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ANIMAL HEALTH INSURANCE BROKERS

**Conflict Of Interest Policy**

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MediPet Animal Health Insurance Brokers (Pty) Ltd (Co. Reg No: 2007/007495/07) 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 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.

**Important**

Kindly note that we refer to you as our “Members”, and we have attempted to keep this consistent in all our communication, however, there are some instances where we had to refer to you as “the client” due to legalities.

**To whom does this policy apply**

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

* Directors
* Managers
* Permanent staff
* Contract and/or temporary staff

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

**Definition**

The Financial Advisory & Intermediary Services Act, Act No 37 of (FAIS) gives us the foundation for our policy. It defines a conflict as:

“Conflict of Interest” means “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, -

* 1. (a)  influence the objective performance of his, her or its obligations to that client; or
  2. (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 -
     1. (i)  a financial interest
     2. (ii)  an ownership interest
     3. (iii)  any relationship with a third party”

“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

* 1. (a)  an ownership interest;
  2. (b)  training, that is not exclusively available to a selected group of providers or representatives, on

(i) products and legal matters relating to those products;

1. (i)  general financial and industry information;
2. (ii)  specialised technological systems of a third party necessary for the rendering of a financial service;

but excluding travel and accommodation associated with that training;

“immaterial financial interest” means “any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 in any calendar year from the same third party”;

“third party” means “a product supplier, another provider, an associate of a product supplier or a provider, a distribution channel and any other person who in terms of an agreement provides a financial interest to a provider or its representatives”.

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“associate” means  
a) in relation to a natural person,

1. (i)  a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person;
2. (ii)  a child of that person, including a stepchild, adopted child and a child born out of wedlock;
3. (iii)  a parent or stepparent of that person;
4. (iv)  a person in respect of which that person is recognised in law or appointed by a court as the

person legally responsible for managing the affairs of or meeting the daily care needs of the

first mentioned person.

1. (v)  a person who is the spouse, life partner or civil union partner of a person referred to in (ii), (iii)

and (iv).

1. (vi)  a person who is in a commercial partnership with that person.

b) in relation to a juristic person,

1. (i)  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.
2. (ii)  which is a closed corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act.
3. (iii)  Which is not a company or a closed corporation, means another juristic person which would have been a subsidiary or holding company of the first-mentioned juristic person:
4. (iv)  had such first-mentioned juristic person been a company; or
5. (v)  in the case where that other person, too, is not a company, had both the first-mentioned juristic

person and that other juristic person been a company.

1. (vi)  means any person in accordance with whose directions or instructions the board of directors of or,

in the case where such juristic person is not a company, the governing body of such juristic person is accustomed to act.

c) in relation to any person,

(vii) means any juristic person of which the board of directors or, in the case where such juristic person is not a company, of which the governing body is accustomed to act in accordance with the directions or instructions of the person first-mentioned in this paragraph or administered by  
that person.

**What do we deem to be a Conflict of Interest**

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,

* Influence the objective performance of his, her or its obligations to that client; or
* 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:

* Product suppliers (insurers) including any of their associates
* Other FSP’s Including any of their associates
* Distribution channels
* Any other person who in terms of an agreement or arrangement will benefit from a financial perspective, outside of the insurance environment, for example, stationery suppliers.

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1. Is there any ownership interest within these relationships? And would this create a conflict of interest?
2. Is there any financial interest paid from or to the entities within these relationships? And would this create a conflict of interest?
3. Is there any immaterial financial interest paid from or to the entities within these relationships? If so are we monitoring the frequency and extent?
4. 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:

* Avoidance i.e. Take away the situation that creates the conflict. OR
* Mitigate i.e. Put measures in place that acknowledge the conflict situation but implement measures to reduce

its potential impact. AND/OR

* 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 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 summarised 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

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**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 and agreement to adhere to this policy.
7. Our compliance program ensures 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 Insurance Company Limited**

• Commission  
• Veterinary Fee

**Ownership & Association**

MediPet has no ownership or interest in any third party. Summit Risk Holdings (PTY) Ltd has a 27.51% ownership in MediPet.

**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.

**Consequences of Non-compliance with the Policy**

In the event of non-compliance with the abovementioned terms of the Policy, in addition to any civil or criminal consequences, employees and representatives will be subject to appropriate disciplinary action.

**Version control**

March 2013 V1

April 2020 V2

June 2022 V3

February 2025 V4