

Conflict of Interest Policy

FSP Name: Avaltren Insurance Brokers (Pty) Ltd

FSP Number: 25944

Date: 01/03/2026

1. DEFINITIONS

1.1. 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:

- influence the objective performance of his, her or its obligations to that client;
- prevent a provider or representative from rendering an unbiased and fair financial service to that client, or from acting in the interest of that client,
- including but not limited to:
 - o a financial interest;
 - o an ownership interest;
 - o any relationship with a third party.

1.2. 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 or representatives, on:
 - o products and legal matters relating to those products;
 - o general financial and industry information;
 - o specialised technological systems of a third party necessary for the rendering of a financial service, but excluding travel and accommodation associated with that training.
- a recognised qualifying enterprise development contribution to a qualifying beneficiary by a provider that is a measured entity.

1.3. Immaterial Financial Interest means –

Means any financial interest with a determinable monetary value, the aggregate of which does not exceed R1 000 in any calendar year from the same third party in that calendar year received by:

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

1.4. Ownership Interest –

Means

- any equity or proprietary interest, for which 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, and
- includes any dividend, profit share or similar benefit derived from that equity or ownership interest.

1.5. Third Party –

Means:

- a product supplier;
- another provider;
- an associate of a product supplier or a provider;
- a distribution channel;
- any person who in terms of an agreement or arrangement with a person referred to above provides a financial interest to a provider or its representatives.

1.6. Associate –

Means:

- in relation to a natural person: o a person who is recognised in law or the tenets of religion as the spouse, life partner, or civil union partner of that person

- o a child of that person, including a stepchild, adopted child and a child born out of wedlock

- o a parent or stepparent of that person

- o 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

- o a person who is a spouse, life partner or civil union partner of a person referred to above

- o a person who is in a commercial partnership with that person

- in relation to a juristic person:

- o 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

- o which is a close corporation registered under the Close Corporations Act, means any member thereof as defined in section 1 of that Act

- o 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:

- o had such first-mentioned juristic person been a company, or

- o in the case where that other person, too, is not a company, had both the first-mentioned juristic person and that other person been a company

- o 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.

- in relation to any person:

- o 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

- o includes any trust controlled or administered by that person.

1.7. Distribution Channel –

Means:

- any arrangement between a product supplier of any of its associates and one or more providers or any of its associates in terms of which arrangement any support or service is provided to the provider or providers in rendering a financial service to a client
- any arrangement between two or more providers or any of their associates, which arrangement facilitates, supports or enhances a relationship between the provider or providers and a product supplier
- any arrangement between two or more product suppliers or any of their associates, which arrangement facilitates, supports or enhances a relationship between a provider or providers and a product supplier.

2. PURPOSE OF A CONFLICT OF INTEREST MANAGEMENT POLICY

In terms of Section 3A (2) of the General Code of Conduct, an FSP must adopt, maintain and implement a Conflict of Interest policy which complies with the provisions of the FAIS Act, 37 of 2002; whereby the FSP and representative must avoid, and where this is not possible, mitigate any conflict of interest between the FSP and a client, or a representative and a client.

AVALTREN INSURANCE BROKERS is committed towards acting within the best interests of our clients and to avoid all conflict of interests in relation to the provision of financial services. Where we are unable to avoid a conflict of interest, we will take all necessary precautions to ensure that any actual or potential conflict of interest is mitigated and adequately disclosed to our clients.

In order to ensure the continued demonstration of our commitment, management has adopted a Conflict of Interest Policy to provide for the effective management of any actual or potential conflicts of interest that may arise wholly or partially, in relation to the provision of financial services and further commit to ensuring that all staff of the FSP are adequately and appropriately trained on the content of this policy, on a regular basis.

The purpose of the Conflict of Interest Policy is to:

- establish internal controls and mechanisms towards the identification of conflicts of interest;
- establish measures to avoid conflicts of interest, and where avoidance is not possible, to provide the reasons therefore;

- establish measures to ensure that any unavoidable conflicts of interest are mitigated;
- establish measures to ensure the proper disclosure of any conflicts of interest;
- communicate the consequences of non-compliance with the policy.

3. IDENTIFYING A CONFLICT OF INTEREST

The primary responsibility for the identification of a conflict of interest rests with the representatives, employees and individual members of the executive management team of AVALTREN INSURANCE BROKERS.

