

# CONFLICT OF INTEREST MANAGEMENT POLICY

COMPENDIUM GROUP INVESTMENT HOLDINGS  
(PTY) LTD AND ITS SUBSIDIARIES AND ASSOCIATES  
("Policy")

June 2022

**Compendium**  
GROUP INVESTMENT HOLDINGS

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## 1. DEFINITIONS

- 1.1. **“Associate”** means, in relation to a to a juristic person, which is a company, 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. In relation to a natural person, means a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person; a child of that person, including adopted child and a child out of wedlock, a parent or stepparent of that person, 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; a person who is in a commercial partnership with that person.
- 1.2. **“Compendium”** means Compendium Group Investment Holdings (Pty) Ltd with registration number 2004/029831/07 and all subsidiaries and associated companies which consists of:
  - 1.2.1. Compendium Insurance Brokers (Pty) Ltd with registration number 2000/009588/07 including all juristic representatives as determined from time to time, with FSP Number 10409 & 10405;
  - 1.2.2. Cignet Administration Services (Pty) Ltd with registration number 2004/029524/07 with FSP Number 45313;
  - 1.2.3. Swift Auto Brokers (Pty) Ltd with registration number 2006/027398/07, a juristic representative of FSP10409;
  - 1.2.4. Portdem (Pty) Ltd with registration number 2019/112944/07 with FSP number 8267;
  - 1.2.5. Compendium Insurance Brokers KZN (Pty) Ltd with registration number 1989/003322/07 with FSP number 15573; and
  - 1.2.6. Watersure (Pty) Ltd with registration number 2004/027733/07 with FSP number 34972.
- 1.3. **“Conflict of interest”** means any situation in which a Financial Services Provider or Representative, has an actual or potential interest that may, in rendering a financial service to a client:
  - 1.3.1. influence the objective performance of his, her or its obligations to that client; or
  - 1.3.2. prevent a Financial Services Provider or Representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client,
  - 1.3.3. including but not limited to: –
    - 1.3.3.1. a Financial interest;
    - 1.3.3.2. an Ownership interest; or
    - 1.3.3.3. any relationship with a Third Party.

A Conflict of interest shall include any Ownership interest in a Supplier and any Financial interest paid to or received from a Supplier.
- 1.4. **“Customer”** means any policyholder or potential policyholder of the client.
- 1.5. **“Policy”** means this Conflict of Interest Management Policy.

- 1.6. **“Employee”** means an internal member of staff, including a contractor or consultant of the Company.
- 1.7. **“Family”** means any person to whom an Employee is related through birth or marriage.
- 1.8. **“Financial Interest”** means any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, incentive, or valuable consideration, other than training, that is not exclusively available to a selected group of financial services providers or representatives, on:
  - 1.8.1. products and legal matters relating to those products;
  - 1.8.2. general financial and industry information; or
  - 1.8.3. specialised technological systems of a Third Party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.
- 1.9. **“Fair Value”** has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 1973 (Act No. 61 of 1973).
- 1.10. **“FAIS Act”** means the Financial Advisory and Intermediary Services Act, No 37 of 2002, as amended.
- 1.11. **“Financial Services Provider”** means any person, other than a representative, who as a regular feature of the business of such person:
  - 1.11.1. furnishes advice; or
  - 1.11.2. furnishes advice and renders any intermediary service; or
  - 1.11.3. renders an intermediary service.
- 1.12. **“FSCA”** means furnishes advice or furnishes advice and renders any intermediary service or renders an intermediary service.
- 1.13. **“Holding Company”** means a holding company as defined in section 1(4) of the Companies Act, 1973 (Act No. 61 of 1973).
- 1.14. **“Immaterial financial interest”** means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1000 in any calendar year from the same Third Party in that calendar year received by –
  - 1.14.1. a financial services provider, who is a sole proprietor;
  - 1.14.2. a representative for that representative’s direct benefit;
  - 1.14.3. a financial services provider, who for its benefit or that of some, or all its representatives, aggregates the immaterial financial interest paid to its representatives.

