



The LifeCycle INFO

The A – Z of doing business with LifeCycle



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It's part of your contract with us

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Why read the LIFECYCLE INFO?

It's part of your contract with us

The LIFECYCLE INFO provide the rules and procedures that regulate our contract with you. LIFECYCLE can review, update or amend these rules and procedures from time to time. We'll do so in line with legislative or operational business requirements. We'll inform you when we review, update, or amend these pages. We'll also add more chapters over time and inform you whenever we do.

Besides, it contains lots of useful info

We hope you'll also find the LIFECYCLE INFO a useful tool you can refer to whenever you have a question about how LIFECYCLE does things. You can also contact us at the details below for more information or if you need to request forms.

Contact details

Register on our website: www.thelifecycle.co.za

Email us: lifecycle@thecycle.co.za

Call us: 083 630 4359 (08:30 to 17:00, Monday to Friday)



Commission rules

1. Telling us about changes to the Financial Services Provider (FSP) or its people

1.1 When your business structure or any of your principals change

To let us know of any changes to the business structure or its principals. Please inform us of any amendments we need to effect to your FSP profile by sending it to lifecycle@thecycle.co.za . We'll make the changes on our system within seven days of receiving your form.

You must tell us immediately if there are changes to:

1. **Your FSP's business structure** – If your company has changed from a sole proprietorship to a registered company, for instance, you might have to sign a new contract with LifeCycle.
2. **Your FSP's trading name.**
3. **Any of the principals** – We need to know if you, any members, partners or directors have resigned from the company or if the company appoints new principals.
4. **Your FSP's contact details** – These include physical or postal addresses, phone and fax numbers – the details you put on the application form you filled out when you signed up with us.
5. **Your FSP's bank details** – We'll need the proof of bank confirming for any banking changes that need to be effected.
6. **Your FSP's VAT details** – Please see section 4.7 below on VAT.
7. **Your choice of commission payment structure** – Please see section 4.9 below on commission payment calculation.
8. **Your payment frequency** for LifeCycle commission.

1.2 When key people in your business change

To let us know when any key people in your business change, please inform us by sending an email instruction to lifecycle@thecycle.co.za. We'll make the changes within seven days of receiving your form.

You must tell us immediately if:

1. The contact person's details change or you appoint a new contact person.
2. You withdraw the contact person's authority to act on your behalf.
3. Your authorised signatories change.
4. Your compliance officers change.
5. The contact details of your existing compliance officers change.
6. If the Contact persons loaded on DLS must be amended. The contact person on DLS can view the FSP's details, the REP details and the REP's client details including commissions history and drawing commission statements.



1.3 When your representatives change

New appointments

When you take on a new representative, send the *LifeCycle application for key individuals and representatives* form – signed by the representative and the key individual – to LifeCycle (lifecycle@thecycle.co.za) for approval. Remember, new representatives cannot provide financial services or earn any commission on LifeCycle products until we have approved their representative application and issued them with a commission code. LifeCycle has the discretion to decide whether to approve or decline the application for a commission code.

Changes to existing representatives

Please tell LifeCycle immediately in writing when:

1. A representative resigns from your FSP.
2. A representative is debarred from rendering financial services under the Financial Advisory and Intermediary Services (FAIS) Act.
3. Any information changes that you or the representative filled in on the *LifeCycle application for key individuals and representatives* form.

You can email this information to us at lifecycle@thecycle.co.za.

2. Telling us about representative transfers

2.1 If a sole proprietor dies

If a sole proprietor of an FSP dies and has made no provision for the transfer of all or any of the policyholders on this book to another FSP or representative, LifeCycle will choose a representative or FSP to which to transfer these policyholders.

2.2 If a client wants a different representative

A policyholder has unrestricted rights to move from one representative to another. They must send the *Request to change my financial adviser* form to lifecycle@thecycle.co.za giving us their consent to transfer them to the new representative. The letter must state the future date on which the transfer must take effect. The new representative will be the servicing representative from the effective date of transfer. We will honour all valid policyholder transfer requests and the existing financial adviser will not be required to provide consent to the requested transfer.

If we receive a signed and fully completed request form from a representative with a client letter attached to it for the transfer of a client to a new representative with all the necessary details and attachments, the effective date of transfer will be within two working days. Working days are from Monday to Friday. If we receive the form the day before a public holiday, the effective date of transfer will be no later than two working days later. We will advise both the existing financial adviser and the newly appointed financial adviser once the transfer request has been completed.

