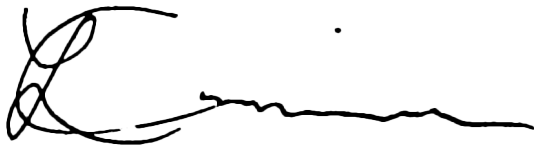


CONFLICT OF INTEREST

MANAGEMENT POLICY

Effective date: January 2023

Review date: January 2024



13/01/2023

Chief Operating Officer

Date

OR

**Any person duly authorised
to sign on behalf of Camargue**

Table of Contents

Introduction	3
Purpose	3
Scope and application.....	3
Deemed conflicts of interest.....	4
Important definitions.....	4
Potential conflicts of interest.....	6
Assessment of conflict situations	6
Results of assessment and its ongoing monitoring.....	8
Understanding of, and adherence to, the Policy by role players	8
Annexure A – Summary of Camargue’s conflict situations and actions taken.....	10
Annexure B – Details of all associated companies	12
Annexure C – Summary of other identified conflicts and corrective actions taken	13

Introduction

1. Camargue Underwriting Managers (Pty) Ltd (“Camargue”) recognises the importance of operating in an open and transparent manner in all aspects of the operations of the business, be that with our clients, our suppliers, our service providers, or members of the greater business community within which we work, whether they are directly a part of the financial services industry or not.
2. The General Code of Conduct for Authorised Financial Services Providers and Representatives (“GCOC”) issued in terms of the Financial Advisory and Intermediary Services Act 37 of 2002 (“FAIS Act”) requires financial services providers to adopt, maintain and implement a conflict of interest management policy which complies with the GCOC and the FAIS Act.
3. Whilst the legislative requirements may be the foundation for Camargue’s Conflict of Interest Management Policy (the “Policy”), it is far more practical in its application and takes basic business ethics as its overall primary standard and objective.
4. Camargue’s Board of Directors personally takes the Policy as a statement that binds the ethics of Camargue.

Purpose

5. The purpose of the Policy is to avoid, and where this is not possible, mitigate any situation in which a conflict of interest arises or may arise and to adequately declare such conflict as required.
6. In addition, Camargue strives to ensure that all conflicts of interest are managed appropriately and fairly in the best interests of all parties involved.

Scope and application

7. The Policy applies to all employees at Camargue including but not limited to:
 - 7.1. directors (executive and non-executive);
 - 7.2. managers;
 - 7.3. permanent employees;
 - 7.4. temporary employees; and
 - 7.5. affiliated third parties (including but not limited to contractors, consultants, service providers and outsourced employees).

Deemed conflicts of interest

8. The FAIS Act and the GCOC gives us the foundation for the Policy. The GCOC defines a conflict of interest as:

“any situation in which a provider or a representative has an actual or a 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.”*

Important definitions

9. The following definitions as defined in the FAIS Act and the GCOC are important for purposes of this Policy:

9.1. “*associate*” in relation to a juristic person 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.

9.2. “*conflict of interest*” – refer to paragraph 8 above.

9.3. “*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:

9.3.1. an ownership interest;

9.3.2. training, that is not exclusively available to a selected group of providers or representatives, on:

9.3.2.1. products and legal matters relating to those products;

9.3.2.2. general financial and industry information;

9.3.2.3. specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training;

9.3.3. a qualifying enterprise development contribution to a qualifying beneficiary entity by a provider that is a measured entity.

- 9.4. “*FSP*” means an authorised financial services provider, other than a representative, who as a regular feature of its business:
- 9.4.1. furnishes advice; or
 - 9.4.2. furnishes advice and renders any intermediary service; or
 - 9.4.3. renders an intermediary service.
- 9.5. “*immaterial financial interest*” means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1,000 in any calendar year from the same third party in that calendar year received by:
- 9.5.1. a provider who is a sole proprietor;
 - 9.5.2. a representative for that representative’s direct benefit;
 - 9.5.3. a provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.
- 9.6. “*product supplier*” means any person who issues a financial product by virtue of an authority, approval or right granted to such person under any law.
- 9.7. “*representative*” means any person, including a person employed or mandated by such first mentioned person, who renders a financial service to a customer for or on behalf of a financial services provider, in terms of conditions of employment or any other mandate, but excludes a person rendering clerical, technical administrative, legal, accounting or other service in a subsidiary or subordinate capacity, which service:
- 9.7.1. does not require judgement on the part of the latter person; or
 - 9.7.2. does not lead a customer to any specific transaction in respect of a financial product in response to general enquiries.
- 9.8. “*third party*” means –
- 9.8.1. a product supplier;
 - 9.8.2. another provider;
 - 9.8.3. an associate of a product supplier or a provider;
 - 9.8.4. a distribution channel;
 - 9.8.5. any person who in terms of an agreement or arrangement with a person referred to in paragraphs 9.8.1 to 9.8.5 above provides a financial interest to a provider or its representatives.

