



Conflict of Interest Management Policy for Medipet. FSP licenced: 32613

30 March 2013

Management policy statement;

Medipet Animal Health Insurance Brokers (Pty) Ltd (Co. Reg No: 2007/007495/07) recognizes 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 operate, either directly a part of the financial services industry or not. Whilst the legislative requirements may be the foundation for this policy, it is far more practical in its application and takes basic business ethics as its overall primary standard and objective. The Board of directors takes this policy as a statement that binds the ethics of the company

To whom does this policy apply?

This policy is deemed to apply to all employees, which include

- i) Directors
- ii) Managers
- iii) Permanent staff
- iv) Contract and/or temporary staff

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

What do we deem to be a Conflict of Interest?

The Financial Advisory & Intermediary Services Act (FAIS) gives us the foundation for our policy. It defines a conflict as;

"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 unbiased and fair financial services to that client, or from acting in the interests of that client,*

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.

- 1) What Third party relationships do we, or our staff, have?
These include;
 - i) Product suppliers (insurers) including any of their associates

- ii) Other FSP's Including any of their associates
 - iii) Distribution channels
 - iv) 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 agents.
 - v) Suppliers outside the insurance environment, for example; stationery.
- 2) Was there any ownership interest within these relationships?
And would this create a conflict of interest?
 - 3) Was there any financial interest paid from or to the entities within these relationships?
And would this create a conflict of interest?
 - 4) Was there any immaterial financial interest paid from or to the entities within these relationships? If so are we monitoring the frequency and extent?
 - 5) What were 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 . The data collected was then reviewed to see, if a potential conflict had been identified, and then we had to see how best to deal with this. The options open to us included;

- i) Avoidance i.e. Take away the situation that creates the conflict. OR
- ii) Mitigate i.e. Put measures in place that acknowledge the conflict situation but 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, if anything, about these to reduce or eliminate the situation itself.

Any solution we have established could be a combination of all three e.g. Avoid some, Mitigate others and Disclosure of what we have done and will continue to do.

Our general strategy was , where possible, to avoid such conflicts i.e. prevent them by physically removing the conflict situation .

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.

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 the client 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 at all times.

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 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 and 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.

What were the results of this process and its ongoing monitoring? We have summarized the results below under the headings ;

- 1) Associate companies -a listing of all such companies
- 2) 3rd Party companies with whom there is an ownership interest by ourselves and/or staff
- 3) Management policy summary of our conflict situations and actions taken

How do we ensure this policy is understood and adhered to by all role players?

- 1) This policy has been developed in conjunction with, and formally approved by, management.
- 2) This policy is published within the company and is readily available to all staff, clients and other interested parties.
- 3) All staff have been provided with a copy of this policy and have been given awareness training by our compliance officer.
- 4) Compliance with this policy is an integral part of our employment contract and subject to review on at least an annual basis. This includes a breach of the policy which is seen as an issue subject to the company's disciplinary procedures.
- 5) All staff complete and annually update a Conflict of Interest Questionnaire.
- 6) All management and staff sign a formal declaration relating to the understanding of and agreement to adhere to this policy.
- 7) Our compliance program ensure a constant review of our standards which includes an obligation to report noncompliance to the authorities if corrective action is not taken.

We receive the following remuneration from Renasa –

- i) Commission
- ii) Veterinary Advice Fee

Ownership & Association –

- a) Renasa Insurance Company

Medipet has no ownership interest in any third party. Renasa has 27.51% interest in Medipet.

Conflict of Interest Management Policy – Summary of other conflicts we have identified and the corrective measures put in place.

We have set up a register to monitor all gifts and hospitality from another Financial Services Provider to ensure that no provider supplies any gift/voucher or entertainment in excess of R1000 value in any one calendar year. This can be viewed upon request.

In addition we maintain a separate register to monitor our staff gifts/entertainment to another Financial Services or its representative to ensure that no one is supplied with the value of these items to more than R1000 in any calendar year. This can be viewed upon request.