer solely on the basis of commission rates (see Section 3.5); and

vi. Avoid the behaviours identified in section 5 of this document which would be in conflict with clients' interests.

3.4. How are expectations delivered

Employees, in delivering Willis expectations, particularly in implementing WEM, and addressing potential conflicts of interests are to adhere to the following principles:

i. Keep faith with our clients who are entitled to rely upon our judgment;

ii. Exercise reasonable care, skill and speed in performing our mandate for clients;

iii. Keep their insurance knowledge up to date (i.e. continuing professional development);

iv. Be clear on the scope of our authority to act for the clients before proceeding with a transaction;

v. Follow the principles of the Willis Client Advocacy Model and utilise every reasonable endeavour to obtain the information needed to understand the needs and requirements of the clients;

vi. Ensure that our and the clients' obligations both to each other and to other parties, such as insurers, are understood and met;

vii. Recognise that the information needs of our clients are important;

viii. Always provide information in a timely and comprehensive manner to enable the clients to make balanced and informed decisions;
ix. Take care to ensure the accuracy of a quote and our ability to place at the quoted terms. No false or misleading quotes should ever be provided to a client;

x. Never misrepresent the amount of premium agreed with insurers in any way to our clients, to third party brokers or to anyone else;

xi. Avoid practices which seek to increase revenues by any means other than delivering enhanced service or value to the client (for example by supportable marketing efforts);

xii. Provide advice objectively and independently in the best interests of our clients;

xiii. Follow the Willis Market Security guidelines and Market Appraisal Process when considering an insurer;

xiv. Treat client information as confidential unless disclosure is required by Willis policy, law or regulatory notice or you have written authority from the client to make a disclosure; and

xv. Handle complaints speedily and competently within the Willis complaints process and procedures.

3.5. Intermediary Remuneration

3.5.1. Introduction

Conflicts of interest may arise where an intermediary chooses an insurer on the basis of commission rather than any other factor to the detriment of its client. Willis manages this conflict of interest through transparency and its Market Appraisal Process (see Section 3.6 below).

3.5.2. Willis Remuneration Disclosure Principles

Willis' policy is to explain to its prospective clients, in its first meeting and/or communication with such clients, how it delivers its services and how it is remunerated. For existing clients how Willis' remuneration is derived will be disclosed in renewal reports, where required, and in the quote proposal process, where such disclosure will be specific about the remuneration to be received for the transaction to be undertaken for the client. Further, where a client who has more than one Willis office or Business Unit involved in the services which are to be provided (e.g. in the placement of a client's insurance program) the client will be made aware of the total compensation receivable by all parts of Willis.

Payments received from third parties (e.g. insurers) for services provided in respect of the client's account will be disclosed, as will payments received from a provider of a service required by the client e.g. premium finance. All remuneration disclosures are made to clients at the quotation stage of the WEM process or no later than the confirmation binding stage of the WEM process. Where Willis receives an administration fee this fee must be disclosed to the client in a transparent manner. Specifically, such charges must NOT be hidden or contained within premium figures and such charges must be separately detailed and indicated on invoices.

3.5.3. Differential Rates of Commission

There exists a potential conflict of interest for all intermediaries there insurers and reinsurers offer different levels of commission in respect of business placed with them. Willis in addressing this potential conflict has established the WEM and related procedures (e.g. Market Protocols and Market Appraisal Process - see Section 3.6 below). These also ensure that Willis complies with Principle 1 of the Willis Client Bill of Rights and its legal and regulatory obligations i.e. to act in the best interests of the insured. The overarching principle and requirement within Willis is that employees should act in good faith and in the best interests of their clients at all times when providing services and advice to clients.

Further, WEM requires employees to check if clients want all quotes and if so Willis will attach all quotes. If not at the WEM quote stage Willis will attach all recommended quotes and will advise that all quotes obtained in addressing the clients requirements are available on request.
Also, the WEM quote will detail in clear language about the remuneration Willis will receive for recommended quotes in accordance with its Remuneration Disclosure Principles.