Potential conflicts of interest

10. Potential conflict situations can arise in the following areas of Camargue's business:
 - 10.1. With insurers with whom there is a business/ownership relationship.
 - 10.2. With other FSPs with whom there is a business/ownership relationship.
 - 10.3. With other distribution channels with whom there is a business/ownership relationship.
 - 10.4. With any other persons with whom there is a business/ownership relationship.
 - 10.5. With any service providers with whom there is a business/ownership relationship.
 - 10.6. With our employees as a result of employment contracts and/or remuneration policies.
 - 10.7. With any other relevant relationship that may exist within Camargue.

Assessment of conflict situations

11. We have a management tool that assists in documenting the various relationships and arrangements that we currently have in place, whether or not these create a conflict or potential conflict.
12. If they do then a decision has been taken as to whether these are to be avoided or mitigated and the decision recorded accordingly.
13. These sections are reviewed as part of the ongoing monitoring process followed by our external compliance officer and forms the basis of an ongoing reporting strategy to ourselves and, should the need arise, to the Financial Sector Conduct Authority, the ultimate authority governing the financial services sector.
14. The situations analysed include the following:
 - 14.1. What associate company relationships does Camargue, or our employees have?
 - 14.1.1. i.e., 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.
 - 14.2. What third party relationships does Camargue, or its employees have?
 - 14.2.1. These include:
 - 14.2.1.1. product suppliers (insurers) including any of their associates;
 - 14.2.1.2. other FSPs including any of their associates;
 - 14.2.1.3. distribution channels;

- 14.2.1.4. any other person who in terms of an agreement or arrangement with any of these, provided a financial interest is due to us or one of our representatives for example panel beaters, assessors, security companies.
- 14.3. Was there any ownership interest within these relationships? If so, could this create a conflict of interest?
- 14.4. Was there any financial interest paid from or to the entities within these relationships? If so, could this create a conflict of interest?
- 14.5. Was there any immaterial financial interest paid from or to the entities within these relationships? If so, are we monitoring the frequency and extent?
- 14.6. The extent of Camarque's employee remuneration policies?
15. The above process allowed us to assess all our relationships including those of our employees and financial aspects, and to document these fully. The data collected was then reviewed to see if a potential conflict had been identified and how best to deal with this. The options open to us included:
- 15.1. Avoidance – take away the situation that creates the conflict.
- 15.2. Mitigation – put measures in place that acknowledge the conflict situation but implement measures to reduce its potential impact.
- 15.3. Disclosure – formally provide details of the situations that are there and what has been done if anything about these to reduce or eliminate the situation itself.
16. Any solution we have established could be a combination of all three: avoid some, mitigate others and disclose what we have done and will continue to do so.
17. Our general strategy was where possible to avoid such conflicts i.e., prevent them by physically removing the conflict situation.
18. Where we could not avoid the conflict situation, actual or potential, it needed to be mitigated i.e., we had to put controls in place to reduce the likelihood of a conflict arising.
19. Where disclosure of conflicts, including potential ones, involved clients the standard adopted demands a higher level of formality. It demands formal disclosure at the earliest possible opportunity which is deemed to be when providing the initial advice/quote.
20. Our disclosures are clear, concise, and effective, in our opinion, and we constantly strive to ensure that we are achieving this lofty ideal.
21. Our disclosures include:

- 21.1. what conflicts we have;
- 21.2. what measures we have taken to avoid or mitigate these;
- 21.3. ownership interests that may become due to us – this includes shareholding, dividends, profit shares and similar payments. This includes ownership of and payments from associated companies that can include administrators, cell captives and insurers;
- 21.4. financial interests (these are things we actually pay for that are made available by other FSPs or insurers as part of the relationships that exist) that may become due. These include vouchers, benefits, travel, hospitality, accommodation, sponsorships and other incentives;
- 21.5. details of the relationships and/or arrangements that exist that create the potential conflict; and
- 21.6. how to obtain our Conflict of Interest Management Policy.

Results of assessment and its ongoing monitoring

22. The results have been summarised into the following 3 specific annexures attached to the Policy:
 - 22.1. Annexure A - management policy summary of our conflict situations and actions taken.
 - 22.2. Annexure B - a listing of all associated companies.
 - 22.3. Annexure C - a listing of all third party companies with whom there is an ownership interest by Camargue and/or Camargue employees.

Understanding of, and adherence to, the Policy by role players

23. This Policy has been developed in conjunction with and formally approved by Camargue's Board of Directors. Adherence to and breaches of this Policy are a standing item on the board agenda.
24. This Policy is published within Camargue and is readily available to all employees, clients, and other interested parties.
25. All employees have been provided with a copy of this Policy and have been given awareness training by our compliance department/compliance officer.
26. Compliance with this Policy is an integral part of our employment contract and subject to review at least annually. Breaches of the Policy are seen as an issue subject to the company's disciplinary procedures.

