



1. INTRODUCTION

The aim of this policy is to provide guidance on identifying, disclosing and managing any actual and potential conflicts of interest with regards to related party transactions to ensure that the State Insurance Company of Mauritius Ltd's (hereinafter the 'Company') business is conducted in a sound and ethical way in accordance with good governance principles. Entering into transactions with related parties is not wrong per se as long as the conflict of interest inherent in these transactions are sufficiently addressed through proper disclosure, approval and monitoring. It is crucial that conflicts of interest are addressed and managed, failing which, reputational harm can be caused to the Company.

This policy is not intended to replace any applicable laws, regulations, codes or guidelines governing conflicts of interest and related party transactions. It must also be read in conjunction with the Company's Constitution, SICOM Group's Code of Ethics for Directors, SICOM Board Charter, and SICOM Corporate Governance Committee Charter.

2. CONFLICTS OF INTEREST

A conflict of interest can arise where a Director has a personal, financial, or professional interest in a transaction or proposed transaction which may influence the Director in the exercise of his/her duties to the Company. Directors have an obligation under the law to act in the best interest of the Company and therefore should make his/her best effort to avoid conflicts of interest, or situations where others might reasonably perceive such a conflict. The personal interests of a Director, or persons closely associated with the Director, must not take precedence over those of the Company and its shareholders.

A Director shall be deemed to be interested in a transaction to which the Company is a party, where the Director:

- i. Is a party to, or shall or may derive a material financial benefit from the transaction;
- ii. Has a material financial interest in or with another party to the transaction;
- iii. Is a director, officer, or trustee of another party to, or person who shall or may derive a material financial benefit from, the transaction, except where the Director is a director, officer, trustee of a wholly-owned subsidiary of the Company;
- iv. Is the parent, child or spouse of another party to, or person who shall or may derive a material financial benefit from the transaction; or
- v. Is otherwise directly or indirectly materially interested in the transaction.



3. RELATED PARTY TRANSACTIONS

A related party transaction is a transaction between the Company or its subsidiaries and a Director, other officer, a shareholder or any of their associates. A related party may also include a Director's immediate and extended family as well as another organisation where he/she may have an interest, financial or otherwise.

4. MANAGEMENT OF CONFLICTS OF INTEREST AND RELATED PARTY TRANSACTIONS

Prior to the appointment of a Director, the proposed appointee shall disclose to the Company any other interest that may result in a conflict of interest and shall, in future, report any interest that could result in a conflict of interest.

A Director shall have an ongoing obligation to disclose the nature and extent of any actual or potential conflict of interest in writing to the Board. A Director must also disclose the nature and extent of any actual or potential conflict of interest if he/she becomes interested after the transaction has been entered into by the Company.

Where the Director becomes aware of an actual or potential conflict of interest, the Director must declare his interest in writing to the Board, and the nature and extent of such conflict of interest shall be entered into the register of interests of the Company. The Director shall not be present at any relevant part of a meeting in which the actual or potential conflict of interest is discussed and shall not participate in the debate, vote or indicate how he/she would have voted on the matter.

If in the course of a meeting, a Director shall become aware that he/she is interested in a transaction or proposed transaction, the Director must promptly disclose his interest to the Board and the nature and extent of his interest shall be entered in the interest register. The interested Director will also need to leave the meeting for as long the issue is being discussed.

5. REVIEW OF POLICY

This Policy shall be reviewed as required.