

Conflict of Interest Management Policy

When it comes to giving financial advice to potential/existing clients, a conflict of interest exists when the advice given is not in the best interest of the client, but works in favour of the Financial Service Provider or any parties related to the FSP. It is the duty of the FSP to inform any potential/existing client on any potential conflict that might exist so that they know their interests come first and they are being treated fairly.

Why this policy exists

This policy is for the benefit of all those employed by Kido Pet Insurance. It is to assist them in identifying where a conflict of interest may exist between themselves, Kido Pet and any existing / potential clients. It also lays out how to disclose this conflict and the consequences thereof if ignored.

Definitions

Conflict of Interest Any situation in which a FSP or a representative of that FSP has a financial/ownership interest that may:

- Influence financial advice/service given to a client
- Prevent an unbiased and fair financial service to a client

Financial Interest Any cash, cash equivalent, voucher, gift, service, advantage, benefit, discounts, domestic or foreign travel, hospitality, accommodation, sponsorship, other incentive or valuable consideration. This does not include an ownership interest or generalised training on products, financial and industry information or technological systems.

Immaterial financial interest Any financial interest with a total monetary value less than R1 000-00 per annum.

Ownership Interest Any equity or propriety interest for which fair value was paid by the owner at the time of acquisition. This includes dividends, profit share or similar benefits.

Third party Any person/company/associate of a secondary company who provides a financial interest to a primary provider or its representatives

Associate In relation to a natural person this refers to a spouse, life partner, offspring or parent (biological, adopted, step), guardian or business partner. In relation to a juristic person this refers to a company, subsidiary, holding company, board of directors, governing body or trust.

What is allowed?

A FSP or its representatives may only receive or offer the following:

- Commissions authorised under the Short-Term Insurance Act
- Fees authorised under the Short-Term Insurance Act if those fees are equivalent to a service being rendered
- The above commission/fees must be agreed to in writing by the client and can be stopped at any point by said client
- Fees or remuneration for the rendering of a service to a third party
- A maximum amount of R1 000-00 per annum per employee in the form of token gifts (branded pens, diaries, calendars), consumable items (wine, chocolates, flowers), golf or spa days and invitations to sporting events. All gifts must be recorded in the gift registrar held by the Compliance Department.

What is not allowed?

The following may not be offered or received from any third party:

- No cash or equivalents thereof (vouchers, coupons, shares etc.)
- No gifts from a third-party other than what is permitted above
- Any FSP employee invitations that entail breakfast, lunch, dinner or drinks unless the bill is split per head and is paid for by the employee
- International or domestic holiday trips, educational or professional development conferences, accommodation with which FSP employees are rewarded by a product supplier or another FSP

Measures to be implemented for identification of a conflict of interest

- The Compliance Officer is to implement procedures to help identify and manage any conflicts of interest
- Regular monitoring of commissions and fees that are paid and received by Kido Pet Insurance with disclosure thereof
- Monitoring of the gifts offered and received by Kido Pet insurance
- Annual conflict of interest training for all employees of Kido Pet Insurance
- Identification by Management of potential conflicts of interest
- Continued monitoring of incentives offered to employees and those top achievers to be audited
- Alignment of current business practices, procedures and relationships with the FAIS General Code of Conduct.

Disclosure once a conflict of interest is identified

Once identified, employees must immediately report the matter to Senior Management who in turn must report it to the Compliance Officer. The employee must then remove themselves from giving any financial advice or service where this conflict lies. Immediate corrective measures will be taken to rectify the situation.

Non-Compliance

Any non-compliance to this policy by an employee will be recorded in a registrar set out by the Compliance Officer and reported annually in a Compliance Report. All registrars must be available on request. The following disciplinary action may be brought against guilty employees:

- A written warning
- Dismissal with/without debarment
- Incentive penalties

All queries relating to this policy can be directed to Management at Hello@kidopet.co.za. Management will then refer it to our Compliance Officer.