- 1.15. **“Ownership interest”** means
- 1.15.1. any equity or ownership interest, for which fair value was paid by the owner, other than equity and includes any dividend, profit share or similar benefit derived from that equity or ownership interest.
  - 1.15.2. Any ownership interest in a Supplier held by an Employee or his or her Family.
- 1.16. **“Representative”** means any person who is appointed as a Representative in terms of the FAIS Act;
- 1.17. **“Responsible Persons”** means Directors, (including Non-Executive Directors), Managing Executives (including senior management), Heads of Control Functions and a significant owner of shares or financial interest in BIL.
- 1.18. **“Subsidiary”** means a subsidiary as defined in section 1(3) of the Companies Act, 1973 (Act No. 61 of 1973).
- 1.19. **“Supplier”** means any person, whether a natural or a legal person, who is contracted to BIL to supply goods or services to BIL.
- 1.20. **“Third-Party”** means –
- 1.20.1. a product supplier;
  - 1.20.2. another financial services provider;
  - 1.20.3. an associate of a product supplier or a Financial Services Provider;
  - 1.20.4. a Family member; or
  - 1.20.5. a Customer; or
  - 1.20.6. a Supplier; or
  - 1.20.7. a distribution channel; or
  - 1.20.8. any person who in terms of an agreement or arrangement with a person who provides a Financial interest to a financial services provider or its representatives.

## 2. PURPOSE

- 2.1. In terms of the General Code of Conduct (“CGOC”), issued in accordance with the FAIS Act, every Financial Services Provider must adopt, maintain and implement a Conflict of Interest Management Policy that complies with the provision of the FAIS Act.
- 2.2. The Purpose of this Policy is to provide mechanism within the Company, to identify, mitigate and manage conflicts of interest. It is the responsibility of all Employees of the Company to comply with the provisions of this Policy.

- 2.3. The Company is committed to ensuring that all business is conducted in accordance with good business practise, in an ethical and equitable manner and in a manner that safeguards the interests of all stakeholders to minimise and manage actual and potential conflicts of interest.

### 3. CONFLICT OF INTEREST DECLARATION

- 3.1. The Company, and the Company's representatives will only receive financial interest, in accordance with section 3A(a)(a) of the GCOC from a third party in the form of:
- 3.1.1. Commission authorised under the Long Term Insurance Act, 52 of 1998 ("LTIA");
  - 3.1.2. Commission authorised under the Short Term Insurance Act, 53 of 1998 ("STIA");
  - 3.1.3. Commission authorised under the Medical Schemes Act, 131 of 1998;
  - 3.1.4. Binder and/or Outsourced fees as authorized under the STIA and LTIA;
  - 3.1.5. Broker Fees or remuneration for the rendering of a service, which fees are commensurate to the service being rendered;
  - 3.1.6. Subject to any other law, an immaterial financial interest; and
  - 3.1.7. A financial interest, not referred to in clause 3.1.1 to 3.1.6 above, for which consideration, fair value or remuneration that is reasonable and commensurate to the value of the of the financial interest that is paid, at the time of receipt.
- 3.2. The Company will, in accordance with section 3A(1)(b) of the GCOC not offer any financial interest to its representatives or its key individuals for:
- 3.2.1. Giving preference to the quality of business secured for the Company;
  - 3.2.2. Giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
  - 3.2.3. Giving preference to a specific product of a product supplier, where a representative may recommend more than one product of the product supplier to a client.
- 3.3. The manner in which the Company is remunerated is disclosed to each individual client on the client's disclosure notice, contained in the clients policy schedule.

