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REGISTRATION NO:

An Authorised Financial Service Provider.

FSP NO: 14574

Conflict Of Interest Management Policy

1 September 2024

Management Policy Statement

This policy is drafted in terms of section 3A(2)(a) of the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS") General Code of Conduct for Financial Services Providers and Representatives, as amended from time to time.

Oaktree Risk Managers CC (herein after referred to as the Company) recognises the importance of operating in a transparent manner in all aspects of the business. This policy intends to provide a clear statement on the management of Conflicts of Interest that may exist with clients, suppliers, service providers or members of the greater community. As an authorised FSP, The Company is obliged to comply with the prescribed Conflict of Interest provisions of FAIS. Although legislative requirements form the foundation of this policy, the reach of this policy is far more practical in application. Basic business ethics underpins it's overall primary standard and objective.

Policy brief & purpose

This policy seeks to adopt measures to avoid any Conflict of Interest, identify the existence of any Conflict of Interest, and to disclose the existence of any Conflict of Interest. Further it seeks to set out the process, procedures and internal controls to facilitate compliance with the policy as well as to highlight the consequences of non-compliance with the policy by The Company's employees. This policy is by no means an exhaustive analysis addressing every Conflict-of-Interest situation that may arise. The policy documents the procedures adopted is intended to assist employees in making the right decisions when confronted with potential Conflict of Interest. Leadership personally takes this policy as a statement that binds the ethics of the company. All employees of The Company are obliged to conduct themselves in a professional manner and in line with this policy.

Scope

This policy applies to all our employees, clients and insurers who has permanent or temporary access to our systems and hardware.

Policy elements

Requirements of the FSCA

- Avoid and, where this is not possible, mitigate and conflict of interest with a client or representative of a client

- Make detailed written disclosures to clients of any conflict of interest and the measures taken to avoid or mitigate the conflict
- Adopt and implement a written conflict of interest management policy

Situations or factors deemed as a Conflict of Interest

FAIS defines a conflict as any situation in which a provider or 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; or
- Prevent a provider or representative from rendering an unbiased and fair financial service to that client, or

Including, but not limited to:

- A financial interest
- An ownership interests
- Any relationship with a third party

Acceptable financial interests

An FSP or its representative who offers or receives financial interests may do so if such financial interest falls into one of the following categories:

- Commission authorised under the short-term insurance acts.
- Fees or commissions for the rendering of a financial service where such fee or commission is specifically agreed to by a client in writing and may be stopped at the discretion of the client
- Fees or remuneration for the rendering of a service to a third party where such fee or remuneration is reasonably commensurate to the service being rendered
- Financial interests received from the same third party with an aggregate monetary value in and calendar year of not more than R1000, received by an FSP or representative who is a sole proprietor or received by a representative for that representative's direct benefit or received by an FSP who, for its benefit or that of some or all its representatives, aggregates the financial interest paid to its representatives
- Other than contemplated above, a financial interest for which consideration that is reasonably commensurate to the value of the financial interest is paid by the FSP or representative at the time of receipt of such financial interest

Identification of potential conflict situations

The following potential conflict situations can arise:

- With insurers whom there is a business / ownership relationship
- With other FSP's who there is a business/ ownership relationship
- With distribution channels who there is a business/ownership relationship
- With any other persons who there is a business / ownership relationship
- With any service providers whom there is a business / ownership relationship

Any of the above could be deemed Associate companies or 3rd party companies whom we may have an ownership interest in or by them

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

Procedures, Process, and Internal Controls

The procedure followed allows Oaktree Risk Managers cc to assess all our relationships, including those of our employees, clients, brokers, volunteers and anyone who has permanent or temporary access to our systems and hardware and including financial aspects and further allows Oaktree Risk Managers cc to document these fully.

The data we collect is then reviewed to determine if a potential conflict exists and, how best to deal with it.

The options available include:

- **Avoidance** – remove the situation completely
- **Mitigate** – Develop and adopt suitable and practicable measures to identify and acknowledge the situation and implement these measures to reduce its potential impact and/or
- **Disclosure** – Formally provide details of the situation and what has been done to reduce or eliminate the situation

The solution to the Conflict of Interest may be a combination of all three e.g., avoid some, mitigate others and disclose what we have done and will continue to do hereon in.

Wherever practicably possible we will endeavour to avoid such conflicts by physically preventing them by removing the situation

If avoidance of the Conflict of Interest is not possible, whether it be actual or possible, mitigation would be necessary by means developing and adopting suitable and practicable controls to reduce the potential of such a conflict arising

Where disclosure of conflicts, including potential conflicts, involves clients, the standard adopted demands a higher level of formality. It demands formal disclosure at the earliest reasonable opportunity which is deemed when providing the initial advice / quote.

