




Conflict of Interest Management Policy

for

i capital Risk Services (Pty) Ltd t/a Associated Insurance Brokers

FSP#:19819

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| <u>Approval:</u> | <u>Signature(s):</u> |
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| <u>Reviewed and approved by:</u> Craig Watkins (Key Individual) |  |



CONFLICT OF INTEREST MANAGEMENT POLICY

STRICTLY PRIVATE AND CONFIDENTIAL

i capital Risk Services (Pty) Ltd (Registration: 2004/022911/07 & FSP#19819)

Directors: LB Williams

Tel #: 011 11 883 2400, Address: 33 Scott Street, Waverley, 2090; P O Box 785063, Sandton, 2146 .

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1. PURPOSE:

i capital Risk Services (Pty) Ltd t/a Associated Insurance Brokers ("AIB" is an authorised Financial Services Provider providing short-term insurance intermediary services.

As an FSP, AIB must uphold:

- the highest level of **professional integrity**,
- **objective and unbiased advice**,
- **fair client outcomes**, and
- full compliance with FAIS and other applicable regulations.

This policy aims to ensure that:

- actual, potential or perceived conflicts of interest are properly identified.
- conflicts are avoided where possible.
- Unavoidable conflicts are managed, mitigated and disclosed.
- clients' interests **always** take priority over personal or corporate interests.

2. LEGISLATIVE & REGULATORY FRAMEWORK

This policy is drafted in accordance with:

- FAIS Act (Financial Advisory and Intermediary Services Act)
- **General Code of Conduct for FSPs and Representatives** (latest amendments)
- Section 3A of the General Code – Financial Interests
- Fit & Proper Requirements
- Companies Act 71 of 2008
- **POPIA** (where conflicts relate to the handling of personal information)
- Treating Customers Fairly (TCF) Outcomes
- Binder Regulations & Outsourcing Guidelines
- Principles of the **COFI Bill** (fair treatment, transparency, avoidance of undue influence)

3. PERSONS CONCERNED:

This policy applies to:

- Directors
- Key Individuals
- Representatives
- Employees (permanent, temporary, contractors)



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- Interns and administrative staff
- Any person whose actions may influence client advice, operational decisions or business outcomes.

4. AREAS IN WHICH CONFLICTS MAY ARISE:

Conflicts may arise in relationships with:

- Insurers, UMAs, administrators & other FSPs
- Suppliers or service providers
- Binder or outsourcing partners
- Competing intermediaries
- Family members or friends
- Staff remuneration structures
- Ownership or shareholding arrangements
- Referral arrangements
- Incentives, gifts or hospitality
- Dual employment or outside business interests

5. NATURE OF CONFLICTING INTEREST:

In regard to those employees that provide advice and or intermediary services to clients, the definition of a conflict of interest includes:

“Any situation in which our company or a representative of our company 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 our company or our representatives from rendering an unbiased and fair financial service to that client, or from acting in the interests of that client.

In respect of all employees, possible conflicts include:

(a) An employee owning shares or holding debt or other proprietary interests in any third party or associated company;



- (b) Holding office, serving on the board, participating in management, or being otherwise employed (or formerly employed) with any third party or associated company;
- (c) An employee receiving remuneration of any type whether commission or otherwise for services from another person or company;
- (d) An employee using our company's time, personnel, equipment, supplies, or goodwill for purposes other than approved activities, programs, and purposes;
- (e) An employee receiving gifts for birthdays and other special occasions;
- (f) An employee receiving money, vouchers, or anything that can be converted to money from any other person or company for 'selling' specific services or products whether in pursuance of the employee's occupation or otherwise;
- (g) An employee being invited to lunches/dinners/shows and other entertainment events;
- (h) An employee receiving or accepting special travel or holiday facilities at discounted prices or as an award for providing leads or business to another company;
- (i) An employee providing leads to businesses owned by family and friends, whether for reward or otherwise;
- (j) An employee distributing products and/or services provided by businesses owned by family and friends for reward or otherwise;
- (k) Any activity involving clients by which family and friends can financially benefit;
or
- (l) An employee receiving personal gifts or loans from any other companies or people dealing or competing with our company.



Receipt of any gift is disallowed except gifts of a value less than R400 which could not be refused without discourtesy and do not exceed R1000 in any one calendar year. No personal gift of money is allowed under any circumstances.

In respect of our company as provider, possible conflicts are:

- a) Our own company owning shares or holding debt or other proprietary interests in any third party or associated company;
- b) A third-party company owning shares in our company;
- c) Our company earning or receiving more than the regulated commission whether arising from additional services provided to the client or the supplier or otherwise;
- d) Our company making payment to another FSP or third party which enables that FSP to earn more than the regulated commission;
- e) Arranging agency contracts with selected insurers;
- f) Methods of employee remuneration.

6. INTERPRETATION:

The areas of conflicting interest listed above and the relations in those areas which may give rise to conflict are not exhaustive. Conflicts might arise in other areas or through other relations. It is assumed that employees will recognize such areas and relation by analogy. It is this company's policy to identify all possible areas of potential or actual conflict and list them in this document. For this reason, it is every employee's responsibility to report possible unidentified conflicts to the managing director for evaluation and where necessary, inclusion in the "conflict of interest summary".