27. All employees complete and update annually a Conflict of Interest Questionnaire.
28. All employees sign a formal declaration relating to the understanding of, and agreement to, adhere to this Policy.
29. At times, but at least annually, our Insurers request that all Camargue employees disclose any potential conflicts and sign a declaration to such effect.
30. Our compliance program ensures a constant review of our standards which includes an obligation to report non-compliance to the authorities if corrective action is not taken.

Annexure A

Summary of Camargue's conflict situations and actions taken

1. Insurers with whom there is a business/ownership relationship:

- 1.1. We have mandates from Bryte Insurance Company Limited, Compass Insurance Company Limited, and various underwriters at Lloyd's to underwrite specified classes of non-life insurance on their behalf.
- 1.2. We own no shares in any Lloyd's Underwriters or Compass Insurance Company Limited. Compass Insurance Company Limited do not own any shares in us. One of our Lloyd's Underwriters, namely Brit Insurance Holdings owns shares in us. We do not have a relationship with any other product provider that provides an ownership or financial interest.
- 1.3. We are paid a fee by the above Insurers and also have a profit share agreement dependent upon the annual underwriting result.

2. Other FSPs with whom there is a business/ownership relationship:

- 2.1. All business we underwrite is sourced from licensed FSPs.
- 2.2. No FSP from whom we source business has any ownership interest in Camargue, and neither do we have any ownership interest in them.
- 2.3. FSPs are paid commission in respect of policies placed with us in accordance with legislated maximum commission rates. No other payments are made to any FSP.
- 2.4. As normal business practice immaterial financial interest is provided to and received from FSPs from time to time. A record is maintained of such immaterial financial interest which is within the legislated limits.

3. Other distribution channels with whom there is a business/ownership relationship:

- 3.1. We have no relationship with any other distribution channel other than those mentioned in 2 above.

4. Any other person with whom there is a business/ownership relationship:

- 4.1. There is no information to disclose under this heading.

5. Any service providers with whom there is a business/ownership relationship:

- 5.1. As part of normal business practice, we utilise the services of various third party service providers such as loss adjusters, attorneys, accountants, IT companies.

5.2. Contracts/service level agreements are entered into with all such service providers who are remunerated on the basis of services rendered.

6. Our employees as a result of employment contracts and/or remuneration policies

6.1. All employees are required to complete annually a questionnaire that identifies any potential conflict of interest that might exist. If such is disclosed, it will be assessed, and appropriate action taken as deemed necessary.

6.2. No employee is remunerated solely on the basis of the volume of business produced, although this is one of the factors taken into consideration when salaries are reviewed annually. The Company has adequate procedures in place to ensure that business is not written for volume rather than quality.

Annexure B

Details of all associated companies

1. Brit Insurance Holdings

- 1.1. Brit Insurance Holdings has a 100% shareholding in Camargue Underwriting Managers (Pty) Ltd.

2. Phoenix Underwriting Managers (Pty) Ltd (Dormant)

- 2.1. Camargue Underwriting Managers (Pty) Ltd has a 100% shareholding in Phoenix Underwriting Managers (Pty) Ltd

3. Camargue Risk Managers (Pty) Ltd (Dormant)

- 3.1. Camargue Underwriting Managers (Pty) Ltd has a 100% shareholding in Camargue Risk Managers (Pty) Ltd

4. Camargue Commercial Crime (Pty) Ltd (Dormant)

- 4.1. Camargue Underwriting Managers (Pty) Ltd has a 75% shareholding in Camargue Commercial Crime Underwriting Managers (Pty) Ltd.

5. Camargue General Liability Underwriters (Pty) Ltd (Dormant)

- 5.1. Camargue Underwriting Managers (Pty) Ltd has a 100% shareholding in Camargue General Liability Underwriting Managers (Pty) Ltd.

6. Synergy XOL (Pty) Ltd

- 6.1. Camargue Underwriting Managers (Pty) Ltd has a 100% shareholding in Synergy XOL (Pty) Ltd.

7. Camargue Fiduciary Liability Underwriters (Pty) Ltd (Dormant)

- 7.1. Camargue Underwriting Managers (Pty) Ltd has a 100% shareholding in Synergy XOL (Pty) Ltd.

Annexure C

Summary of other identified conflicts and corrective actions taken

Possible other conflicts identified:	Do we see these as potential conflicts?	What have we done about it?	Controls in place
1. Employees receiving gifts, vouchers, and the like	Yes	We have instituted specific controls to monitor these activities and have included full disclosure of the possibility of payments, gifts, and the like as well as the limits applicable in our standard disclosure document supplied to clients.	We have set up a register to monitor all gifts and hospitality received and/or given by the FSP to ensure that no provider supplies anything in excess of R 1,000 in any one year or that no representative of a provider receives from us anything in excess of R 1,000 in any one year. This register can be viewed upon written request.
2. Employees entertained by associate or third party companies			
3. Employees providing gifts, vouchers, and the like to clients, third parties or associated companies			
4. Employees entertaining associate or third party companies			