

APPOINTMENT OF COMPLIANCE OFFICER	2
STAFF TRAINING	2
MANUALS ON FINANCIAL ADVISORY AND INTERMEDIARY SERVICES ACT AND FINANCIAL INTELLIGENCE CENTRE ACT 3	
1. General code of conduct	3
1.1. Definitions, construction and application	3
1.2. General duty of FFG and all representatives of FFG	3
1.3. Specific duties of FFG and all representatives of FFG	4
1.4. Internal rules pertaining product suppliers	5
2. Information on FFG and representatives of FFG	6
3. Contact with Client	7
3.1. FFG and all representatives of FFG must	7
4. Information about Financial Service	7
4.1. Subject to the provisions of this Code, FFG will	7
4.2. Signing of forms	8
4.3. Statement of accounts	8
5. Furnishing of Advice	9
5.1. Suitability	9
5.2. Record of advice	9
6. Custody of Financial products and Funds	10
7. Control Measures	11
7.1. Specific control objectives	11
8. Advertising, Canvassing and Marketing	11
8.1. Any advertisement by FFG must and will	11
9. Complaints	12

9.1. General	12
10. Termination of agreement and business	12
11. Waiver of rights	12
12. Standard operationg procedures	13
13. INTERNAL COMPLAINTS PROCEDURE	13
14. DATA STORAGE and BACK-UP SYSTEMS	13
15. RISK MANAGEMENT PROCEDURES	13
16. PROFESSIONAL INDEMNITY COVER	13
17. ACCOUNTING PROCEDURES and SYSTEMS	13
18. REPORTS and REGISTERS	13

APPOINTMENT OF COMPLIANCE OFFICER

Appointed Compliance Officer

Mr JH Louw

B Com (Hons), CFP

Professional Accountant (SA) - 7324

Master Tax Practitioner (SA) - M080167

Compliance Officer

Epsilon Compliance Consultants (Pty) Ltd CO 5930

Contact Details

Tel: +27 11 787 4342

Fax: +27 11 886 9759

Fax2Mail: 086 603 8862

Cell: 083 458 6112

Internal Compliance Coordinator

Hanlie Lazare

Contact Details

Tel: +27 18 293 0656

Fax: +27 86 589 8680

Email: hanlie@ffg.co.za

STAFF TRAINING

In accordance with our Vision, Mission and Values, FFG is committed to training and developing our committed employees by providing and facilitating training of employees on an on-going basis.

Training pertaining to Policy Protection Rules was given to ALL employees October 2001
Training pertaining to the *Financial Advisory and Intermediary Services Act* 37 of 2002 and the *Financial Intelligence Center Act* 38 of 2001, was given on 09-04-2003 and are up-dated with quarterly training sessions

Internal staff training manuals available at Personnel department

Appointed Personnel Officer

GERT DREYER

Contact details

Tel (018 2930 656)

Fax (018 297 5569)

Email gert@ffg.co.za

MANUALS ON FINANCIAL ADVISORY AND INTERMEDIARY
SERVICES ACT AND FINANCIAL INTELLIGENCE CENTRE ACT

1. GENERAL CODE OF CONDUCT

For FFG and all representatives of FFG

1.1. Definitions, construction and application

In this Code “the Act” means the Financial Advisory and Intermediary Services Act 37 of 2002, and a word or expression to which a meaning has been assigned in the Act shall have that meaning, and, unless the context indicates otherwise-

“advertisement”, in relation to a provider or a representative, means any written, printed, electronic or oral communication which is directed to the general public, or any section thereof, or to any client on request, by any such person, which is intended merely to call attention to the marketing or promotion of financial services offered by such person, and which does not purport to provide detailed information regarding any such financial services; and “advertising” has a corresponding meaning;

“transaction requirement” means any application, proposal, order, instruction or other contractual information required to be completed for, or submitted to, a product supplier by or on behalf of a client relating to the purchase of or investment in any financial product, including any amendment thereof or variation thereto;

“writing” includes communication by telefax or any appropriate electronic medium that is accurately and readily reducible to written or printed form; and “written” has a corresponding meaning.