Willis South Africa will may only receive or offer the following financial interest from or to a third party:

i. Commission authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998);

ii. Fees authorised under the Short-term Insurance Act, 1998 (Act No. 53 of 1998), if those fees are reasonably commensurate to a service being rendered;

iii. Fees for the rendering of a financial service in respect of which commission or fees referred to in subparagraph i. and ii. is not paid, if those fees:
   a) Are specifically agreed to by a client in writing; and
   b) May be stopped at the discretion of that client.

iv. Fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably commensurate to the service being rendered;

v. Subject to any other law, an immaterial financial interest; and

vi. A financial interest, not referred to under subparagraph i. to v., for which a consideration, fair value or remuneration that is reasonably commensurate to the value of the financial interest, is paid by that provider or representative at the time of receipt thereof.

3.5.4. Fee Based Payments

A conflict of interest may arise where Willis charges a client a fee for its services particularly where such fee is time based. For instance, fees could be charged for work that was unnecessary or could be performed by a less expensive person.

Willis addresses this conflict of interest through its fee agreement with its client which will state clearly Willis’ fee and the services such fee will cover. It will also be made clear to the client that services not provided for in the agreement with it will be subject to further agreement before the work is undertaken.

Willis will provide a fee-based client, on request, with evidence of the work done that supports the charge made. Where a fee-based client complains about a fee this complaint is dealt with in accordance with Willis’ Complaints Procedure.

3.5.5. Payment Of Insurer Services

There exists a potential conflict of interest for Willis where in addition to receiving a payment for providing client services it also receives from the insurers with whom the clients business is placed a payment for the services Willis provides to that insurer.

Willis policy is that it will only be remunerated by insurers where the services provided represent a truly outsourced service from the insurer to Willis and such service is not provided to and paid for by the client directly or indirectly. The overarching principle and requirement within Willis is that employees should act in good faith and in the best interests of their clients at all times when providing services and advice to clients.

Willis in addressing this potential conflict of interest relies on the services to be provided by a Business Unit being reviewed with Willis Facilities Practice to ensure they satisfy Willis policy and then for the proposal to be approved by the Group Compliance Director. Further, the services and recommendation to be received have to be disclosed in accordance with WEM and Willis Remuneration Disclosure Principles.

Further, WEM requires employees to check if clients want all quotes and, if not, at the WEM quote stage Willis will attach all recommended quotes and will advise that all quotes obtained in addressing the clients requirements are available on request.
3.6. **Marketing Protocols And Marketing Appraisal Process**

3.6.1 In Principle 1 of the Willis Client Bill of Rights, it is confirmed that Willis’ customised recommendation and solution is driven by what is in the client’s best interests. This is the centrepiece of the Willis Value Experience.

To support this principle and address the conflict of interest on how Willis chooses insurers or reinsurers Willis has established its Market Appraisal Process.

3.6.2 Market selection, which is applicable to all business areas, is a key part of the process to support Principle 1 of the Willis Client Bill of Rights. The Marketing Protocols is contained in the “Willis Policy regarding Carrier Relationships”. This protocol sets out the way in which markets must be identified and approached and confirms the information that must be conveyed to the client on the strategy and approach to be employed.

3.6.3 Willis Market Appraisal Process (i.e. the identification of the markets to be used) is a key process to support the methodology used for the insurer product selection for clients and each Business Unit had developed accordingly its insurer expertise list to assist the evidencing of their product selection. The general approach within Willis is to select from a limited number of leading insurance undertakings, and in some cases a single undertaking, rather than conduct a full market analysis which involves an analysis of all available markets within the home country and worldwide, where applicable. However, a full market analysis may occur for specialist products.

Where there is a need to replace an insurer mid-term (e.g. if an incumbent insurer is unable to provide terms or quote in the best interests of our client for a mid-term adjustment, or a client instructs Willis to obtain terms or a quote from an insurer other than the incumbent insurer) the Market Appraisal Process is applied in the same way as it is at inception. The product recommendation is explained to clients in the WEM template (i.e. “demands and needs”) and recorded in the client placing files so as to evidence how the insurer(s) was selected. Also, the Willis terms of business agreement identifies to clients the Willis general approach on insurer selection.

3.6.4 The Market Appraisal procedure requires each Business Unit to maintain product expertise lists which will show lead insurers/reinsurers operating in each product area/sub-area plus supporting insurers/reinsurers.