In the opinion of The Company, our disclosures are clear, concise and effective and The Company will continue to strive to ensure we achieve this goal

The Company's disclosures shall include:

- What the conflicts are
- What measures will be taken to avoid or mitigate actual or potential conflicts
- Ownership interests including shareholdings, dividends, profit share or similar payments from associated companies
- Financial interests paid by The Company made available by other FSP's or insurers as part of the existing relationship which may become due such as vouchers, benefits, travel, hospitality, accommodation, sponsorships and existing agreements which may create a Conflict of Interest
- Details of all existing relationships and agreements that may create a Conflict of Interest
- How to obtain our Conflict-of-Interest Management Policy

Identifying Conflicts of Interest:

To assess what conflict situations, we firstly identify all situations that may give rise to a conflict. This is an initial once off exercise detailed below. Our Governance System is such that these key indicators are reviewed annually but before any new relationship is entered into may demand avoidance, mitigation, or additional disclosures

- What associate company relationships do we or our staff have?
- What third party relationships do we or our staff have?
 - Product suppliers and their associates
 - Other FSP's and their associates
 - Distribution channels
 - Any other person who in terms of an agreement with any of them provides a financial interest that is due to us or one of our representatives
 - Suppliers outside the insurance environment
- Is there any ownership interest within these relationships and would they create a conflict?
- Is there any financial interest paid from or to the entities within these relationships and would they create a conflict?
- Is 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 are our staff remuneration policies?
- A monthly Operations meeting shall be held which provides an opportunity and a formal platform for each participant to disclose and discuss potential Conflicts of Interest

- An accurate Conflicts of Interest Register will be updated, kept, and signed off by the managing member
- Management shall provide their attention to significant or other relationships which may give rise to a Conflict-of-Interest situation. These relationships shall be discussed and formally noted
- Management shall assess the disclosures to determine if there is a potential Conflict of Interest
- If the situation presents a Conflict of Interest, a decision shall be taken to avoid or mitigate the Conflict of Interest
- The management decision shall be recorded accordingly
- As part of our ongoing monitoring process, these are reviewed every 12 months by our external compliance officer and form's part and parcel of our reporting to ourselves and to the FSCA should the need arise.

Control Sheets

- The Conflict-of-Interest register resides on our server
- These saved on a share file system and is available for any employee to capture details
- The register is categorised to account for financial and non-financial conflicts of interest
- Financial Conflicts of Interest are categorised as follows:
 - o Gifts/entertainment provided to a third party
 - o Gifts/entertainment received from a third party
- Non-financial Conflicts of Interest will be reviewed on a monthly basis and will be used during the underwriting meetings to document Conflicts and potential Conflicts of Interest
- Reimbursement of entertainment claims will only be processed upon the satisfactory completion and submission of the financial Conflicts of Interest register relating to the claim

Assessment of materiality of conflict:

- The nature and content of the Conflict-of-Interest disclosure shall be formally reviewed every 12 months by the compliance officer and The Company custodian
- An assessment is to be made on the reasons for and its impact of the Conflict of Interest disclosed
- The assessment shall determine the materiality of disclosed Conflicts of Interest and if they impact on the overall Disclosure policy on Conflicts of Interest
- Should the Conflict of Interest be determined to be material, a decision shall be made to avoid or mitigate the Conflict of Interest
- Should the Conflict of Interest be determined not to be material, disclosure shall be made available on the Company's website

Adoption and implementation

- This policy has been developed in conjunction with and formally approved by management
- This policy is published within the Company and is readily available to all staff, clients, and all interested parties
- All staff have been provided with a copy of this policy and have been given awareness training
- Compliance with this policy is an integral part of our employment contract and shall be reviewed at least once annually including breaches of the policy and is subject to disciplinary procedures
- All management and staff sign a formal declaration relating to the understanding of an agreement to adhere to this policy
- The Company's Compliance System ensures a consistent review of our standard and includes an obligation to report non-compliance to the authorities if corrective action is not taken

Conclusion and approval

Adoption of this policy within the Company will ensure compliance with the FSCA regulations, avoiding any material Conflict of Interest and should a Conflict of Interest be considered immaterial, a full disclosure thereof will be made available for public perusal

Appointment of a Compliance Officer and Custodian

- This policy hereby appoints Associated Compliance and senior management Custodian, Gerhard Byliefeldt (Managing Member), as the Conflict-of-Interest Champions
- The requirements of the Compliance Officer and Custodian are to identify and set standards and policies of which the representatives of the Company will be bound by
- These standards and policies are to be authorised by Management
- The Compliance Officer is to ensure adequate disclosure of any Conflicts of Interest, should there be a situation that these conflicts cannot reasonably be avoided

Conflict of Interest:

We are prevented from allowing any situation that arises where we are conflicted in any way in providing you with advice or services.

Financial limits are imposed on us with regard to the giving or receiving of any gifts or entertainment to or from insurers or their underwriting managers.

A register of such activity is maintained and is available for inspection upon request.

We have established a conflict-of-interest policy, applicable to the Intermediary and its Representatives to set an overall standard, a copy of which is available upon request.

**Conflict of Interest declaration between OAKTREE RISK MANAGERS CC and FDM
ENGINEERING UNDERWRITERS (PTY) LTD:**

Family:

1. Gerhard Byliefeldt at Oaktree Risk Managers cc is the stepson of Fergus Mc Namara at FDM Engineering Underwriters (Pty) Ltd;

Risk Migration:

1. FDM does not, in any way, incentivize Oaktree Risk Managers cc to place business with FDM/ Renasa Insurance Company Ltd. FDM only pays the statutory regular commission to Oaktree Risk Managers cc for business placed with FDM/ Renasa Insurance Company Ltd;
2. A professional relationship is in place between the two companies.
3. Oaktree Risk Managers cc has relationships with other Insurance Companies and is free to place business with these Insurance Companies, which it duly does.