This Code must be construed-

in conjunction with the provisions of the Act and in manner conducive to the promotion and achievement of the objectives, Vision, Mission and Values of FFG; and
as being in addition to any other law not inconsistent with its provisions and not as replacing any such law.

1.2. General duty of FFG and all representatives of FFG

FFG and its representative must at all times render financial services honestly, fairly, with due skill, care and diligence, in the interests of clients and the integrity of the financial services industry.

1.3. Specific duties of FFG and all representatives of FFG

When FFG renders a financial service

representations made and information provided to a client by the provider or representative

- i. must be factually correct;
- ii. must be provided in plain language, avoid uncertainty or confusion and not be misleading
- iii. must be adequate and appropriate in the circumstances of the particular financial service, taking into account the level of knowledge of the client;
- iv. must be provided timeously so as to afford the client sufficient time to make an informed decision about the proposed transaction
- v. may, subject to the provisions of this Code, be provided orally and, at the client's request, confirmed in writing within a reasonable time after such request;
- vi. must, where provided in writing or by means of standard forms or format, be in a clear and readable print size, spacing and format;

- vii. must, as regards all amounts, sums, values, charges, fees, remuneration or monetary obligations mentioned or referred to therein, be reflected in specific monetary terms: Provided that where any such amount, sum, value, charge, fee, remuneration or monetary obligation is not reasonably pre-determinable, its basis of calculation must be adequately described; and
- viii. need not be duplicated or repeated to the same client unless material or significant changes affecting that client occur, or the relevant financial service renders it necessary, in which case a disclosure of the changes to the client must be made without delay before a transaction is concluded;

FFG and all its representatives must disclose to the client the existence of any personal interest in the relevant service, or of any circumstance which gives rise to an actual or potential conflict of interest in relation to such service, and take all reasonable steps to ensure fair treatment of the client;

the service must be rendered in accordance with the reasonable requests or instructions of the client, which must be executed as soon as reasonably possible and with due regard to the interests of the client which must be accorded appropriate priority over any interests of the provider or representative;

transactions of a client must be accurately accounted for; and

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

FFG has appropriate procedures and systems in place to-

store and retrieve transaction documentation and all other documentation relating to the client; and

keep the client records and documentation safe from destruction.

Keep all such records for a period of five years after termination of the product concerned or, in any other case, after the rendering of the financial service

concerned.

FFG or any representative of FFG may not disclose any confidential information acquired or obtained from a client or a product supplier in regard to such client or supplier, unless the written consent of the client or product supplier has been obtained beforehand or disclosure of the information is required in the public interest or under any law.

1.4. Internal rules pertaining product suppliers

Subject to section 1.3.1, the provider or representative must at the earliest reasonable opportunity, and only where appropriate, furnish the client with full particulars of the following information about the product supplier and, where such information is provided orally, must confirm such information within 30 days in writing:

Name, physical location, and postal and telephonic contact details of the product supplier;

the

- * contractual relationship with the product supplier (if any), and whether there is a contractual relationship with that supplier only or also with various other product suppliers;

- * names and contact details of the relevant compliance department of the product supplier;

the existence of any conditions or restrictions imposed by the product supplier with regard to the types of financial products or services that may be provided or rendered by the provider or representative; and

FFG is/did NOT (FFG must convey any changes in regard hereto at the earliest opportunity to the client).

- * an associated company of ANY product supplier, directly or indirectly and does not hold ANY of product supplier's shares, or has any equivalent substantial interest in ANY product supplier;

- * during the preceding 12 month period received more than 30% of total remuneration, including commission, from ANY one product supplier,

FFG has a written guide to the FFG Internal Complaints Procedure, which is attached hereto as Annexure A and is also available on FFG's website at

www.ffg.co.za

FFG will not enter into an intermediary contract or similar contractual relationship with any provider (not being a representative) for the purpose of rendering a financial service in respect of its financial products, without being accredited by such service provider

FFG will, where the relevant licence, terms of employment or mandate enables FFG to provide clients with financial services in respect of a choice of product suppliers, exercise judgment objectively in the interest of the client concerned.