The product list will separately identify Willis Products (e.g. binders or lineslips). Each BU Market Appraisal co-ordinator(s) co-ordinates the maintenance and review of product lists. Product lists are held centrally on the Market Security intranet site, MOSAIC and are subject to review at least every 6 months by each BU Market Appraisal Co-ordinator(s) in conjunction with Market Security.

An annual justification spreadsheet is created to document key aspects relating to an insurer’s expertise in each product line, e.g. number of years writing a product line, whether they are a recognised lead etc. The annual justification spreadsheet must include any Willis Products. The insurer selection criteria includes consideration of aspects such as:

i. Financial strength and security of the insurer;
ii. Trade sector knowledge; issues and appetite; products and specialism; recognition as lead;
iii. General service needs;
iv. Risk management skills and consultancy;
v. Claims services;
vi. Skill in particular account line/coverage; and
vii. Competitive pricing.
3.7. Binding Authorities (Delegated Authorities) & Managing General Agencies ("MGA")

3.7.1. DEFINITION

A binding authority is an agreement between an insurer and Willis ("coverholder") under which the insurer delegates its authority to enter into a contract or contracts of insurance (including reinsurance) to be underwritten by the insurer (or in the case of a Lloyd's managing agent - underwritten by members of a syndicate managed by it) to the coverholder in accordance with the terms of the agreement. Authority may include the settlement of claims at any level and the return of premiums to insureds.

3.7.2 A conflict of interest between the best interests of the insured and the insurer may arise where Willis either: (1) uses a binding authority to satisfy a client's requirements where Willis has the authority to accept the risk on behalf of an insurer in circumstances where Willis is acting also on behalf of the insured to arrange or effect cover; or (2) where Willis operates an MGA and acts as the agent of the insurer. Willis manages this conflict of interest in a variety of ways including: (1) market assessment of the product to ensure that the product represents the best interests for the client; and (2) disclosure of the conflict to the insured; (3) separation of roles providing services to insurers from roles providing services to the insured. Further discussion on the way in which Willis manages conflict of interest risks in relation to MGAs and binders is set out below.

3.7.3 The Facilities Practice licences UK and International binding authorities where Willis has underwriting authority. This licence process has to be completed before any risks are quoted under the binding authority. Each area which wants to use a binding authority has to present a business case in accordance with the procedures laid down (Facilities Practice Intranet Site) which are designed to ensure that potential conflicts of interest are managed. Further, the Facilities Practice assists the Business Unit to determine (and on an annual basis) that the offering (e.g. Willis Product) is competitive and the process referred to below has been addressed. All non-standard remuneration within a binding authority or MGA arrangement has to be approved by the Group Compliance Director.

3.7.4 Willis' policy in accordance with the Willis Client Bill of Rights is to be transparent with clients. As a consequence, the Willis Terms of Business Agreement and Fees in the WEM quote process will make the client aware that his demands and needs requirements are being addressed by us in our capacity as agent of the insurer under a binding authority or MGA. We will also advise the client of the remuneration we receive using the WEM template wording.

3.7.5 In addressing the Willis Client Bill of Rights principles the value of using the binding authority of MGA will be clarified in the WEM demands and needs template used for the client, therefore:

i. At the WEM data gathering stage we identify the clients needs;

ii. We will obtain such information about the client's circumstances and objectives as might be reasonably expected to be relevant in order to assess his requirements. This work would include details already held about the client and any relevant existing insurance the client may have; and

iii. We will take into account all relevant factors disclosed by the client.

Further, in making the binding authority or MGA recommendation as per the WEM we will have taken into account that the cover to be offered is appropriate and that any exclusions, excesses, limitations or conditions of coverage are in line with the client's needs. This is the "best interests" approach but if we are aware that there is a better product available for the client than a placement under the binding authority or the MGA will not be in the client's best interests. Therefore, if in choosing the binding
authority or MGA we have not followed a "best interests" approach at the quote stage then we shall disclose in the WEM quote template that:

i. We have not researched the quote on an open market basis, i.e. that we have provided our recommendation from a limited number of insurers or from a single insurer, as the case may be; and

ii. That we are not contractually obliged to recommend the insurance product only from the insurer recommended.