The fact that one of the interests described above exists does not necessarily mean that a conflict exists, or that the conflict, if it exists, is material enough to be of practical importance, or if material, that upon full disclosure of all relevant



facts and circumstances it is necessarily adverse to the company's interests or interests of clients.

However, it is the policy of the company that the existence of any of the interests described above shall be disclosed before any transaction is consummated. It shall be the continuing responsibility of the employees to scrutinize their transactions and outside business interests and relationships for potential conflicts and to immediately make such disclosures.

Similarly, it is the responsibility of all employees to identify and report on possible conflicts of interest that may emanate from the working relationship that this company has with any of its associates or other business partners, whether there is a financial interest or otherwise.

7. DISCLOSURE TO CLIENTS

Conflicts must be disclosed:

- verbally during the advice process, **and**
- in writing via the FAS disclosure documents or a standalone COI disclosure.

Clients must be informed of:

- the nature of the conflict,
- how it may affect them,
- how AIB manages and mitigates it,
- any financial interest AIB receives (commissions, binder fees, outsourcing fees, etc.).

8. ASSOCIATE COMPANIES AND/OR RELATIONSHIPS

AIB is a subsidiary of **the i capital group. i capital (Pty) Ltd**, the group's holding company, holds i capital's operating entities. Currently these comprise of:

Short-term insurance intermediaries:

A majority holding in:

- i capital Risk Services (Pty) Ltd t/a Associated Insurance Brokers
- Lionel Isaacs Insurance Brokers (Pty) Ltd
- i capital advisers (Pty) Ltd



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- DJA Aviation (Pty) Ltd

An indirect majority holding in:

- Protector Insurance Brokers (Pty) Ltd

9. TRANSACTIONS WITH ASSOCIATED COMPANIES

Transactions with associates are permitted only when:

- The conflict has been identified and cannot be avoided.
- Mitigation is applied (e.g., competitive quotes obtained).
- Disclosure has been made to clients where relevant.
- Conflicted employees are removed from decision-making.
- A Key Individual approves the transaction in writing.
- The transaction is demonstrably in the best interests of the client.

10. GIFTS, INDUCEMENTS & OTHER BENEFITS

In terms of Section 3A of the General Code:

- AIB employees **may not receive financial interests exceeding R1 000 per provider per calendar year.**
- AIB may not give or receive any financial interest intended to unduly influence advice.
- Cash and cash equivalents **are strictly prohibited.**
- All gifts, hospitality and benefits **must be recorded** in the Gifts & Inducements Register.

11. EMPLOYEE DECLARATIONS & REGISTER

Employees must annually and upon request declare:

- outside business interests,
- directorships,
- shareholdings,
- family relationships with suppliers, insurers or clients,
- gifts and inducements received.

Declarations are retained on each employee's personnel file



12. ROLES & RESPONSIBILITIES

The Board/Directors

- Ensure that AIB has adequate COI controls.
- Approve this policy.
- Oversee governance and conflict-related incident reporting.

Key Individuals

- Implement and enforce this policy.
- Approve transactions where conflicts arise.
- Ensure conflicts are identified and mitigated

Compliance Officer

- Maintain all COI registers.
- Monitor compliance.
- Report non-compliance to Key Individuals and Directors.
- Conduct training & awareness.

Employees & Representatives

- Avoid conflicts.
- Disclose conflicts immediately.
- Act honestly, fairly, objectively, and in clients' interests.

13. INTERNAL CONTROLS, MONITORING & REPORTING

Controls include:

- annual COI declarations,
- maintenance of COI and gifts registers,
- pre-approval for any benefit or inducement,
- monitoring of remuneration structures,
- periodic compliance audits,
- training at induction and annually thereafter.

Breaches are escalated to the Key Individual and recorded.

14. BREACHES & CONSEQUENCES

Non-compliance may result in:



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- disciplinary action (warnings to dismissal),
- removal of mandate or de-authorisation
- as Representative,
- reporting to FSCA (if required),
- legal action where applicable.



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CONFLICT OF INTEREST SUMMARY

| Conflict Identified | Avoidance Measures | Mitigation | Disclosure | Internal Controls | Consequences |
|--|---|--------------------------|------------------------------------|---|---------------------|
| Gifts / hospitality from insurers or suppliers | Only low value (under R400) allowed; R1 000 per provider per year cap | Record on Gifts Register | Disclose where relevant | Manager approval; compliance monitoring | Disciplinary action |
| Employees doing outside work | Must not conflict with AIB business | Reviewed by KI | Not required unless client-related | Written approval; register | Disciplinary action |
| Extra remuneration from third parties | Only allowed if unrelated to AIB business | Reviewed by KI | As required | Approval record & | Disciplinary action |
| Lunches/dinners/entertainment | Allowed if reasonable and within limits | Declared & pre-approved | Disclose if influencing advice | Register maintained | Disciplinary action |



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| Our company only has agency contracts with selected insurers | We make sure that the agencies we have are representative of the entire short-term insurance industry | We do annual surveys of insurers to ensure that we have a full suite of products and services on offer | Disclose binder/agency relationships at point of sale | Compliance oversight | Disciplinary action |
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