Throughout the process of rendering a financial service to a client, a representative must apply his or her mind to answering the following questions:

- Is there any situation that exists that influences the objective performance of my obligations to my client?
- Is there any situation that exists that prevents me from rendering an unbiased and fair financial service to my client?
- Is there any situation that exists that prevents me from acting in the best interest of my client?

If the answer to all three questions is “no”, then there is no conflict of interest associated with the financial service and the representative may proceed.

If the answer to any one of the three questions is “yes”, the representative must proceed to answer the following additional questions:

- Is the situation caused as a result of an actual or potential relationship with a third party?
- Is the situation caused by an actual or potential financial or ownership interest?

If the answer to any one of these questions is “yes”, an actual or potential conflict of interest will have been identified.

4. FURTHER GUIDANCE ON IDENTIFYING CONFLICTS OF INTEREST

The definition of a Conflict of Interest incorporates the following terminology:

It is generally understood that the word “objective” refers to a situation where an individual’s personal feelings or opinions are completely removed from the equation.

The “objective performance” of an FSP or representative’s obligations therefore implies a situation where financial services are rendered without any untoward influences.

Subject to section 3A (1)(c) of the General Code of Conduct, the FSP and its representatives may only receive or offer the following “financial interest” from or to a “third party”:

- Regulated commission authorised under the Short-term Insurance Act;
- Fees authorised under the Short-term Insurance Act, if those fees are reasonably commensurate to a service being rendered and are:
 - o specifically agreed to by a client in writing; and
 - o may be stopped at the discretion of that client
- an immaterial financial interest, which does not exceed R1 000-00 per representative, per annum;

The FSP will not offer any financial interest to its representatives for:

- giving preference to the quantity of business secured for the FSP to the exclusion of the quality of the service rendered to clients; or
- giving preference to a specific product supplier, where a representative may recommend more than one product supplier to a client; or
- giving preference to a specific product of a product supplier, where a representative may recommend more than one product of that product supplier to a client.

5. INTERNAL CONTROLS TO IDENTIFY CONFLICTS OF INTEREST

AVALTREN INSURANCE BROKERS has implemented the following internal controls to identify actual or potential conflicts of interest that may arise.

- The executive management team of the FSP conducts annual reviews on all contracts held with third parties in order to assess whether the contractual relationship in any way influences the FSP’s:
 - o objective performance towards its clients
 - o ability to render fair and unbiased financial services towards its clients
 - o ability to act in the best interest of the client
- The executive management team of the FSP conducts annual reviews on all relationships where an ownership interest exists between the FSP and a third

party. The purpose of the review is to assess whether the relationship in any way influences the FSP's objective performance towards its clients.

- Conflict of Interest Declarations are signed by all relevant personnel on an annual basis. The purpose of collecting Conflict of Interest Declarations is to assist the FSP and the appointed Compliance Officer to identify actual or potential conflicts of interest.
- A list of the FSP's associates, third parties in which the FSP holds an ownership interest and third parties who hold an ownership interest in AVALTREN INSURANCE BROKERS is attached as an annexure hereto. The list is reviewed on an annual basis.
- The FSP maintains an Incentives Register. No Representative or Key Individual may receive an immaterial interest which is over R1 000-00 per annum. The Incentives Register is kept in the FSP's Compliance Manual
- All relevant personnel (Key Individuals and Representatives) are required to immediately disclose in writing to the governing body of the FSP and the FSP's Compliance Officer, any actual or potential conflicts of interest as soon as they become aware of such situation.

6. AVOIDING AND MITIGATING A CONFLICT OF INTEREST

Once an actual or potential conflict of interest has been identified, the following procedures will be followed in order to determine whether the conflict of interest is avoidable:

- The executive management team of AVALTREN INSURANCE BROKERS will convene and evaluate the actual or potential conflict of interest in an open and honest manner.
- All information that's led up to and resulting in, or causing the actual or potential conflict of interest will be disclosed to the executive management team and the Compliance Officer.
- The executive management team will apply its mind and determine by way of majority vote whether the FSP is in a position to avoid the actual or potential conflict of interest.
- During the evaluation process, the executive management team will consider the following possible outcomes prior to a finding in favour of unavailability:
 - o The possible negative impact it will have on the FSP's clients where the actual or potential conflict of interest is deemed to be unavoidable.