3.7.6 Unless otherwise confirmed with the Facilities Practice that the licensed binding authority represents "best interests" for the client such binding authority should at the quote stage be:

i. Compared to a competitive number of binding authorities;

ii. Compared to a competitive number of open market offerings; or

iii. A combination of (a) and (b) above; and

iv. The client file to evidence these quote comparisons.

Therefore, the Business Unit in using the Willis Product will make the position clear where it is not "best interests" by using the appropriate wording in the WEM template i.e. that text under the section - "Recommendation not on a best interests basis".

3.7.7 Those involved in the negotiation and settlement of binding authorities and MGA will not act for a client in arranging or effecting insurance. Also, if the binding authority includes any non-standard remuneration terms then the remuneration terms are signed off by Group Compliance.

3.7.8 In the absence of a decision that an MGA product is to be the only product sold and written communication to the client stating that advice on alternative products cannot be offered then all MGA products must be assessed against other products and chosen only if it represents the client’s best interests.

3.8. Insured as both Client and Market

3.8.1 A conflict of interest may arise where the insured is both the client, but is also a market through which may place business. A typical example of this is facultative and treaty reinsurance. A conflict of interest may arise in a number of ways, but in particular, an intermediary may be tempted to select insurers based on the likelihood of attracting the reinsurance business back to it rather than acting purely in the original client's best interests. There is also the possible risk that the terms on which Willis does business with the insurer is influenced by or even linked to the incentive represented by the additional reinsurance business.

3.8.2 The process for managing this conflict of interest is that set out in Sections 3.2 to 3.4 and 3.6 above and in 3.8.3 to 3.8.5 below.

3.8.3 In summary, Willis employees must at all times exercise their professional judgement in selecting the most appropriate reinsurers and must act in the interests of their client when making that selection. The basis for their judgement must be recorded on the relevant file.

3.8.4 Willis' policy requires automatic disclosures of remuneration received to a client on facultative reinsurance in two scenarios, otherwise disclosure of remuneration is on request. These scenarios are:

i. Where the facultative reinsurance arises because the original placement is being fronted by an insurer 100% (i.e. the insurer is retaining no insurance risk); and

ii. Where the entity which is the subject of a facultative reinsurance placement is owned by the client, e.g. it is the client's captive or insurance company.
In the two above cases Willis will disclose the remuneration it receives in accordance with the Willis Remuneration Disclosure Principles.

For the avoidance of doubt facultative reinsurance placements on the instruction of an insurer on a commercial basis to support its acceptance of a client's placement will not be the subject of specific disclosure unless the underlying client requests it. In these circumstances, Willis will need to receive the requisite consent from the insurer who requires the facultative reinsurance to disclose details of the remuneration received to the Willis client and the Business Unit Managing Director will need to be satisfied that disclosure is in all parties’ interests. Generic, disclosure about Willis acting for insurers on business placed with them is made in the terms of business agreements and fee agreements issued to clients.

3.8.5 Where a Willis Business Unit places business with an insurer who subsequently appoints that Business Unit to handle his reinsurance of that placement it is Willis' policy for the documentation in relation to the original insurance and reinsurance transaction to be separately filed.

3.8.6 Willis' policy is to handle facultative reinsurance where it is involved on the original placement on a commercial basis and any behaviour which tries to make one transaction conditional upon another is prohibited (see Section 5 - 5.1.2 (k) and h)).

3.9. Competing Interest of Insureds

3.9.1 A conflict of interest may arise between two insureds, for example where Willis is asked to act for two insureds (Insured A and B) in seeking potential insurance in respect of a particular business in circumstances where the two insureds are tendering for the same business.

3.9.2 A duty to act in the best interests of Insured A may prohibit Willis from disclosing Insured A's confidential information to Insured B or from using it for the benefit of Insured B, without Insured A's approval. Yet because Willis is also under a duty to act in the best interests of Insured B, it may also be required to disclose to Insured B all information at its disposal which is material to Insured B's requirements for cover (including Insured A's confidential information) unless Willis has limited its duty to Insured B in this respect. The conflict also exists in reverse.