Commission payments after transfer of a policy

We'll pay any future commission earned on the transferred policy to the new representative's FSP after the effective date of transfer. If we do not receive an explicit instruction from the policyholder on any future commission payment, we'll treat future commission payments based on the agreement entered



into between the client and the new FSP. Commission payments will cease on the effective date to the FSP being replaced.

3. Product accreditation and compliance with the FAIS Act and ASISA Code of Conduct

3.1 LifeCycle product accreditation

You must attend a product accreditation training session arranged by your BDM no later than six months after we have approved your commission code. You must attend the accreditation training either in person or by electronic means. Your BDM will arrange the accreditation training session.

If you do not attend a product accreditation training session, and we owe you commission, you may forfeit your commission. You will only forfeit commission owed to you if your product accreditation has been outstanding for longer than 12 months. We will notify you if this happens.

You can't earn commission if you're not accredited with us

If you're a representative and still don't have LifeCycle product accreditation six months after our approval of your commission code, or if your product accreditation is no longer valid, then we'll process and activate your new business cases or changes to your existing business. However, we can't release any commission to your FSP for any business linked to you, until you attended the LifeCycle accreditation training. The withheld commission will not earn any interest.

If we need to reverse commission (for lapsed business for instance) from your FSP's commission account for claw-backs generated whilst you are not accredited, this reversal will reflect as a negative on your FSP's commission account.

Once you completed your product accreditation training, we'll release any payments owed during our next commission payment run – but only if your FSP's contract with us is still valid.

3.2 Complying with the FAIS Act

As an FSP you must have a FAIS Licence in category 1 and sub-categories that corresponds to the product you want to sell.

If your FSP loses its licence

If your FSP doesn't have a valid FAIS licence, we won't accept any new business from you, and we won't pay any commission on any policies linked to you. If the Financial Services Conducts Authority (FSCA) provisionally suspends or withdraws your FSP's licence, we won't release your commission until the FSCA lifts the suspension or withdrawal. If your FSP's licence lapses permanently or the FSCA withdraws it, we will not pay your FSP any further commission, and any money you owe us becomes immediately due and payable.

If you're a representative and the FSCA debars you

We won't accept any business from you if you're a representative that the FSCA has debarred or provisionally debarred from providing financial services. We will also not release any further commission payments for any business linked to you. If we need to reverse commission from your FSP's commission account for claw-backs generated whilst you're debarred, this reversal will reflect as



a negative on your FSP's commission account. Should the FSCA later reinstate your right to offer financial services, we'll again start releasing your commission payments. Where there's a gap in the timeframe between the debarred and the reinstatement dates, commission earned in this period cannot be released for payment. Should the FSCA later reinstate your right to offer financial services, we'll again start releasing your commission payment. If the FSCA permanently debars you, we won't pay any commission for the business linked to you. However, your FSP will still be liable for commission claw-backs.

4. Everything you need to know about commission

4.1 Commission contract (accounts) or codes

As set out in our LifeCycle FSP contract, we will create a broker account for every FSP with which we have a contract. We'll also issue each representative linked to the FSP with a Broker code if we accept his or her representative application. LifeCycle has the discretion to decide whether to approve or decline the application for a commission code.

As an FSP, you must ensure that no one except yourself and the representative to whom we issued the Broker code uses your LifeCycle Broker code. The only exception is if we must split commission payments between two or more Broker codes in line with the split shown on the policyholder's LifeCycle application form or subsequent service request.

4.2 Commission choices

We don't pay commission on LifeCycle to LifeCycle replacements. We'll pay commission to you, the FSP, on the activation of any LifeCycle policy or product introduced by your representative, as long as the sales comply with our rules set out here and in the FSP contract. We will only pay commission on new business sales if you introduced the policyholder to LifeCycle's products. We will pay commission only up to the maximum amount that the legislation allows. We will pay commissions as disclosed and agreed to by the client between the FSP and the client.

However, we have the right to change the commission choice, in certain circumstances, on specific policies. We'll always tell you in writing before we do so.

We have the right to pay the FSP to which representatives are linked as-and-when commission for LifeCycle policies they take out for themselves and for their direct family members' policies. We can do this even if they choose a different payment option on the LifeCycle policyholder's application form.

We have the right to make changes, from time to time, to the commission structure that we pay on, and how we choose to pay the commission.