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

2. INFORMATION ON FFG AND REPRESENTATIVES OF FFG

All details pertaining FFG as prescribed by the *Access to Information Act* is available on FFG's website at www.ffg.co.za

All Representatives must, when FIRST consulting with a client or at the earliest reasonable opportunity thereafter, furnish the client with full particulars of the following information and, where such information is provided orally, must confirm such information within 30 days in writing:

Full details of such representative's postal and physical addresses, telephone and, where applicable, cellular phone number, and internet and e-mail addresses, and in respect of the relevant business carried on, also the names and contact details of appropriate contact persons and offices able to assist the client in the relevant service department;

All Representatives are acting as Representatives of the Financial Service Provider, i.e. FFG an concise details of each representative is kept in a register at the Compliance Department. This register is open for inspection during office hours at 19 & 21

Totius street POTCHEFSTROOM

Contact person:

HANLIE LAZARE

Tel (018 2930 656)

Fax 086 589 8680

Email: hanlie@ffg.co.za

FFG accepts responsibility for the actions of these representatives **in the rendering of the financial service involved** and in the course of their duties;

FFG holds sufficient Professional Indemnity Insurance. Policy available for inspection at Compliance Department;

3. CONTACT WITH CLIENT

3.1. FFG and all representatives of FFG must

in making contact arrangements, and in all communications and dealings with a client, act honourably, professionally and with due regard to the convenience of the client; and

at the commencement of any contact, visit or call explain the purpose thereof and at the earliest opportunity initiated by the provider or representative, provide the information referred to in this manual.

4. INFORMATION ABOUT FINANCIAL SERVICE

4.1. Subject to the provisions of this Code, FFG will

provide a reasonable and appropriate general explanation of the principles of a contract or transaction to a client, and generally make full and frank disclosure of any information that would reasonably be expected to enable the client to make an informed decision;

whenever reasonable and appropriate, provide any material contractual information and any material illustrations, projections or forecasts in the possession of FFG to the

client;

in particular, at the earliest reasonable opportunity, provide, where applicable, full and appropriate information of the following:

Name, class or type of financial product concerned;

nature and extent of benefits to be provided, including details of the manner in which such benefits are derived or calculated and the manner in which they will accrue or be paid;

where the financial product is marketed or positioned as an investment or as having an investment component

- * concise details of the manner in which the value of the investment is determined, including concise details of any underlying assets or other financial instruments;
- * separate disclosure of any charges and fees to be levied against the product, including the amount and frequency thereof and, where the specific structure of the product entails other underlying financial products, in such a manner as to enable the client to determine the net investment amount ultimately invested for the benefit of the client; and
- * information concerning the past investment performance of the product over periods and at intervals which are reasonable with regard to the type of product involved;

the nature and extent of monetary obligations assumed by the client (including fees, charges or brokerages), as well as the manner of payment or discharge thereof, the consequences of non-compliance and, subject to the provision as stipulated for products for which provision was made for increase of premiums (see below), any anticipated or contractual escalations, increases or additions;

concise details of any special terms or conditions, exclusions of liability, waiting periods, loadings, penalties, excesses, restrictions or circumstances in which benefits will not be provided;

any guaranteed minimum benefits or other guarantees;

to what extent the product is readily realisable or the funds concerned are accessible;

any restrictions on or penalties for early termination of or withdrawal from the product, or other effects, if any, of such termination or withdrawal;
material tax considerations;
whether cooling off rights are offered and, if so, procedures for the exercise of such rights;
any material investment or other risks associated with the product; and
in the case of an insurance product in respect of which provision is made for increase of premiums, the amount of the increased premium for the first five years and thereafter on a five year basis but not exceeding twenty years;

fully inform a client in regard to the completion or submission of any transaction requirement

that all material facts must be accurately and properly disclosed, and that the accuracy and completeness of all answers, statements or other information provided by or on behalf of the client, are the client's own responsibility;
that if FFG completes or submits any transaction requirement on behalf of the client, the client should be satisfied as to the accuracy and completeness of the details;

of the possible consequences of the non-disclosure of material facts or the inclusion of incorrect information; and

that the client must on request be supplied with a copy or written or printed record of any transaction requirement within a reasonable time.