- o The possible negative impact it will have on the integrity of the financial services industry where the actual or potential conflict of interest is deemed to be unavoidable.

- Where the executive management team has determined that the actual or potential conflict of interest is in fact **avoidable**, the following processes will be followed:

- o The executive management team will remove the underlying cause or situation that results in the actual or potential conflict of interest as soon as reasonably possible.

- o Any immediate negative impact or prejudice towards clients pending the removal of the actual or potential conflict of interest will be kept to a minimum.

- o The reasons why the actual or potential conflict of interest was determined to be avoidable will be recorded in the Compliance Manual.

- Similar circumstances that has led up to the actual or potential conflict of interest will be avoided in the future

- Where the executive management team has determined that the actual or potential conflict of interest is unavoidable, the following processes will be followed:

- o The executive management team and the Compliance Officer will convene and determine the measures that will be implemented in order to mitigate the actual or potential conflict of interest as far as reasonably possible.

- o The reasons why the actual or potential conflict of interest was considered to be unavoidable will be recorded in the Compliance Manual.

- Any measures implemented towards mitigating the actual or potential conflicts of interest will include the following arrangements:

- o The status of whether the actual or potential conflicts of interest's is still deemed to be unavoidable shall be reassessed on a continuous basis.

- o Where a previously deemed unavoidable actual or potential conflicts of interest is subsequently deemed to be avoidable, such actual or potential conflict of interest shall immediately be avoided.

- o All representatives will be notified of any actual or potential conflicts of interest as well as the reasons for its unavoidability.

o When rendering a financial service, a representative shall be required to disclose to the client in writing that an actual or potential conflict of interest exist.

o The FSP and / or the Compliance Officer shall report on the status of the actual or potential conflict of interest in the annual compliance report to be submitted to the Financial Sector Conduct Authority.

7. DISCLOSURE OF CONFLICTS OF INTEREST

It is acknowledged that while disclosure alone will often not be enough, disclosure must be treated as an integral part of managing conflicts of interest. AVALTREN INSURANCE BROKERS is therefore committed to ensure that clients are fully informed about actual or potential conflicts of interest in relation to the provision of financial services.

The FSP has adopted the following disclosure measures:

- The FSP shall always disclose the following:
 - o Whether it directly or indirectly holds more than 10% of a relevant product supplier's shares, or has any equivalent substantial financial interest in the product supplier; and
 - o during the preceding 12-month period received more than 30% of total remuneration, including commission, from a particular product supplier.
- The FSP shall disclose to a client any conflict of interest in respect of that client.
- The disclosure shall be made in writing at the earliest reasonable opportunity. The disclosure may be communicated by way of appropriate electronic media.
- The disclosure shall include the nature of any relationship or arrangement with a third party that gives rise to a conflict of interest.
- The disclosure shall be made in sufficient detail to enable the client to understand the exact nature of the relationship or arrangement and the conflict of interest.
- The disclosure shall include the measures taken to avoid or mitigate the conflict.
- The disclosure shall include a reference to the FSP's Conflict of Interest Policy and how it may be accessed.

8. CONSEQUENCES OF NON-COMPLIANCE

Where there is reason to believe that an employee or representative has failed to disclose an actual or potential conflict of interest via the proper communication channels, AVALTREN INSURANCE BROKERS will proceed to investigate and take any appropriate steps it deems necessary to limit any financial prejudice that may be suffered by the FSP, its clients or any other third party.

Where an investigation concludes that an employee or representative of the FSP has indeed failed to disclose an actual or potential conflict of interest, the FSP shall immediately take appropriate disciplinary steps and corrective actions against such employee or representative. Any failure by an employee to comply with the Conflict of Interest Policy will be considered serious form of misconduct and a dismissible offence and shall accordingly be reported by the Compliance Officer to the Financial Sector Conduct Authority, either in the annual Compliance Report, or an Irregularity Report.


9. POLICY ADOPTION

By signing this document, I authorise the organisation's approval and adoption of the processes and procedures outlined herein.

Name and Surname: Sean Vlok

Capacity: Director

Signature:



Date: 01 March 2026