3.9.3 Although the positions set out in Section 2.4 on using information will assist a Business Unit facing this situation the Business Unit in this circumstance is required to contact Group Compliance. Group Compliance will assess with the Business Unit whether they can act for Insured A and B and what communication is required to be made to both. For instance, both insureds will need to be advised of the possibility that Willis may have to cease to act at some future date and Willis will expressly reserve the right to do so. It should be noted that where conflict of interest arises and a disclosure is made to the client such disclosure must be made or confirmed in writing or by email.

3.9.4 Group Compliance will assess whether appropriate Information Barriers can be established. For instance Information Barriers may be established along the following lines:

i. Each insured will be advised by a separate team so that
ii. No employee working on behalf of Insured A will act for Insured B in arranging or effecting cover or vice versa;
iii. Employees in each team who are or will be exposed to the insured's confidential information must confirm at the start that they understand that they possess or might come to possess confidential information, and that they must not discuss it with any other member of Willis unless that person is, or becomes, a member of the team,
including by discussion at any team or relationship meetings. This obligation is an ongoing one and survives conclusion of the matter and/or departure from Willis.

iv. Employees in each insured team should be reminded of their responsibility to refrain from accessing any confidential information of the client of the other team and access to documents should be appropriately restricted.

Group Compliance will monitor the operation and effectiveness of the Information Barriers established.
4. Conflicts Of Interest – Claims Handling

4.1. Introduction

4.1.1. In the absence of anything to the contrary agreed with the client or the insured the claims handling function performed within Willis is presumed to be an activity undertaken by Willis for its insured client. The exceptions to this are where:

i. Willis places insurance coverage of a client under a binding authority where it is acknowledged that Willis acts as the agent of the insurer (see Section 3); and
ii. Willis in the claims handling process acts for the insurer and not the insured client or its client.

4.1.2 This section explains how Willis addresses the conflicts of interest that arise with the following activities in relation to claims handling:

i. Loss adjuster reports
ii. Delegated settlement authorities
iii. Claims made by two or more different clients
iv. Treaty claims
v. Binding authorities

4.2. Claims Handling

4.2.1 The Willis Claims WEM has been enhanced to assist employees in identifying when a potential conflict of interest may arise where Willis is acting for two or more parties where in each case Willis owes a duty to each party and Willis is required to act in the best interests of each one. The enhancement is via the use of questions which if producing a positive response requires the employee dealing with the claim to refer the matter to line management for consultation with Group Compliance.

Where Willis is acting in a claim in any way for a client and an insurer or for two clients on the same claim employees will, in performing the tasks, address the following questions and if there is a positive response the matter should be referred to the line manager who will consult with Group Compliance:

i. Would I be acting any differently if Willis acted for only one of the parties i.e. either client or insurer?
ii. Has one of the parties given Willis a piece of information on a "confidential" basis that would affect the work done for the other party if Willis could use it or disclose it?

The above questions are to be kept under constant review during the life of the claim.

4.3. Loss Adjuster Reports

4.3.1 The custom and practice is to include in policy wording provisions for the appointment of Loss Adjusters in the event a claim arises, and for the intermediary involved in the placement of the business to have a role in the appointment of Loss Adjusters and administration thereafter. Further, when a claim arises intermediaries seek insurers confirmation on whether a loss adjuster is to be appointed and if so intermediaries generally become involved in the administration of such report.

4.3.2 This custom and practice means that a potential conflict arises because Willis is involved in the appointment of and liaison with a loss adjuster on behalf of an insurer in circumstances where Willis is also acting on behalf of an insured to make a claim under the insurer's policy.

Further, a conflict can arise because Willis in receiving a copy of the loss adjuster's report (which remains the property of the insurer), reviews and utilises information in it to allow
Willis to state and negotiate the claim on behalf of the insured, in circumstances where the insured may not see, or be permitted by the insurer to see, the loss adjuster's report. However, it is generally recognised by insurers that as a consequence of custom and practice the latter prohibition does not generally apply.

4.3.3 The Willis terms of business agreement and fee agreements issued to clients will include a reference that Willis may in relation to a claim be requested by insurers to provide administrative assistance in the appointment of loss adjusters.

4.3.4 The terms of business agreement to be entered into by Willis with insurers will ensure that the insurer accepts that it appoints or instructs Willis on the basis that the information received by it in respect of a claim made upon any insurance business placed with it is disclosable to Willis' insured client.

