

**Conflict of Interest Management Policy for Pet Underwriting Managing Agency ( Pty) Ltd \* (the term COI = Conflict of Interest)**

**Management policy statement;**

We, ( Pet Underwriting Managing Agency( Pty) Ltd), recognise the importance of operating in an open and transparent manner in all aspects of the operations of the business. We assess each business relationship @ inception and review our relationships on a regular basis. Whilst the legislative requirements may be the foundation for our policy is far more practical in it's application and takes basic business ethics as it's overall primary standard and objective. The Board of directors take this policy as a statement that binds the ethics of the company.

**Signed**

Managing Director

**Date** 16-Jul-12

Our COI policy is deemed to apply to all employees, which includes

- i) Directors
- ii) Managers
- iii) Permanent staff

whether they be employed in the financial services sector or not.

**FSB Definition of COI 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 services 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"*

**The following areas have been considered our areas of potential Conflict of Interests.**

- i) With insurers with whom there is a business/ownership relationship
- ii) With other FSP's with whom there is a business/ownership relationship
- iii) With Distribution channels with whom there is a business/ownership relationship
- iv) With any other persons with whom there is a business/ownership relationship
- v) With any service providers with whom there is a business/ownership relationship

Any of the above could be deemed Associate companies or 3rd party companies with whom we may have an ownership interest in them or by them. These companies, if applicable, are listed in separate annexure to this policy.

- vi) Our employment contracts and remuneration polices
- vii) With any other relevant relationship that may exist within the company

**We considered the following when determining potential COI's**

We have documented within this Policy the various relationships and arrangements that we currently have in place, whether or not these create a conflict or potential conflict.

This document details where we currently stand and requires regular maintenance as new or potential COI's arise. Any potential COI will be documented and specific steps taken to mitigate, avoid or manage our Co's position.

**The situations that we scrutinised included;**

- 1 What Associate company relationships do we, or our staff, have?

i.e. In simple terms companies with whom there is a relationship based on common shareholding, management control or family(in its widest context) members are involved and subsidiary or holding company status

2 What Third party relationships did we, or our staff, have?

- i Product suppliers (insurers)
- ii Other FSP's
- iii Distribution channels
- iv

Including any of their associates  
Including any of their associates

These included;

- Any other person who in terms of an agreement or arrangement with any of these provides a financial interest is due to us or one of our representatives, for example;  
Attorneys
- v Suppliers outside the insurance environment, for example;  
Stationary  
IT  
Accounting

3 We considered **any** ownership interest within these relationships?

4 Was there any financial interest paid from or to the entities within these relationships?  
And would this create a conflict of interest?

5 Was there any immaterial financial interest paid from or to the entities within these relationships?  
If so are we monitoring the frequency and extent?

6 What are our staff remuneration policies?

The process allowed us to assess all of our relationships, including those of our staff and including financial aspects, and to document these fully. **No Conflict was identified in terms of our staff arrangements but at Shareholder level our repair agreements need comment.**

In all circumstances we looked to

i. Avoid. Take Away the situation that creates the conflict

OR

ii. Mitigate i.e. Implement measures to reduce its potential impact

AND/OR

iii. Disclosure i.e. Formally provide details of the situations that are there and what has been done.

**Our solutions could be any of the above or a combination of all 3 factors.**

**WHAT WE HAVE DONE - This is an ongoing process.**

Where disclosure of conflicts, which includes potential ones, involved clients the standard adopted demands a higher level of formality. It demands formal disclosure "at the earliest reasonable opportunity " which is deemed to be when providing you with the initial advice/quote.

Our disclosures are clear, concise and effective, in our opinion although we constantly strive to ensure we are achieving this lofty ideal.

Our disclosures include;

- 1 What conflicts we have
- 2 What measures we have been taken to avoid or mitigate these
- 3 Ownership interests that may become due to us - this includes shareholding, dividends, profit share and similar payments. This includes ownership of and payments from associated companies that can include administrators, cell captives and insurers
- 4 Financial interests (these are things we actually pay for that are made available by other FSP's or insurers as part of the relationships that exist) that may become due, These include vouchers, benefits, travel, hospitality, accommodation, sponsorships and other incentives.
- 5 Details of the relationships and/or arrangements that exist that create the (potential) conflict.
- 6 How to obtain our Conflict of Interest management policy.

**Each employee has signed their acceptance & understanding of This Procol ANY breaches will be raised at Board meetings and resolved as quickly as possible.**

- 1 The adherence to and breaches of are a standing item on the board meeting agenda/management meetings.
- 2 This policy is published within the company and contained in the HR Manual for scrutiny. As part of employee reviews this will be addressed and reinforced.
- 3 All staff need to sign this Protocol @ least 1 time per year as well as when joining the Co.
- 4 Our compliance program ensure a constant review of our standards which includes an obligation to report non compliance to the authorities if corrective action is not taken

**What were the results of this process and it's ongoing monitoring?**

We have summarised OUR results below under the headings;

- 1 Management policy summary of our conflict situations and actions taken
- 2 Associates companies - a listing of all such companies



