

A.L.P.E.C

SHORT TERM INSURANCE CONSULTANTS CC

CONFLICT OF INTEREST MANAGEMENT POLICY

Alpec Short Term Insurance Consultants CC (ALPEC) is committed to complying with the regulatory requirements governing the management of conflicts of interest under the FAIS General Code of Conduct, ensuring that conflicts of interest are appropriately managed in the best interests of our associates, customers and policyholders.

Although this policy is drafted in accordance with the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS") General Code of Conduct, Alpec's focus is on business ethics and long-term sustainability, and we therefore strive to act fairly and be open and transparent in all our business transactions and our decision making.

The managing member personally takes this policy as a statement that binds the ethics of the company.

The policy applies across Alpec's business and pertains to members, managers, permanent staff, contract and/or temporary staff, as well as representatives and consultants.

I, Alan Claase, the Key Individual responsible for the management of conflicts of interest for Alpec, hereby confirm the adoption of this policy:



Signature

18 September 2025

Date

CONFLICT OF INTEREST DEFINED

The FAIS Act defines a conflict of interest 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 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.

Where can these potential conflict situations arise within Alpec?

- Pertaining to insurers or portfolio managers with whom there is a business/ownership relationship;
- Pertaining to other financial services providers (FSPs) with whom there is a business/ownership relationship;
- Within distribution channels with whom there is a business/ownership relationship;
- Amongst any other persons with whom there is a business/ownership relationship;
- Between any service providers with whom there is a business/ownership relationship;
- Amid Alpec's staff as a result of employment contracts and remuneration policies;
- Amongst any other relevant relationship that may exist within the company.

Any of the above could be deemed associate companies or third party companies with whom we may have an ownership in them or by them. These companies, if applicable, are listed in our 'Summary of the Results' within this policy.

HOW DOES ALPEC ASSESS WHETHER THERE ARE CONFLICT SITUATIONS WITHIN OUR BUSINESS?

We document all the various relationships and arrangements that we currently have in place, whether they create a conflict or a potential conflict. In any and all instances we then make a decision as to whether these relationships and/or arrangements are to be avoided or mitigated and the decision made is then recorded. The relationships and arrangements that we have are monitored and reviewed on an on-going basis.

We need to ensure our external compliance officer, Associated Compliance, is kept updated and notified of any changes; this forms the basis of an on-going reporting policy, and if the need arises then we also need to report to the Financial Sector Conduct Authority (FSCA), the ultimate authority governing the financial services sector.

All situations that could lead to a conflict of interest first need to be identified, and key indicators are reviewed at least annually as well as before any new relationship is entered into, because a new relationship may well demand avoidance, mitigation steps or additional disclosures.

The situations studied by Alpec include:

- The associate company relationships we may have - that is companies with whom there is a relationship based on common shareholding, management control or family members involved and subsidiary or holding company status.
- The third party relationships we have, including those of our staff. These include:
 - Product suppliers (insurers) – including any of their associates;
 - Other FSPs – including any of their associates;
 - Distribution channels.
- Any other person who in terms of an agreement or arrangement with any of these, provides a financial interest to us or one of our representatives, including but not limited to:
 - Claims assessors, service providers
 - Suppliers outside the insurance environment (IT, accounting, equipment, stationery)
- Whether there was any ownership interest within these relationships, and if so whether this would create a conflict of interest;
- Whether any financial interest was paid from or to the entities within these relationships, and if so whether this would create a conflict of interest;
- Whether there was any immaterial financial interest paid from or to the entities within these relationships, and if so whether regular monitoring was taking place;
- The remuneration policies of our staff.

By following this process, we are able to assess all our relationships, including those of our staff, and ensure they are properly documented. Following the collection and review of data we are then able to see how best to deal with any such situations. The following options are available to us:

- ✓ Avoidance – we take away the situation that creates a conflict; or
- ✓ Mitigate – we acknowledge the conflict but implement control measures to reduce the potential impact, and/or;
- ✓ Disclosure – we provide full details of the situations that exist and what has been done, if anything, to lessen or eliminate the situation.

Any solution could include a combination of all three of the above; however, our general strategy is to avoid such conflicts (by physically removing the conflict situation). Where we are unable to remove the conflict situation, actual or potential, we need to mitigate the conflict by putting control measures in place. Where any disclosure of conflicts, whether actual or potential, involved clients then we need to make a formal disclosure, at the earliest reasonable opportunity, which would be when providing a client with the initial quotation. Our disclosures need to be precise and effective, and therefore include the following:

- What conflicts of interest we have;

- What measures we have taken to avoid or mitigate these;
- Ownership interests that may become due to us – including shareholding, dividends, profit share and such payments. This also includes ownership of and payments from associated companies which can include underwriting managers, cell captives and insurers;
- Financial interests that may become due (these are things we actually pay for that are made available by other FSPs or insurers as part of the relationships that exist) and can include vouchers, benefits, travel, hospitality, accommodation, sponsorships and other incentives;
- Details of the relationships and/or arrangements that exist which create the (potential) conflict;
- How to obtain our Conflict of Interest management policy.

How do we ensure this policy is understood and adhered to by all role players?

- This policy has been formally approved by management;
- Adherence to conflict of interest management is monitored by the key individual;
- This policy is published within the company and is readily available to all staff, clients and other interested parties;
- All staff have been provided with a copy of this policy and have also received awareness training;
- Compliance with this policy is an integral part of our employment and mandate contracts and subject to review at least annually. Breaches of this policy are seen as an issue subject to the disciplinary procedures of the company;
- All staff and mandated representatives complete a conflict of interest questionnaire, which is updated on an annual basis;
- Our compliance officer will regularly review this policy as well as our standards, and if necessary, report any cases of non-compliance to the authorities if no corrective action has taken place.

