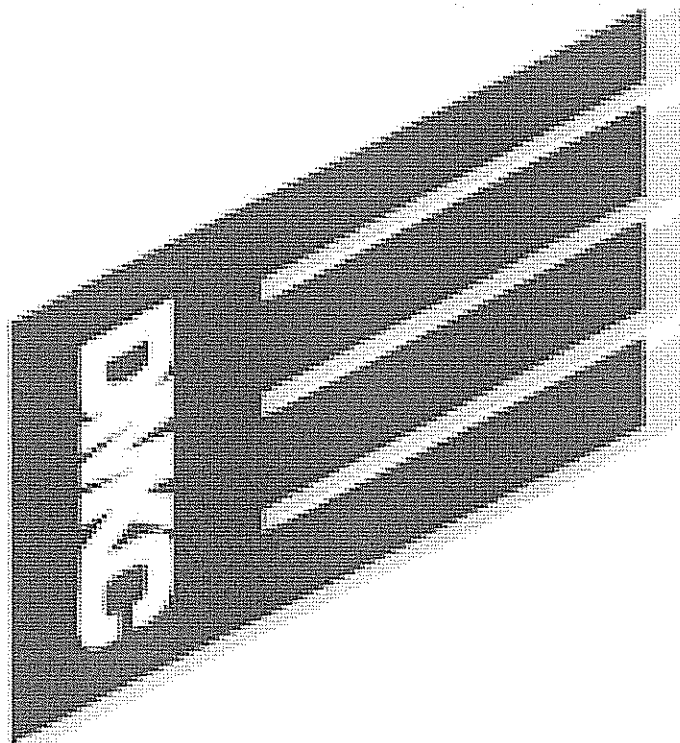


**CONFLICT OF INTEREST MANAGEMENT
POLICY FOR**

DMKC INSURANCE BROKERS (PTY) LTD

REGISTRATION NUMBER: 2001/008850/07

FSP NUMBER: 5227



INTRODUCTION AND UNDERTAKING

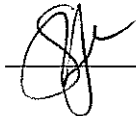
DMKC Insurance Brokers (Pty) Ltd recognises the importance of operating in an open and transparent manner in all aspects of the operations of the business. We realise that openness and transparency is important in our dealings with our clients, our product suppliers, our service providers or members of the greater business community within which we work, be they directly a part of the financial services industry or not.

Whilst the legislative requirements may be the foundation for our policy, the policy is far more practical in its application and takes basic business ethics as its overall primary standard and objective. The Directors and Staff of DMKC take this policy as a statement that reflects and binds the ethics of the company.

DMKC hereby publicise our commitment to ethical business practices and declare that we are committed to act in our clients best interests at all times.

Signed on this 7TH day of JANUARY 2014

Saskia Stemmett – Key Individual





POLICY APPLICATION

This policy is deemed to apply to all employees of DMKC Insurance Brokers (Pty) Ltd, which includes:

- Directors
- Managers
- Permanent Staff
- Contract and / or temporary staff

DEFINITION OF A CONFLICT OF INTEREST

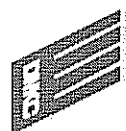
The Financial Advisory & Intermediary Services Act (FAIS) gives us the foundation for our policy. It defines a conflict as:

"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, -

- (a) influence the objective performance of his, her or its obligations to that client; or*
- (b) prevent a provider or representative from rendering an unbiased and fair financial services to that client, or from acting in the interests of that client,*

including, but not limited to -

- (i) a financial interest*
- (ii) an ownership interest*
- (iii) any relationship with a third party"*



In terms of the aforementioned definition, potential conflict situations could possibly arise when there is a business / ownership relationship with:

- Insurers
- Other Financial Services Providers
- Distribution channels
- Service providers
- Other persons

If any of the above could be deemed Associate companies or 3rd party companies with whom we may have an ownership interest in them or by them then these will be listed in a separate annexure attached herewith.

Conflict could also arise:

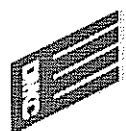
- With or as a result of employment contracts and remuneration policies
- With any other relevant relationship that may exist within the company

ASSESSING CONFLICT SITUATIONS

Introduction

We have a management tool that assists in documenting the various relationships and arrangements that we currently have in place, whether or not these create a conflict or potential conflict. If it is determined that a conflict or a potential conflict exists then a decision is taken as to whether these conflicts are to be avoided or mitigated. This decision is recorded accordingly.