### 4. IDENTIFICATION & MANAGEMENT OF CONFLICTS OF INTEREST

- 4.1. In order to comply with the conflict of interest requirements, the Company has established the following internal procedures:
- 4.1.1. Prior to concluding any new business arrangement, consideration shall be given as to whether the proposed arrangement will present any potential conflict of interest. The Chief Operations Officer and Legal & Risk Director will review and sign off all agreements on an ongoing basis to ensure that these contracts and relationships does not influence the Company's:

- 4.1.1.1. Objective performance towards the Company's customers;
- 4.1.1.2. Ability to render fair and unbiased financial services towards its customers; and
- 4.1.1.3. Ability to act in the best interests of the customer.
- 4.1.2. Training on this Conflict of Interest policy is conducted on an annual basis.
- 4.1.3. Non-compliance with this Policy may result in disciplinary action and debarment or dismissal, in applicable circumstances.
- 4.1.4. Once a conflict of interest is identified, it should be appropriately and adequately managed.
- 4.1.5. In the event that any material Conflict of Interest is identified, the Company will immediately notify the affected clients thereof in writing and advise them of the nature and extent of the conflict of interest as well as any steps that may be taken, to mitigate the conflict and, where applicable, afford the client the opportunity to review their decision to use or continue to use the services of the Company. The Company may decline to act for a client in cases where the Company believes that the conflict of interest cannot be managed in any other manner.
- 4.1.6. Any key individual, representative, employee or consultant is required to report any potential or actual conflict of interest as soon as reasonably possible after becoming aware of such potential or actual conflict of interest. The report must be made in writing and submitted to:

**Chief Operations Officer:**

Chantelle Kim Jones

**Legal & Risk Director**

Marizan van der Walt

- 4.1.7. The Company maintains a register of potential conflicts of interest which is reviewed and updated on a quarterly basis which register includes:
  - 4.1.7.1. Nature and extent of Ownership Interests;
  - 4.1.7.2. Financial Interest Received ;
  - 4.1.7.3. Nature and extent of business relationship; and
  - 4.1.7.4. Associations.

## 5. GIFT POLICY

- 5.1. The provision or acceptance of gifts and corporate hospitality by a representative, employee or consultant is acceptable, provided that such gift or hospitality received does not exceed the maximum of R1000 per year, from any one insurer;

5.2. All gifts received by representatives, employees or consultants must be recorded in the Company's gift register and notification sent through to the Company's Human Resource Department immediately to ensure that the Company's Gift register is accurately and appropriately maintained.

## **6. ACCOUNTABILITY & RESPONSIBILITY**

6.1. The Chief Executive Officer is responsible for implementation and compliance with this policy by the Company. The Chief Executive Officer is assisted in the implementation and monitoring of compliance by the board of Directors, Management and the Company's External Compliance Officer.


## **7. ACKNOWLEDGEMENT OF UNDERSTANDING**

7.1. All employees, consultants and representatives will be required to sign an acknowledgement of understanding and confirmation of adherence to the standards contained herein.

## **8. POLICY REVIEW**

8.1. This Conflict of Interest Management Policy will be reviewed annually and updated if required.



Version	2
Date of Approval	June 2022
Approved by	Chantelle Kim Jones
Designation	Chief Operations Officer
Signature	
Next review Date	June 2023

## ANNEXURE 1 – REGISTER OF FINANCIAL INTERESTS RECEIVED

Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discount, domestic or foreign travel, hospitality, accommodation, sponsorship, valuable consideration, other incentive or valuable consideration (exceeding R100 per annum), other than –

- a) an ownership interest
- b) training, that is not exclusively available to a selected group of providers or representatives on:
  1. products and legal matters relating to those products;
  2. general financial and industry information;
  3. specialised technological systems of a third party necessary for the rendering of a financial service, excluding travel and accommodation associated with training.