4.3.5 Where the insurance policy contains a named loss adjuster clause Willis will act in accordance with the terms of that clause.

4.3.6 In the absence of a named loss adjuster clause in the policy (i.e. a pre-agreed loss adjuster or panel of loss adjusters or, where the insurer has not accepted Willis' position in the terms of business agreement between them (see 4.3.4 above); Willis, at the time a claim is notified to insurers, will approach insurers for their instructions as to the loss adjuster they intend to use in relation to the claim, if required. Also, Willis will remind the insurers that Willis accepts instructions on the basis that the information received is disclosable to Willis' client. Where the insurer instructs Willis in relation to the appointment and administration of a loss adjuster's report it will proceed as follows:

i. If the intended loss adjuster is suitable and acceptable for the chosen assignment, in the opinion of Willis and/or its clients (i.e. where specific consent is sought where Willis is not relying on information known or given to it by the client about loss adjusters), Willis will proceed with the appointment and administration of the loss adjuster's report.

ii. If the intended loss adjuster is unsuitable or unacceptable for the chosen assignment, in the opinion of Willis and/or its clients (i.e. where specific consent is sought where Willis is not relying on information known or given to it by the client about loss adjusters), Willis will request insurers that they reconsider their choice of loss adjuster:
   a) Advising insurers of the reason for their initial choice being unacceptable to Willis and/or our client. Willis may at this time suggest an alternative loss adjuster that is suitable and acceptable to our client.
   b) Informing insurers that if they insist on their choice being used on the claim, that such an assignment may cause the client to appoint their own independent expert (e.g. loss assessor) and that such costs associated with this appointment will be submitted as part of the client's claim. Willis will also explain that such action will likely result in a longer analysis and adjustment of the claim as the client will not have the trust in the loss adjuster that is normally present with a mutually agreed and acceptable loss adjusting firm. As a consequence, it is likely the result will be an overall increase in costs to insurers and a potentially confrontational environment for the claim handling process.

iii. In the event that the insurers insist on their choice of loss adjuster going forward Willis will advise the insurer that it cannot be involved in the loss adjuster administration process in view of the confrontational environment that is likely to be created. Willis will explain that its duty is to act for its client and it has to avoid any potential conflict of interest. This position can only be altered with Group Compliance consent and the client's written agreement. Further, this position does not apply where the placement, subject of the claim, was effected under a binding authority as in this case Willis' duty is to the insured (see section 3.7 and 4.4).
4.3.7 Loss adjusters are usually under instruction by the insurers not to comment on issues of coverage in any reports that are circulated via an intermediary. Where it transpires that issues of coverage are communicated to Willis via the loss adjuster's report or in other ways and the matters referred to in the report are potentially detrimental to Willis client's claim(s) under their policy Willis will take the following action:

i. If it is possible to immediately negate the potentially detrimental issue(s) by provision of additional information or by other acceptable methods without concerning the client Willis will do so. Confirmation of this negation must be obtained from the loss adjuster or, if already communicated to insurers, from insurers.

ii. If it is not possible to immediately negate the potentially detrimental issue(s) then Willis will notify the client of this issue(s) without delay and, if possible, recommend a solution. Willis will also advise the insurers that it will no longer provide any further administrative assistance in relation to the loss adjusters report other than where such assistance is for its client's benefit.

4.4. Delegated Settlement Authority (Including Binding Authoritites)

4.4.1 A conflict of interest may arise where Willis has authority to settle claims through a binding authority or otherwise on behalf of the insurer in circumstances where Willis is also acting on behalf of the insured to make a claim.

4.4.2 Willis will only exercise delegated settlement authority where the authority is subject to clear agreement in writing and in circumstances where the claim submitted by the insured is fully documented. Where a claim is not fully supported by documentary evidence, or in circumstances where the claim is not straightforward or the claim is not to be settled in full, the claim will be referred to the insurer for settlement. Note that where we provide a claims settlement arrangement for our client in respect of self-insurance the principles set out above also apply to this arrangement.

4.4.3 The Willis terms of business agreement and fee agreement issued to clients include a reference that Willis may in relation to a claim have delegated claims settling authority from insurers. Also, this position will be drawn to the attention of the client at the WEM quote or cover confirmation stage.