4.2. Signing of forms

No representative may in the course of the rendering of a financial service request any client to sign any written or printed form or document unless all details required to be inserted thereon by the client or on behalf of the client have already been inserted.

4.3. Statement of accounts

FFG will, at the request of a client, provide the client with a statement of account in connection with any financial service rendered to the client

5. FURNISHING OF ADVICE

5.1. Suitability

FFG and all representatives must, prior to providing a client with advice-

obtain information with regard to the client's financial circumstances, needs and objectives and such information that is necessary to enable the provider or representative to provide the client with suitable advice;

conduct a financial needs analysis based on the information obtained;

identify the financial product or products that best suit the client's risk profile and financial needs, subject to the limitations imposed on the provider or representative under this Act or any contractual arrangement; and

where the financial product is to replace an existing financial product held by the client, fully disclose to the client the actual and potential financial implications, costs and consequences of such a replacement.

Subject to subsection 5.1.1, a representative must provide a client with a motivation in writing as to why a specific financial product is recommended to the client.

The representative must take reasonable steps to ensure that the client understands the advice and that the client is in a position to make an informed decision.

If the client's needs cannot be met by the financial product or products identified by the representative, the representative may not make any recommendation to the client, except to advise the client to seek advice elsewhere.

Where a client has not provided all information requested by FFG or any representative furnishing advice, as part of a needs analysis, or where FFG or the representative has been unable to conduct a needs analysis because, in the light of the circumstances surrounding the case, there was not reasonably sufficient time to do so, the provider or representative must fully inform the client thereof and ensure that a client clearly understands that-

a full needs analysis of the client could not be undertaken;

there may be limitations on the appropriateness of the advice provided; and

the client should take particular care to consider on its own whether the advice is appropriate considering the client's objectives, financial situation and particular needs.

5.2. Record of advice

FFG will, subject to and in addition to the duties imposed by section 18 of the Act, where feasible, maintain a record of any advice furnished to a client, and which record must reflect the basis on which the advice was given, and in particular- a brief summary of the information and material on which the advice was based; the financial products which were considered; and the financial product or products recommended with an explanation of why the product or products selected, is or are likely to satisfy the client's identified needs and objectives.

6. COSTODY OF FINANCIAL PRODUCTS AND FUNDS

When FFG receives or holds financial products or funds of a client, FFG will account for such products or funds properly and promptly and when documents of title are lodged with FFG on behalf of the client, FFG will immediately provide written confirmation of receipt thereof which contains a description of the documents that is sufficient to identify them; when FFG receives funds in safe custody without the mediation of a bank, FFG must on receipt of the money, issue a written confirmation of receipt thereof; where FFG is in control of such financial products or funds, all reasonable steps must be taken ensure that they are adequately safeguarded; maintain a trust account at a bank designated for client funds and

must within one business day of receipt pay into the account all funds held on behalf of clients;
ensure that the trust account only contains funds of clients and not those of FFG or any representative;
pay all bank charges in respect of the trust account except that bank charges specifically relating to a deposit or withdrawal of the funds of the client are for the client's own account; and
ensure that any interest accruing to the funds in a trust bank account is payable to

the owner of the funds;
take reasonable steps to ensure
that at all times such financial products or funds are dealt with strictly in
accordance with the instruction given to the provider or representative;
that client financial products or funds are readily discernible from private assets or
funds of the provider or representative; and
that, subject to any applicable contractual or statutory provisions, a client can
readily receive any amount paid into the trust account, less any deductions
which are authorised, and charges and fees required or authorised to be paid by
law.

7. CONTROL MEASURES

FFG will, at all times, put into operation and maintain effective financial controls, internal control procedures, management systems and operational capabilities that will ensure as far as possible that clients, product suppliers and other providers or representatives will not suffer any financial losses through poor administration, theft, fraud, negligence and other dishonest acts, professional misconduct or omissions.

7.1. Specific control objectives

FFG has structured the internal control procedures concerned so as to provide reasonable assurance that-

the relevant business can be carried on in an orderly and efficient manner;
financial and other information used or provided by FFG will be reliable; and
all applicable laws are complied with.