SUMMARY OF THE RESULTS:

Ownership:

Alan Claase is the sole member (100% 'shareholder') of Alpec Short Term Insurance Consultants CC.

Relationships:

Alpec acts as an intermediary, marketing and selling short-term insurance: personal and commercial lines classes of business on behalf of the following product suppliers in terms of our agency agreements:

Lombard Insurance Company Limited via Horizon Underwriting Managers (Pty) Ltd
 Old Mutual Insure Limited
 The Hollard Insurance Company Ltd
Bryte Insurance Company Limited

We are paid regulated commission by these product suppliers.

We do not own any shares in any product supplier, and no product supplier owns any shares in us.

We do not have a relationship with any product supplier that provides an ownership or financial interest, nor do we have any such relationships with any service providers.

Alpec has no ownership interest in any third party.

As part of ordinary business practice, Alpec has relationships with various third party service providers which can include claims assessors, attorneys, accountants, and IT companies.

Alpec may also have relationships with other financial services providers, i.e. intermediaries (brokers). These intermediaries are authorised financial services providers and have a responsibility to maintain their own conflict of interest management policy.

Alpec also has a relationship with its employees in terms of employment contracts, and our related remuneration policy.

Our staff complete a conflict of interest questionnaire and declaration on at least an annual basis, which serves to identify any potential conflicts of interest. Any such potential case will be assessed by management and appropriate action taken where necessary.

Remuneration

We confirm we will not offer any financial interest to our key individuals or representatives for-

- (i) favouring quantity of business over quality of service; or
- (ii) giving preference to a specific product supplier where more than one supplier can be recommended to a client; or
- (iii) giving preference to a specific product of a supplier where more than one product of such supplier can be recommended.

Alpec receives more than 30% of its remuneration from Lombard Insurance Company Limited.

Immaterial Financial Interest

It is generally accepted practice within our industry that “entertainment” and “gifts and incentives” collectively referred to as an immaterial financial interest in the Conflict of Interest regulations, are often provided by a product supplier (insurer) to a financial services provider (intermediary) and vice versa and potentially from and to other financial services providers.

The Rand value of such interests is limited, by legislation, per calendar year, to R1,000 in respect of any one individual be they the provider of or beneficiary of such immaterial financial interest.

We have instituted specific controls to monitor any such 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 document supplied to clients.

We have a register set up which monitors and reviews all gifts and hospitality provided to or received by other FSPs or its representatives. This ensures that anything provided is not more than R1000 per year – which is the allowed limit.

DEFINITIONS:

Associate

- a) in relation to a natural person, means;
 - (i) a person who is recognised in law or the tenets of religion as the spouse, life partner or civil union partner of that person;
 - (ii) a child of that person, including a stepchild, adopted child and a child born out of wedlock;
 - (iii) a parent or stepparent of that person;
 - (iv) 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;
 - (v) a person who is the spouse, life partner or civil union partner of a person referred to in subparagraph (ii) to (iv);
 - (vi) a person who is in a commercial partnership with that person;
- b) in relation to a juristic person -
 - (i) 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
 - (ii) which is a close corporation registered under the Close Corporations Act. 1984 (Act No 69 of 1984) means any member thereof as defined in section 1 of that Act.
 - (iii) which is not a company or close corporation as referred to in subparagraphs (i) and (ii), means another juristic person which would have a subsidiary or holding company of the first-mentioned juristic person -
 - (aa) had such first mentioned juristic person been a company; or
 - (bb) in the case where that other juristic person, too, is not a company, had both the first-mentioned juristic person and that other juristic person been a company.
 - (iv) 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.
- c) In relation to any person –
 - (i) means any juristic person of which the board of directors or, in the case where such juristic is not a company, of which the governing body is accustomed to act in the accordance with the directions or instructions of the person first- mentioned in this paragraph;
 - (ii) includes any trust controlled or administered by that person.

Company

Has the meaning assigned to it in the Companies Act, 2008 (Act No. 71 of 2008).

Distribution channel

Means –

- a) any arrangement between a product supplier or 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.
- b) any arrangement between two or more providers or any of their associates, which arrangement facilitates, support or enhances a relationship between the provider or providers and a product supplier.
- c) 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.

Fair value

Has the meaning assigned to it in the financial reporting standards adopted or issued under the Companies Act, 2008 (Act No. 71 of 2008).

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 -

- a) an ownership interest;
- b) training, that is not exclusively available to a selected group of providers or representatives' on –
 - (i) products and legal matters relating to those products;
 - (ii) general financial and industry information;
 - (iii) specialised technological systems of a third party necessary for the rendering of a financial service; but excluding travel and accommodation associated with that training.

Holding company

Means a holding company as defined in section 1(4) of the Companies Act, 2008 (Act No. 71 of 2008).

Immaterial financial interest

Means any financial interest with a determinable monetary value, the aggregate of this does not exceed R1000 in any calendar year from the same third party by –

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

Ownership interest

Means –

- a) 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
- b) Includes any dividend, profit share or similar benefit derived from that equity or ownership interest;

Subsidiary

Means a subsidiary as defined in section 1(3) of the Companies Act. 2008 (Act No. 71 of 2008).

Third Party

Means –

- a) a product supplier;
- b) another provider;
- c) an associate of a product supplier or a provider;
- d) a distribution channel;

any person who in terms of an agreement or arrangement with a person referred to in paragraphs (a) to (d) above provides a financial interest to a provider or its representatives.