4.4.4 Both the insured and insurer in relation to delegated settlement authorities to be dealt within Willis' claims area by separate teams, so that no employee working for the insured will act for the insurer in settling a claim or vice versa.

4.4.5 The Willis team acting for the insured would prepare any claims "adjustment", in accordance with the policy terms and conditions, which would then be passed to the separate Willis team, tasked solely with servicing insurers in this claim settlement context that, subject to the approval of the claim by insurers or the team acting on their behalf, the team responsible for the insured client will liaise with the insurer to obtain funds for the settlement of the claim.

4.4.6 Most claims settling authorities require Willis to refer doubtful claims or claims which will not be settled, to insurers. Willis' policy is that all claims which cannot be settled on a 100% basis within the delegated claims authority will be referred to insurers for settlement decision.

4.5. Two or more clients involved in the same claim

4.5.1 A conflict of interest may arise where Willis is asked to act on behalf of two insureds (Insured A and Insured B respectively) to make a claim on behalf of each in circumstances where the claim may have been triggered as a result of the actions of the other or where the circumstances may lead to cross-claims between the two insureds.
4.5.2 At the claims handling stage, each insured is to be advised by a separate team, so that no 
employee handling the claim on behalf of Insured A will act for Insured B in handling the 
conflicting claim or vice versa.

4.5.3 The bulk of claims handling work will be carried out by these teams within the applicable 
claims area and in the event of a dispute of the claim by the insurers of either Insured A or 
Insured B or a proposed settlement of a sum which is less than that expected by Insured A 
or Insured B, an independent "second pair of eyes" within Willis will review the position 
before advising either insured. The "second pair of eyes" will be the line manager of the 
team involved up to senior leader, if required, or if this is not appropriate the senior leader 
in another claims unit not dealing with the claim for either insured.

4.5.4 If the independent "second pair of eyes" review believes it will be unable to address the 
issue to the satisfaction of all parties the matter will be referred to Group Compliance.

4.6. Treaty Claims

4.6.1 A conflict of interest may arise where a claim on a direct placement handled by Willis is 
than collected on the carrier's reinsurance protections also handled by Willis. Willis' 
organisational structure does not permit a direct claim and a reinsurance claim to be 
handled by the same unit.

4.6.2 Treaty reinsurance run-off business is segregated from live business. The Willis 
reinsurance organisational model for live business is based upon client-facing teams. The 
team objective is to provide the client with all aspects of after-sales service and support. 
The general principle is that the client base is divided either territorially or by product. Each 
team is led by a client service manager. A number of teams form a Business Unit. Each 
Business Unit is led by an Operations Director who reports to the Reinsurance Service 
Director.

The relationship between client and carrier is clearly defined in the reinsurance processes 
and employees are aware of their responsibility as agent of the client. Thus, information 
barriers are created through segregating live from run-off business, and again through a 
sub-division of live business into territorial grouped, or product grouped client-facing units.

4.6.3 In the event that an insurer who is also a client of Willis seeks to leverage a position which 
may compromise the interest of a client, or if a reinsurer offers to settle a claim at less than 
the amount requested, the situation will be brought to the immediate attention of Senior 
management within the Business Unit (Operations Director) and the local compliance 
officer. An independent Senior Manager will review the file and initial the relevant 
correspondence to confirm that the client interest on the contract in question has not been 
compromised by actions from the insurers or reinsurers and/or Willis which could be 
deemed prejudicial to that client's best interest. In the event that the insurers or reinsurers 
position is identified as conflicting with the interests of Willis' client the situation will be 
referred to the Head of the Global Markets Carriers Group and Group Compliance Officer 
who will carry forward to resolve in the interests of the client.
5. **Conflict Of Interest – Prohibited Behaviours**

5.1.1 A conflict of interest may arise where an employee conducts his or her activity for a client in a manner which does not adhere to Willis' policies and procedures; particularly:

i. The policy of independence, the Willis Client Bill of Rights;
ii. Transparency on remuneration; and
iii. Ethical behaviour policies and in particular anti-bribery and corruption policies.

