



CONFLICT OF INTEREST MANAGEMENT POLICY

FSP name Constantia Insurance Company Ltd
FSP number 31111

Introduction

In terms of Board Notice 58 and 92 of 2010 and 2014 issued under the Financial Advisory and Intermediary Services Act, no. 37 of 2002, Constantia Insurance Company Ltd (“Constantia”) is required to maintain and operate effective organisational and administrative arrangements with a view to taking all reasonable steps to identify, monitor and manage conflict of interest. Constantia has put in place a policy to safeguard its clients’ interests and ensure fair treatment of clients. The key information is summarised below. Detailed information can be obtained on request from the provider, compliance officer or key individual who is responsible to monitor and manage conflict of interest on behalf of Constantia.

This policy applies to all employees, directors, officers and agents of Constantia. Training must be provided to employees and a copy of the policy is published on the following website: www.duepoint.net. This policy will be reviewed annually.

Definitions

The following terms are defined for ease of reference thereto and in terms of the meaning afforded to the said terms by the Financial Advisory and Intermediary Services Act 37 of 2002 as follows:

"Conflict of interest"

- Any situation in which Constantia or any of Constantia’s employees and representatives may have an actual or potential interest that may, in rendering a financial service to a client
- Influence the objective exercise of Constantia’s obligations to a client, or
- Prevent Constantia from rendering an unbiased and fair financial service, or from acting in the interest of the client

"Interest"

Includes but is not limited to a financial interest, ownership interest or any relationship with a third party.

DuePoint, a division of Constantia Insurance Company Limited.

Address: 2 Payne Road, Corner Main Office Park, Bryanston, Johannesburg, 2091

Directors: SR Bruyns, RL Shaw, G Toet, LE Louw

Non-executive directors: TJ Fearnhead, DP Mthimunye-Hluyo, J Mahlangu, TC Moodley

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"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:

- An ownership interest
- Training, that is not exclusively available to a selected group of providers on products and legal matters relating to those products, general financial and industry information, 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 R1000.00 in any calendar year from the same third party in that calendar year received by:

- A provider who is a sole proprietor
- A representative for that representative's direct benefit; or
- A provider, who for its benefit or that of some or all of its representatives, aggregates the immaterial financial interest paid to its representatives.

"Ownership interest"

Means any equity or proprietary interest for which the fair value was paid by the owner at the time of acquisition, other than equity or a proprietary interest held as an approved nominee on behalf of another person.

This includes any dividend, profit share or other benefit derived from that equity or ownership interest.

"Associate"

- A natural person (spouse, life partner or civil union partner, a child (including a step child, child born out of wedlock and a adopted child), a parent or stepparent and any person legally responsible for that person)
- Juristic persons –if a company, all subsidiaries, holding companies and group subsidiaries and other juristic persons and group holding companies and group subsidiaries
- Persons directing or instructing any type of juristic person; and
- Trusts controlled and administered by the person.

Management

Specific monetary measures Constantia focuses on include:

- the fact that it does NOT receive intermediary commissions authorised in terms of applicable legislation; and
- Constantia does not offer any financial interest to any representative or employee for:
 - giving preference to the quantity of business secured for the provider to the exclusion of quality service;
 - giving preference to a specific product supplier where more than one supplier can be recommended to a client;
 - giving preference to a specific product of a supplier where more than one product of that supplier can be recommended

The measures Constantia has adopted to manage identified conflicts are further summarized below. We consider them appropriate to our efforts to take reasonable care that, in relation to each identified potential conflict of interest, we act impartially to avoid a material risk of harming clients' interests.

Procedures

We have adopted appropriate procedures throughout our business to manage potential conflicts of interest. Our representatives, associates and employees receive guidance and training in these procedures and they are subject to monitoring and review processes. There are specific measures and consequences in place for non-compliance with our conflict of interest policy.

Confidentiality Barriers

Our representatives, associates and employees respect the confidentiality of client information and disclose or use it with circumspect. No such information may be disclosed to a third party without the written consent of a client.

Monitoring

The key individual or compliance officer in charge of supervision and monitoring of this policy will regularly provide feedback on all related matters. The policy will be reviewed annually.

Disclosure

Where there is no other way of managing a conflict, or where the measures in place do not sufficiently protect clients' interests, the conflict must be disclosed to allow clients to make an informed decision on whether to continue using our service in the situation concerned. In all cases, where appropriate and where determinable, the monetary value of non-cash inducements will be disclosed to clients. To date no such circumstances have arisen.

Publication

We will publish our conflict of interest management policy in appropriate media and ensure that it is easily accessible for public inspection at all reasonable times.

Report

The provider, compliance officer or key individual will include a report on the conflict of interest management policy in the annual compliance report submitted to the Registrar.

Declining to act

We may decline to act for a client in cases where we believe the conflict of interest cannot be managed in any other way.

Particular management measures

Identification of conflict of interest:

- Create awareness and knowledge of applicable stipulations of the General Code of Conduct and relevant legislation relating to conflict of interest, through training and educational material;

Avoidance of conflict of interest

- Ensure understanding and adoption of conflict of interest policy and management measures by all employees, representatives and associates;
- Do regular inspections on all commissions, remuneration, fees and financial interests proposed or received in order to avoid non-compliance;
- Keep a register of conflict of interest – at present none have been identified.

Consequences of non-compliance with the Policy by us as provider, employees and representatives

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.

A list of all Constantia associates

The following entities are associates of Constantia:

- SA Motor Administration (Pty) Ltd - Subsidiary
- Primary Asset Administrative Services (Pty) Ltd – Subsidiary
- Palaeo Financial Services (Pty) Ltd – Holding Company – 100% ownership interest

Third parties in which Constantia holds an ownership interest:

- Not applicable

Third parties that hold an ownership interest in Constantia:

- SA Motor Administration (Pty) Ltd - Subsidiary
- Primary Asset Administrative Services (Pty) Ltd – Subsidiary
- Palaeo Financial Services (Pty) Ltd – Holding Company – 100% ownership interest

The types of financial interest which Constantia may offer to its representatives:

- Constantia does not offer any.