Quarterly audits and reports are done by the Compliance Department to make sure that the contents and objectives of this manual is adhered to

8. ADVERTISING, CANVASSING AND MARKETING

8.1. Any advertisement by FFG must and will

not contain any statement, promise or forecast which is fraudulent, untrue or misleading;
if it contains

performance data (including awards and rankings), include references to their
source and date;

illustrations, forecasts or hypothetical data

- * contain support in the form of clearly stated basic assumptions (including but not limited to any relevant assumptions in respect of performance, returns, costs and charges) with a reasonable prospect of being met under current circumstances;

- * make it clear that they are not guaranteed and are provided for illustrative purposes only; and

- * also contain, where returns or benefits are dependent on the performance of underlying assets or other variable market factors, clear indications of such dependence;

a warning statement about risks involved in buying or selling a financial product,
prominently display such statement; and

information about past performances, also contain a warning that past
performances are not necessarily indicative of future performances; and

if the investment value of a financial product mentioned in the advertisement is not
guaranteed, contain a warning that no guarantees are provided.

9. COMPLAINTS

9.1. General

In this Part

“complaint” means a “complaint” as defined in section 1(1) of the Act, submitted

by a client to a provider or representative for purposes of resolution by either of them;

The internal complaint resolution system and procedures manual attached hereto as Annexure A and available on website www.ffg.co.za

10. TERMINATION OF AGREEMENT AND BUSINESS

Subject to the Act and sections 1.3.2 and 1.3.3 and 5.1.1 paragraph 4

FFG or any representative of FFG must, subject to any contractual obligations, grant a request of a client who voluntarily seeks to terminate any agreement with either of them or relating to a financial product or advice; where the client makes the request on the advice FFG must take reasonable steps to ensure that the client fully understands all the implications of the termination;

FFG will, when it ceases to operate as such, must immediately notify all affected clients accordingly and take, where reasonably necessary or appropriate in consultation with the clients and product suppliers concerned, reasonable steps to ensure that any outstanding business is completed promptly or transferred to another provider; and

where a representative ceases to operate as a representative of FFG, FFG will immediately take, where reasonably necessary or appropriate in consultation with the clients and product suppliers concerned, reasonable steps to notify all affected clients accordingly and ensure that outstanding business is completed or transferred to such provider or another representative of that provider.

11. WAIVER OF RIGHTS

FFG nor any representative of FFG shall 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 this Code, or recognise, accept or act on any such waiver by the client.

12. STANDARD OPERATING PROCEDURES

Specified in Code of Conduct

13. INTERNAL COMPLAINTS PROCEDURE

Available as per Annexure A

Available in electronic medium from Compliance Department at
hanlie@ffg.co.za

Available on website www.ffg.co.za

14. DATA STORAGE AND BACK-UP SYSTEMS

Sufficient and maintained

15. RISK MANAGEMENT PROCEDURES

See details of audits done by Compliance Department as per Code of Conduct

16. PROFESSIONAL INDEMNITY COVER

Policy open for inspection or can be made available by Compliance Department within 3 (THREE) working days. See Code of Conduct for further details

17. ACCOUNTING PROCEDURES AND SYSTEMS

- (a) Full and proper accounting records on a continual basis, brought up to date monthly; and
- (b) Financial statements are prepared annually, in respect of the relevant financial year, reflecting, with suitable particulars, the financial position of the Company as at the last day of the financial year in question, and the results of the operations and cash flow information for the period that ended
- (c) All financial statements are audited

For further reference see **PROFESSIONAL CO-WORKERS**

18. REPORTS AND REGISTERS

Reports on quarterly audits in different service departments will be made available on request by the Compliance Department within 7 (SEVEN) working days after being requested in written form

Requests will only be accepted in faxed form or via electronic medium

Fax 108 297 5569

e-mail karenffghq@lantic.net

Detailed registers of all key personnel and representatives available at Compliance Department and will be made available on request by the Compliance Department within 5 (FIVE) working days after being requested in written form

Requests will only be accepted in faxed form or via electronic medium

Fax 086 589 8680

e-mail : hanlie@ffg.co.za