5.1.2 The following behaviours, which if undertaken by an employee, would create a conflict of interest in that an employee would not be acting in the best interests of Willis' clients. These behaviours are prohibited, and it is recognised that the following is not an exhaustive list:

a. Falsifying accounting or insurance documentation;
b. Misleading a client about the insurance cover and/or its cost;
c. Failing to explain the terms of coverage particularly exclusions to a client;
d. Providing the client or an insurer with inaccurate or inadequate information about an insurance risk or claim;
e. Provide a service to the client without the required levels of knowledge and skill;
f. The solicitation of a quote from an insurer that is intentionally higher, or otherwise intentionally less favourable to the client or prospective client, than quotes provided by other insurers;
g. The solicitation of a quote from an insurer that is designed not to be selected by the client or prospective client;
h. The solicitation of a quote from an insurer that is designed to present to the client or prospective client a false appearance of competition among insurers;
i. The solicitation of an inflated quote from an insurer in order to allow Willis subsequently to appear to have lowered the quote through negotiations with the insurer;
j. The solicitation of an inflated quote from an insurer so that Willis can earn a higher commission on the business;
k. An agreement by Willis to place a policy with an insurer but only on the condition that the insurer places treaty or facultative reinsurance through Willis or an affiliate;
l. Any arrangement whereby the award of insurance business to an insurer is conditional on the insurer’s agreement to provide other business to Willis or its affiliate;
m. An insurer or policy is selected or recommended which is not in the best interest of the client because that placement will result in a higher commission (or other compensation or incentives) for Willis;
n. Willis places, or refuses to place, business with an insurer pursuant to some agreement or arrangement whereby Willis allocates clients among insurers;
o. A quote is presented to a client without support from an insurer and this basis is not fully disclosed to the client;
p. Insurers are specifically requested to decline a quote, or falsely certifies that it has declined, so as to enable Willis to place insurance with another insurer;
q. Insurers quotes are solicited from insurers for the purpose of preventing other brokers from soliciting competitive quotes from those same insurers;
r. Misleading others within Willis about the creditworthiness of a client or insurer;
s. Providing false or inaccurate information;
t. Misleading insurers about the nature of risks to be covered; and
u. Retaining undisclosed brokerage on a fee based account

6. **QUERIES**

Contact your local or regional compliance officer or the Deputy Group Compliance Director (International).
Annexure 1 – Willis South Africa Representatives Financial Interest

Section 3A (2) (b) (ii) of the Financial Advisory and Intermediary Services General Code of Conduct, a conflict of interest policy must specify the type of and the basis on which a representative will qualify for a financial interest that the provider will offer a representative and motivate how that financial interest complies with section 3A (1) (b) (Refer to the definition section).

The types of financial interests for which Willis South Africa’s (Financial Service Provider) representatives qualify are listed below.

<table>
<thead>
<tr>
<th>Types of Financial Interests</th>
<th>Employee Name</th>
<th>Compliant with Sec. 3A(1) (b).</th>
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Annexure 2 – List of Willis South Africa Associates

Section 3A (2) (b) (iii) of the Financial Advisory and Intermediary Services General Code of Conduct, a conflict of interest policy must include a list of all the Willis South Africa’s associates (Refer to the definition section).

Willis South Africa’s associates are listed below.

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<th>Associates Name</th>
<th>Type of Relationship</th>
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Annexure 3 – Ownership Interests of Willis South Africa in Third Parties

Section 3A (2) (b) (v) of the Financial Advisory and Intermediary Services General Code of Conduct, a conflict of interest policy must include the names of any third parties in which Willis South Africa holds an ownership interest (Refer to the definition section).

The third parties in which Willis South Africa holds an ownership interest are listed below.

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<thead>
<tr>
<th>Name of Third Party</th>
<th>Ownership Interest</th>
<th>Nature of Ownership</th>
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Annexure 4 – Ownership Interests of Third Parties in Willis South Africa

Section 3A (2) (b) (vi) of the Financial Advisory and Intermediary Services General Code of Conduct, a conflict of interest policy must include the names of any *third parties* which hold an *ownership interest* in Willis South Africa (Refer to the definition section).

The third parties which hold an ownership interest in Willis South Africa are listed below.

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<th>Name of Third Party</th>
<th>Ownership Interest</th>
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