The conflicts or potential conflicts are reviewed as part of the on-going monitoring process followed by our external compliance officer. This forms the basis of an on-going reporting strategy to both ourselves and the Financial Services Board (should the need arise) who is the ultimate authority governing the financial services sector.



Process

Step 1

The first step was to look at all our business relationships and arrangements and identify all the situations that may be perceived as a conflict or a potential conflict. This was an initial once off exercise but our compliance policy is such that these key indicators are reviewed, at the very least annually and BEFORE any new relationships are entered into.

The situations that we scrutinised included;

- What Associate company relationships do we, or our staff, have?
These are Companies with whom there is a relationship based on common shareholding, management control or family members (in its widest context)

- What Third party relationships do us or our staff have?
These included relationships with;
 - Product suppliers (insurers) including any of their associates

 - Other Financial services providers including any of their associates

 - Distribution channels

 - Any other person who, in terms of an agreement or arrangement, provides a financial interest to us or one of our representatives, for example;
 - Panel beaters
 - Assessors
 - Security companies
 - Fitment centres

 - Suppliers outside the insurance environment, for example;
 - Stationary
 - IT
 - Accounting



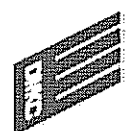
- Was there any ownership interest within these relationships and would this create a conflict of interest?
- Was there any financial interest paid from or to the entities within these relationships and would this create a conflict of interest?
- Was there any immaterial financial interest paid from or to the entities within these relationships and if so are we monitoring the frequency and extent?
- What were our staff remuneration policies?

Step 2

The outcome of the aforementioned assessment is documented fully and reviewed in order to determine whether a conflict or a potential conflict exists. If it is determined that a conflict or potential conflict exists then the next step is to determine how it should be dealt with.

The options for dealing with the conflict are as follows:

- **Avoidance** - Remove the situation that creates the conflict
Our general strategy was, where possible, to avoid such conflicts i.e. prevent them by physically removing the conflict situation.
- **Mitigation** - Put measures in place that acknowledge the conflict situation and implement measures to reduce the potential impact of the conflict.
- **Disclosure** - Whether we choose avoidance or mitigation, we will formally disclose details of the conflict situations and advise what steps have been take to avoid or mitigate the conflict. We strive to ensure that our disclosures are clear, concise and effective in order to provide you with a good understanding of the conflict situations and how these are avoided or mitigated.

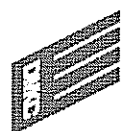


Our disclosure documentation includes information on the following:

- What conflicts we have
- What measures have been taken to avoid or mitigate the conflicts
- Ownership interests that may become due to us. This includes shareholding, dividends, profit share and similar payments. It also includes ownership of and payments from associated companies that can include administrators, cell captives and insurers
- Financial interests (these are things we actually pay for that are made available by other FSP's or insurers as part of the relationships that exist) that may become due. These include vouchers, benefits, travel, hospitality, accommodation, sponsorships and other incentives.
- How to obtain our Conflict of interest management policy.

RESULTS OF CONFLICT ASSESSMENT PROCESS

We have summarised the results of the aforementioned process in the annexure attached herewith marked 'Annexure A'.



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UNDERSTANDING OF & ADHERENCE TO POLICY

- This policy has been developed in conjunction with and formally approved by management. The adherence to and breaches of this policy are a standing item on the board meeting agenda/management meetings.
- This policy is published within the company and is readily available to all staff, clients and other interested parties. It is also available on our website (www.dmkc.co.za)
- All staff have been provided with a copy of this policy and have been given awareness training by our compliance department
- All staff complete and annually update a Conflict of Interest Questionnaire
- Our compliance program ensure a constant review of our standards which includes an obligation to report non-compliance to the authorities if corrective action is not taken



MANAGING CONFLICT OF INTERESTS

Conflict of Interest

Officers, directors and employees of the company must never permit their personal interest to conflict, or appear to conflict, with the interests of the company, its clients or affiliates. This may include but is not exclusive to:

- Real or perceived financial gain resulting from recommendations to our clients at a cost to the client.
- An outcome in service delivery or a transaction executed that may differ from the real interest of the client.
- Any non-cash incentives that may be received by the business from affecting any predetermined transaction and/or product.
- Effecting a transaction and/or product that may result in a benefit to another party other than the client.