Description	Date Received	Representative	Received From	Reason	Value

## ANNEXURE 2 – REGISTER OF BUSINESS RELATIONSHIP

Company Name	Name of Relation	Benefits
1. Compendium Insurance Brokers (Pty) Ltd	Shares common shareholder with: <ul style="list-style-type: none"> <li>- Cignet administration Services (Pty) Ltd</li> <li>- Swift Auto Brokers (Pty) Ltd</li> <li>- Watersure (Pty) Ltd</li> <li>- Portdem (Pty) Ltd</li> <li>- Compendium Insurance Brokers KZN (Pty) Ltd</li> </ul>	None
2. Cignet administration Services (Pty) Ltd	Shares common shareholder with: <ul style="list-style-type: none"> <li>- Compendium Insurance Brokers (Pty) Ltd</li> <li>- Swift Auto Brokers (Pty) Ltd</li> <li>- Watersure (Pty) Ltd</li> <li>- Portdem (Pty) Ltd</li> <li>- Compendium Insurance Brokers KZN (Pty) Ltd</li> </ul>	None
3. Swift Auto Brokers (Pty) Ltd	Shares common shareholder with: <ul style="list-style-type: none"> <li>- Compendium Insurance Brokers (Pty) Ltd</li> <li>- Cignet Administration Services (Pty) Ltd</li> <li>- Watersure (Pty) Ltd</li> <li>- Portdem (Pty) Ltd</li> <li>- Compendium Insurance Brokers KZN (Pty) Ltd</li> </ul>	None
4. Watersure (Pty) Ltd	Shares common shareholder with: <ul style="list-style-type: none"> <li>- Compendium Insurance Brokers (Pty) Ltd</li> <li>- Cignet Administration Services (Pty) Ltd</li> <li>- Swift Auto Brokers (Pty) Ltd</li> <li>- Portdem (Pty) Ltd</li> <li>- Compendium Insurance Brokers KZN (Pty) Ltd</li> </ul>	None
5. Portdem (Pty) Ltd	Shares common shareholder with: <ul style="list-style-type: none"> <li>- Compendium Insurance Brokers (Pty) Ltd</li> <li>- Cignet Administration Services (Pty) Ltd</li> <li>- Swift Auto Brokers (Pty) Ltd</li> <li>- Watersure (Pty) Ltd</li> <li>- Compendium Insurance Brokers KZN (Pty) Ltd</li> </ul>	None
6. Compendium Insurance Brokers KZN (Pty) Ltd	Shares common shareholder with: <ul style="list-style-type: none"> <li>- Compendium Insurance Brokers (Pty) Ltd</li> <li>- Cignet Administration Services (Pty) Ltd</li> <li>- Swift Auto Brokers (Pty) Ltd</li> <li>- Watersure (Pty) Ltd</li> <li>- Portdem (Pty) Ltd</li> </ul>	None
Compendium Group Investment Holdings (Pty) Ltd has ownership in all the entities listed above.		
Compendium Group Investment Holdings (Pty) Ltd is wholly owned by Bidvest Insurance Group (Pty) Ltd and forms part of the Bidvest Group of Companies.		
Safcor Freight (Pty) Ltd, a juristic representative of Compendium Insurance Brokers (Pty) Ltd, forms part of the Bidvest Group of Companies		

## ANNEXURE 3 – OWNERSHIP INTEREST

Any equity or proprietor interest, for which fair value was paid by the owner at the time of acquisition, other than equity or proprietary interest held as an approved nominee of behalf of another person. This includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

Company Name	Percentage Ownership	Date obtained
Compendium Group Investment Holdings (Pty) Ltd in Compendium Insurance Brokers (Pty) Ltd	91.25%	2021
Compendium Group Investment Holdings (Pty) Ltd in Compendium Insurance Brokers (Pty) Ltd	100%	2017
Compendium Group Investment Holdings (Pty) Ltd in Compendium Insurance Brokers KZN (Pty) Ltd	70%	2020
Compendium Group Investment Holdings (Pty) Ltd in Swift Auto Brokers (Pty) Ltd	100%	2017
Compendium Group Investment Holdings (Pty) Ltd in Watersure (Pty) Ltd	100%	2022
Compendium Group Investment Holdings (Pty) Ltd in Portdem (Pty) Ltd	100%	2019