



African Motor Underwriters (Pty) Ltd

Co. Reg. No. 96/09906/07

VAT Reg. No. 4750171474

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Authorised Financial Service Provider

License No: 1041

CONFLICT OF INTEREST MANAGEMENT POLICY SCOPE

This policy is created in line with the General Code of Conduct for Authorised Financial Services Providers and Representatives Amendment Notice, 2010 ("the Code"), published in Board Notice 58 of 2010.

The directors, management and all employees of African Motor Underwriters (Pty) Ltd ("AMU") are committed to the highest level of ethical practices in all business dealings and partnerships.

Affiliations may create or create the appearance of conflicting interests of the individual and the company. The directors have endorsed this policy to ensure the company dealings are not unduly influenced or bias. AMU strives to maintain a reputation of integrity, fairness, honesty and sound business practices by improving the quality of service, product and operations on a continuous basis.

ASSOCIATES

AMU was a Lloyds Underwriting Agency until the end of 2019 – all active clients as at 01 January 2020 are still running / have run off naturally.

With effect from the 1st of January 2020, AMU entered a cell captive arrangement through Centriq Insurance Company Limited.

CONFLICTS OF INTEREST

1. AMU will avoid, and where not possible, reduce conflicts of interest with a client or a representative of the client;
2. AMU undertakes to disclose in writing to a client any conflict of interest, including immaterial financial interests offered, or received on the company's electronic "Conflict of Interest & Gift Register";
3. AMU confirms that it will only offer or receive a financial interest to or from a third party in the form of:
 - 3.1 commission authorised under the Short-Term Insurance Act, No 53 of 1998;
 - 3.2 fees authorised under the Short-Term Insurance Act, No 53 of 1998;
 - 3.3 fees or remuneration for the rendering of a service to a third party, which fees or remuneration are reasonably consistent with the service being rendered;

Directors: JAMES HOLLAND, CAROLINE MACDONALD, JOHANN MYNHARDT, CLIFFORD BROOKE, GERHARD COETZEE

3.4 an immaterial financial interest (an immaterial financial interest means any financial interest with a determinable monetary value, the aggregate of which does not exceed R 1 000 per calendar year from or to the same third party or product supplier to a provider, for its benefit or that of some or all its representatives, aggregates the immaterial financial interest paid to its representatives);

4. AMU confirms that it will not offer any financial interest to a representative for:

4.1 giving preference to quantity of business secured to it with the exclusion of the quality of service rendered to the clients;

4.2 giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or

4.3 giving preference to a specific product of a product supplier, where a representative may recommend more than one product supplier to a client.

5. Directors, managers and employees of AMU must never allow their personal interests to conflict, prejudice or potentially prejudice the company, its clients or associates. This may include but is not limited to:

5.1 Influence a transaction that may benefit a third party at the expense of a client.

6. Directors, managers and employees are not allowed to accept gifts or other benefits/rewards in connection with business activities which are beyond the accepted norms. The following applies to all gifts:

6.1 A gift or receipt of more than one gift from the same representative or service provider, over the value (fair market value on date received) of R 1 000 in one calendar year may NOT be accepted; Where the value of a gift is excessive, it must be returned gracefully;

6.2 Gifts below R 300 may be accepted without management approval. Details of the gift must be declared and recorded in the "Conflict of Interest & Gifts register";

6.3 Gifts between R 300 to R 1 000 in value may only be accepted with consent from management. These gifts must be recorded in the "Conflict of Interest & Gifts Register" (in same manner as 6.2);

6.4 Invitations to breakfast/lunch/dinners within business practices may be accepted. The fair value of the breakfast/lunch/dinner needs to be recorded in the "Conflicts of Interest and Gifts register" (in same manner as 6.2);

6.5 Invitations to entertainment functions such as sports events, shows or any social occasion may be accepted if it is in accordance with business practices, provided that a representative of the host company is present. The fair value of the entertainment needs to be recorded in the "Conflicts of Interest and Gifts register" (in same manner as 6.2);

6.6 When in doubt whether a gift is acceptable or not, then the gift must be declared and recorded in the "Conflict of Interest & Gift Register" and discussed with Management;

6.7 A "Conflicts of Interest and Gifts Register" shall be maintained.

6.8 The payment of travel and accommodation costs by business partners or third parties is not acceptable under any circumstances.

6.9 No employee may ask business partners for any financial advantages, gifts, invitations to business dinners or events, other concessions, services or favours either for himself/herself or for others.

6.10 Discounts or other concessions for private business transactions which are granted by business partners may only be accepted if such privileges are made available to all employees of the Company.

COMPLIANCE

1. All directors, managers and employees must read Board Notice 58 of 2010 and this policy.
2. Training on Board Notice 58 of 2010 and this policy will be provided to all employees.
3. The Company will provide an annual report to the compliance officer recording all transactions where conflict of interest was evident and report on the steps taken to rectify these conflicts.
4. AMU may not avoid, limit or circumvent compliance with this policy and Board Notice 58 of 2010.
5. This policy will be reviewed annually and updated if necessary.
6. Any person in breach of this policy and Board Notice 58 of 2010, will be subject to disciplinary steps and if found guilty, may lead to summarily dismissal, which will include debarment in terms of the Financial Advisory and Intermediary Services Act, where applicable.
7. It is herewith confirmed that an assessment of possible conflicts have been completed with regard to Financial Interest, Ownership, or relationships with third party companies, staff, product suppliers and service providers, which is regularly monitored to ensure that potential conflicts in the future is avoided or if not possible, mitigated.

ETHICAL WALL ARRANGEMENTS

Ethical Wall Arrangements are arrangements within a business that require information held by a person in the course of carrying on one part of its business to be withheld from, or not to be used for, persons with or for whom it acts in the course of carrying on another part of its business. Such arrangements could be pertinent in the event of two separate AMU clients being involved in the same accident which could in turn give rise to a potential conflict of interest in the handling of the two related claims.

The AMU directors have held discussions on the above scenario, and do not see it as an issue. Our claims department is only made up of five employees and as per our Claims Handling Procedure, our claims director Caroline Macdonald reviews and works on EVERY SINGLE claim file. Staff output is held to and measured against the highest standards. Any favouritism or bias picked up towards a specific client, or any breach in standard protocol in favour of a particular client will be dealt with in terms of the company internal disciplinary measures.

In summary, in the event of two AMU clients being involved in the same accident, standard claims procedures will be applied to both clients.