4.3

4.4 Commission payments

We'll pay commission into the FSP bank account that you chose in your LifeCycle FSP contract application. We pay commission only using electronic fund transfers. Commission is payable subject to our rules, and we'll pay commissions once a month. We must pay you no later than the end of the month following the month the commission to your FSP commission account becomes due and payable.



If your FSP's bank details change, your contact person must let us know in writing and email proof of the new bank account details (the original or certified copy of a bank statement, cancelled cheque or letter from the bank) to lifecycle@thecycle.co.za

Changes to your FSP's bank details will take effect on LifeCycle's systems within 14 days of the date we receive the new details at the address we chose for notices in our contract with you or at the email address above.

4.5 Commission reconciliation

We'll use email or other electronic communication methods to send you a commission reconciliation every month. You must tell us within 21 days from receiving your reconciliation if there are any errors or if you disagree with the information in the statement. If you don't, we'll take the reconciliation as correct. You can also check your commission statement online on thelifecycle.co.za.

4.6 If we reverse a commission payment

We have the right to reverse any commission payments if:

- We overpaid you by mistake

- We've adjusted the commission payment in compliance with industry regulations or any relevant legislation

- An event that we've made provision for in our contract with you occurs

- Your FSP's FAIS licence is suspended, withdrawn or cancelled or it lapses

- A policy linked to your FSP lapses, ends or is cancelled for any reason

- We don't receive the policyholder's premiums for any reason or the policyholder fails to pay or "short pays" any of their monthly premiums to us.

If we find, after the recalculation, that we've overpaid your FSP, we have the right to reverse the amount by which we overpaid you from your commission account. We have the right to recover money you owe us for commission we've already paid to you and then later reversed for any of the reasons above.

Similarly, should we after our recalculation discover that we owe you commission, we will rectify the error and pay you the commission owed in the next commission run.

4.7 VAT

If your FSP is a registered VAT vendor, we'll pay you VAT on the commission you earn. If you're not a VAT vendor or you don't tell us that you're a VAT vendor, we'll pay commission to you excluding VAT as you will not be deemed a registered VAT vendor and you will be responsible for any VAT claims against you on this commission which you cannot recover from us. You only become a VAT vendor when our systems reflect you to be a VAT vendor.

Deregistering as a VAT vendor

If you deregister as a VAT vendor, you must immediately email the relevant documentation to lifecycle@thecycle.co.za. If you don't tell us that you've been deregistered, we're entitled to recover at a later stage the VAT we paid to you from the date that you were deregistered.

4.8 If you owe us money



If we find out, after taking into account any money you owe us and any money we owe you, that you are in debt with us, we have the right to ask you to sign an acknowledgement of debt with a repayment plan or take further steps against you.

In determining whether we will ask you to sign an acknowledgement of debt we will consider:

1. The size of your debt to us.
2. The length of time that we'll give you to repay your debt will depend on your FSP's standing with us. LifeCycle regularly assesses your FSP's standing with us to ensure that you have a healthy book and good relationship with us. We assess your standing by looking at some of the following things:
 - Your FSP's persistency level from the start of your FSP's relationship with LifeCycle
 - Your FSP's commission account
 - Your FSP's policies in credit control
 - Your FSP's potential future renewal income
 - Your FSP's pipeline new business cases.

We'll ask you to agree to a repayment plan or take steps against you if:

1. You owe us such a large sum of money that you're likely to remain in a negative position with us for many months.
2. You've already been in a negative position with us for many months.

Interest charges on the money you owe us

We have the right to charge you interest on any money you owe us at a rate equal to the prime overdraft rate that LifeCycle's preferred banking provider publishes plus 3%. We'll calculate interest from the due date and on the first day of every month, and we'll debit you for it at the end of every month (in arrears). We consider a certificate from the manager of any branch of LifeCycle's preferred banking provider in South Africa as final and binding proof of the interest rate that applies to your debt to us.

4.9 Commission payment calculations As an FSP you will have the option to elect an upfront commission and an as and when (annual) commission. We calculate commission for each benefit separately, because different benefits' terms may differ. We calculate commission on a daily basis, excluding VAT by moving units to your commission account. If you are VAT registered, however, we'll include VAT in our calculation. We accrue for the commission on your client record and realises it on the 1st of each month. We disinvest the commission after the 1st of the month and the commission will continue to earn the gain/loss of the underlying investment until the cash is received. Lifecycle will pay the original amount disinvested on the 1st but may pay a lesser amount if the loss was greater than any accrued profits. Any profits will remain in your commission account administered by D and D the Cycle (Pty) Ltd.