



PALADIN UNDERWRITING MANAGERS (PTY) LTD

Conflict of Interests Policy

Paladin places a high priority on its clients interests. As conflicts of interest affecting clients could undermine the integrity and professionalism of our business, any instances must be identified as early as possible. If conflict situations cannot be avoided, they must be managed equitably and in the clients interest. Detecting potential or recognised conflicts of interest that could compromise the interest of its clients and managing and limiting the impact of conflicts of interest therefore constitute an integral part of Paladins duties and obligations.

I. Conflict of interest:

What do we mean by this?

A conflict of interest is a situation in which the interests of Paladin and the interests of its clients are directly or indirectly in competition and which could therefore significantly prejudice the clients interests. This notion concerns Paladin in its capacity as a management company and all individuals working for Paladin (employees, associated, service providers, etc). A conflict of interest may be recognised (actually identified) or potential (conceivable).

The notion of conflict of interest encompasses a range of very diverse factors such as:

- Rules regarding personal transactions,
- Professional ethics of employees,
- The use of sensitive or privileged information, insider dealing and professional secrecy,
- Respect for clients interests.

II. Conflicts of interest:

What is a conflict of interest situation? Conflict of interest situations that could prejudice a client may take a variety of forms, whether or not Paladin suffers any financial loss and independently of whether the actions or the motivations of the employees involved are intentional.

III. Conflicts of interest:

Prevention, detection and management

Paladin has identified specific potential conflicts of interest in relation to its activities. These may be encountered by Paladin when they deliver their services to clients.

For each situation, Paladin has analysed whether the risk is actual or potential for one or more of its clients. To handle potential or actual conflict of interest situations, Paladin may:

- Conduct the transaction while, given the conflict of interest generated by it, implementing procedures that enable appropriate management of the situation in order to avoid damaging the interests of the client in question;
- Avoid conducting the transaction that would potentially generate a conflict of interest;
- Inform the client in the event that certain conflicts of interest cannot be properly handled and communicate the necessary information about the type and origin of the conflict of interest to the client, so that the client can make a fully informed decision regarding the proposed transaction.

Paladin has established a management policy for conflicts of interest enabling it to prevent potential conflicts of interest, mitigate and manage actual conflicts of interest and communicate them effectively to clients. This policy is based on a system of prevention, detection, management, communication and recording conflicts of interest.

Training: Paladin informs its associates and makes them aware of the undertakings and restrictions concerning their actions with regard to the conflict of interest management policy in place at the management company. Awareness training is provided to staff.

Detection: Paladin has drawn up a list of recognised and potential conflicts of interest, by recording conflicts of interest and identifying the types of situations generating the conflicts and the associated risks.

Johann Mynhardt of Paladin, is responsible for the operation and condition of the conflicts of interest register. If a new potential or actual conflict of interest should arise, management of Paladin will decide whether the transaction will actually generate a conflict of interest and if so, if it will be accepted or declined, and managed in the clients interest. If a conflict of interest cannot be properly managed, the necessary information on the type and origin of the conflict of interest will be communicated to the client, to enable the client to make a fully informed decision. All the documents and supporting evidence will be archived by Paladin.

In general, all measures and complementary procedures will be taken to ensure the required level of independence.

Management: Paladin manages potential and actual conflict of interest situations based on the following:

- Ethical principles. Predominant among these rules are the principles of client sovereignty, equity, impartiality, respect for professional secrecy, market integrity and compliance with laws and regulations.
- A control system to ensure monitoring of the conflicts of interest and corrective measures taken. In this respect, Paladin has procedures detailing the concrete measures to manage potential or recognised conflicts of interest in the interest of clients.
- Prohibition or control of multiple activities exercised by associates.