GARRUN GROUP

Conflict of Interest (COI) Management Policy

Authorised Financial Service Providers

Conflict of Interest (COI) Management Policy[1] for:

The Garrun Group of Companies

("Garrun")

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[1] Section 3A (2)(a) of the FAIS General Code of Conduct

GARRUN GROUP

WHO ARE WE?

Garrun is a group of companies consisting of several licensed financial services providers ("FSPs"). We are authorized to provide financial services relating to various short-term (non-life) insurance products.

WHAT IS A CONFLICT OF INTEREST?

This is any situation in which an FSP (that's us) or a representative (a person who works for us) has an actual or potential interest that may:
- influence the objective performance of the FSP's obligations to a client; or
- prevent the FSP from rendering an unbiased and fair financial service to a client; or
- prevent the FSP from acting in a client's best interests.

Examples are:
- a financial interest
- ownership interests
- any relationship with a third party.

WHAT'S A FINANCIAL INTEREST?

This is any payment or compensation for providing a financial service to a client. It could be commission, administration fees, binder fees, gifts, etc.

WHAT ARE ASSOCIATES AND THIRD-PARTY RELATIONSHIPS?

An associate is any company that's related to us by virtue of it being our holding company (parent), the holding company of that holding company (grandparent), a subsidiary of our holding company (sibling), or our subsidiary (child).

A third-party relationship is where an insurer or another FSP owns shares in us, or where we own shares in an insurer or another FSP.

HOW DOES GARRUN MANAGE OR MITIGATE CONFLICTS OF INTEREST ?

We are committed to acting in the best interests of our clients. We constantly strive to improve our services, products, and operations. Honesty, fairness, and integrity are very important to us. We will not tolerate any illegal or unethical conduct on the part of any of our officers, directors, employees, or agents.

We have identified 3 types of potential conflicts of interest[3] . A conflict of interest could arise where:
- commission, binder or administration fees are paid (either by insurers to Garrun, or paid by Garrun to its employees)
- a Garrun employee receives a gift from an insurer or another FSP
- a Garrun employee or representative has a personal or outside interest that might interfere with their objectivity.

HOW ARE WE PAID?

Insurers are legally allowed to pay their intermediaries (that's us) commission, binder fees or administration fees (or a combination of these). The conflicts of interest that arise are mitigated by law. For example, there are regulations in place that put limits on commission and binder fee amounts.

[2] FAIS GCOC 3(A)(2)(b)(i)(bb)
[3] FAIS GCOC 3A(2)(b)(i)(aa)

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Our officers, directors, employees, and representatives are remunerated depending on their functions. Remuneration can take the form of salaries, commissions, or incentive bonuses, or a combination of these. Whilst we strive to keep everyone financially motivated, we are careful not to encourage inappropriate behaviour. Our monitoring mechanisms alert us to potential abuse[4].

Garrun remuneration will not give preference to:
- quantity over quality
- a specific insurer (if multiple insurers are offered)
- a specific product (if multiple products are offered).

Garrun's key individuals must approve any bonus or incentive scheme prior to being implemented[5] .

WHAT DO WE DO ABOUT GIFTS?

Gift giving is a natural part of being human. However, we recognise that in the business environment, the practice of giving gifts can create a conflict of interest.

Gifts fall within the FAIS definition of "immaterial financial interest". This includes birthday presents, promotional items, lunches, golf days, etc.

There is no prohibition against having lunch or attending a golf day with an insurer or another **FSP. However, the full cost of Garrun's portion or participation must be declared and registered in the Garrun gift register.**

Gifts given to or received from an insurer (or another FSP) may not exceed an aggregate (total) amount of R1,000 per person per year.

Where there are any doubts about the Garrun gift policy, Garrun's key individual[6] must be consulted.

HOW DO WE HANDLE PERSONAL OR OUTSIDE INTERESTS?

Not all personal or outside interests create a conflict of interest. Examples of non-conflicted activities are:
- second or part-time jobs in unrelated industries
- hobbies that don't produce an income
- charity work.

If there is any uncertainty about an activity, this should be discussed with line management.

Some activities pose a high risk of creating a conflict of interest.

Examples are:
- working relationships with immediate family or relatives
- working for other companies in the same industry
- working as a supplier to Garrun
- owning shares in other companies.

[4] FAIS GCOC 3A(2)(b)(ii)
[5] FAIS GCOC 3A(2)(b)(i)(dd)
[6] FAIS GCOC 3A(2)(b)(i)(dd)

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All high-risk activities must be disclosed to line management. Where a personal or outside interest has the potential to create a conflict, this must be referred to Garrun's key individual for an appropriate decision[7].

DO WE HAVE FINANCIAL INTERESTS, ASSOCIATES AND THIRD-PARTY RELATIONSHIPS?

- Yes, depending on the product and the insurer. We will get either commission, binder fees or administration fees from an insurer (or a combination of these). These payments are all permissible by law and are strictly regulated. Specific remuneration details per client are disclosed in individual policy documents[8].
- Our associates are:
  - i Garrun Family Holdings (Pty) Ltd
  - ii Garrun Group Investment Holdings (Pty) Ltd
  - iii Garrun Group (Pty) Ltd
  - iv Garrun Johannesburg (Pty) Ltd
  - v Garrun Pretoria (Pty) Ltd
  - vi Highgrove Garrun (Pty) Ltd
  - vii Garrun CFP (Pty) Ltd
  - viii CFP Brokers (Pty) Ltd
  - ix Seabelo Garrun (Pty) Ltd
  - x Hulley Van Wyk Garrun (Pty) Ltd
  - xi EGIB Garrun (Pty) Ltd
  - xii Garrun Underberg (Pty) Ltd
  - xiii Garrun Eastern Cape (Pty) Ltd

- None of the FSPs in the Garrun Group own shares in each other, or shares in other FSPs, or shares in insurers (product suppliers). No insurer owns shares in any Garrun FSP. Therefore, there are no third-party[10] relationships to declare.

WHO DOES THIS POLICY APPLY TO?

This policy applies to all officers, directors, employees, representatives, and suppliers of Garrun. Non-compliance with this policy may lead to disciplinary or regulatory action taken against the person (or persons) involved[11].

VERSION HISTORY

Version	Modified Date	Approve Date	Approved By
2.01	26 June 2025	9 July 2025	

[7] FAIS GCOC 3A(2)(b)(i)(bb)
[8] FAIS GCOC 3A(2)(b)(i)(cc)
[9] FAIS GCOC 3A(2)(b)(iii)
[10] FAIS GCOC 3A(2)(b)(v), (vi), (vii)
[11] FAIS GCOC 3A(2)(b)(i)(ee)