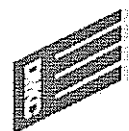
Officers, directors and employees must be particularly careful to avoid representing the company in any transaction with others with whom there is any outside business affiliation or relationship. Officers, directors and employees shall avoid using their company contacts to advance their private business or personal interests at the expense of the company, its clients or affiliates.

Representative incentives & remuneration

It is the policy of the company that no representative shall be remunerated as part of an incentive structure with its main or sole aim to increase production, by way of share options at a discount or by way of any cash or non-cash incentive, unless such incentive structure takes into account:

- A combination of quantitative and qualitative criteria; and
- Is not limited to a specific product supplier; and
- Is not limited to a specific product

Any incentive as contemplated in this section must be linked to a particular incentive exercise and be approved by a director in writing prior to being implemented. All incentive projects must be disclosed to clients of the company who are approached with a view to doing business with them in relation to the incentive project and every incentive project must be attached to this policy together with a description of the



nature and basis of participation and any other rules as well as the duration of the incentive project.

Gifting

No bribes, kickbacks or other similar remuneration or consideration shall be given to any person or organization in order to attract or influence business activity. Officers, directors and employees shall avoid gifts, gratuities, fees, bonuses or excessive entertainment, in order to attract or influence business activity.

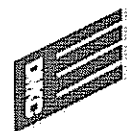
In order to further ensure the adherence to this requirement, the official policy of the business is as follows:

- Any gifts or gratuities over the value of R1000.00 in the aggregate from any other person may not be accepted by any person within the organisation and neither may such gifts or incentives be given by any person in the company to any third party.
- Every representative must record any immaterial financial interest (as outlined above) in their own immaterial financial interest register. Each individual immaterial financial interest register must be sent to the compliance manager on a monthly basis so that the central register can be updated. The compliance manager will monitor the register to ensure that no representative exceeds the R1000.00 annual limit.

Management of Conflicts

When any staff member of the company suspects a potential conflict of interest, that member shall be obliged to discuss the matter with his/her immediate superior. The content of the discussion as well as any decision made must be minuted. The superior and staff member will accept joint responsibility for the decision taken unless the decision is put forward for ratification to a more senior person in the company

All decision made must be reported on a weekly basis to the directors, by the most senior person involved in that decision. The board of directors will review all conflicts on a quarterly basis and make recommendations regarding steps to avoid a recurrence of those aspects. The directors will accept responsibility for the implementation of all steps necessary.



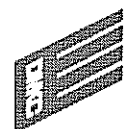
ANNEXURE A

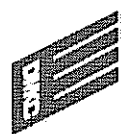
Conflict of Interest Management Policy – Details of associated and ownership companies

Who is the Associate / Ownership Company?	Is there a common shareholding?	Do we see this as a potential conflict?	What controls are in place to manage the conflict?
Ensemble Trading 545 (Pty) Ltd t/a Ensemble Administrators	FirstEquity Risk Management Services has a common shareholding in both DMKC Insurance Brokers and Ensemble Administrators	Yes	No preferential treatment is given to Ensemble by DMKC staff and only if there is a benefit to the client in using the services of Ensemble will business be placed there. Clients are always given alternatives and freedom of choice. Staff are under strict instructions to place business to the benefit of clients only.

Conflict of Interest Management Policy – Summary of other identified conflicts and corrective actions taken

Possible other conflicts identified?	Do we see this as a potential conflict?	If yes, what have we done about it?	Controls in place?
Staff receiving gifts, vouchers and the like. Staff being entertained by Associate or Third Party Companies. Staff providing gifts etc to clients, third parties or associate companies. Staff entertaining Associate or Third Party Companies.	Yes	We have instituted specific controls to monitor these activities and have included full disclosure of the possibility of payments, gifts and the like as well as the limits applicable in our standard disclosure documentation supplied to clients.	We have set up a register to monitor all gifts and hospitality received by us / our staff to ensure that no provider supplies anything in excess of R1000.00 in any one calendar year. We also have a register to monitor gifts etc given by us and the limit is also R1000.00 per annum per provider.
Certain Insurance Companies / Underwriting Managers give DMICK the authority to charge fees for additional services provided.	Yes	Where additional fees are charged, these are disclosed to the client. Staff are under strict instructions to place business only to the benefit of the client and clients are always given alternatives.	When recommending replacement products, clients are informed of the benefits and/or drawbacks of each option and alternatives quotations are presented.





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