



PROBITAS 1492 (EUROPE) BV
Conflicts of Interest Policy

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1. INTRODUCTION

- 1.1. The purpose of the Conflicts of Interest Policy (the 'Policy') is to record Probitas 1492 (Europe)'s approach to identifying and managing conflicts of interest, with a view to ensuring that all such conflicts are declared and that business decisions are taken in full knowledge of any conflicts.
- 1.2. The Board considers the proper management of conflicts of interest to be an important aspect of corporate governance for Probitas 1492 (Europe) and its insurance and reinsurance distribution activities.
- 1.3. Probitas 1492 (Europe) is a Belgian company that is registered with the Belgian regulator FSMA as a mandated underwriter and a reinsurance broker. Probitas 1492 (Europe) is a wholly owned subsidiary of Probitas Managing Agency Limited (*PMA*), which is a member of the Probitas group of companies.
- 1.4. Probitas 1492 (Europe) is an agent of Lloyd's Insurance Company (*LIC*) and underwrites EEA insurance business on behalf of LIC.
- 1.5. Probitas 1492 (Europe) works with PMA to:
 - Ensure compliance with underwriting standards and the Insurance Distribution Directive (IDD);
 - Complete risk details entered into the Probitas underwriting system by Probitas 1492 (Europe) and the outsource partners of PMA.

2. REGULATORY REQUIREMENTS

- 2.1. As a regulated firm, Probitas 1492 (Europe) must run its business in accordance with the requirements under Part VI of the Belgian Insurance Act of 4 April 2014, as well as in accordance with the FSMA's regulatory guidance, which includes rules on conflicts of interest, transparency and adequate organisation
- 2.2. As a mandated underwriter of LIC, Probitas 1492 (Europe) underwrites on behalf of LIC in accordance with the terms of an Outsourcing Agreement (*LIC Outsourcing Agreement*), which is a standard form contract entered into by all entities providing the same services to LIC.

The Outsourcing Agreement requires Probitas 1492 (Europe) to ensure that its operating policies and procedures enable the terms and standards set by the policies of LIC to be complied with by

Probitas 1492 (Europe) and its employees. Policies of LIC include conflicts of interest.

3. DEFINITION OF A CONFLICT OF INTEREST

3.1. A conflict of interest (in this Policy, often referred to simply as a 'conflict') will exist where there is a conflict or perceived conflict between:

- The interests of Probitas 1492 (Europe)'s business and the duty owed to a customer; or
- The differing interests of two or more Probitas 1492 (Europe) customers (where each is owed a duty of care); or
- The interests of Probitas 1492 (Europe), PMA and another member of the Probitas group; or
- Directors' interests; or
- Related parties; or
- Third Party Capital providers; or
- Other circumstances

4. THE POLICY OF PROBITAS 1492 (EUROPE)

4.1 In order to ensure that conflicts are identified and properly managed, it is the policy of Probitas 1492 (Europe) to:

- Identify and manage the conflicts inherent in its business and the business relationships of its principals;
- Disclose inherent conflicts, either generally or specifically, as appropriate to those to whom the relevant duties are owed;
- Identify and record transparently all specific conflicts that may arise in the course of business and from the business relationships of Probitas 1492 (Europe) and its principals;
- Disclose specific conflicts, subject to any overriding duties of confidentiality, either generally or specifically, as appropriate to those to whom the relevant duties are owed;
- Manage each conflict according to procedures, including the making of such disclosures as may be necessary, that will enable Probitas 1492 (Europe) to demonstrate:

- (i) that all duties have been performed with an appropriate level of care and expertise,
 - (ii) that those responsible for the performance of a duty are not, and cannot reasonably be suspected of being, influenced by the conflict in any way inconsistent with the best interests of those persons to whom the relevant duties are owed; and,
 - (iii) if appropriate, that the process of managing a conflict has been approved, based on the informed consent of the relevant parties.
- Prescribe rules of conduct to avoid the creation of inappropriate occasions or relationships of conflict; and
 - If it appears that a conflict cannot be satisfactorily managed within Probitas 1492 (Europe), take steps to ensure that it is managed independently and in the interests of those to whom the relevant duties are owed.
- 4.2 Additionally, where outsource partners are providing services to Probitas 1492 (Europe), Probitas 1492 (Europe) will require these outsource partners to:
- Prescribe rules of conduct for their staff to ensure that none of the outsource partners become party to, or otherwise involved in, any breach by a brokers or other intermediary of the duties owed by those intermediaries to their principals;
 - Ensure that all affected outsource partners' staff are made aware of their responsibilities under this Policy; and
 - Monitor the implementation of this Policy.
- 4.3 All material changes to this section 4 of this Policy are to be agreed by the Board.

5. IDENTIFICATION OF CONFLICTS OF INTEREST

- 5.1. The responsibility for identification and disclosure of conflicts is:
- In general, held by all Probitas 1492 (Europe) staff;
 - In the case of director personal conflicts, the specific responsibility of the director concerned and the general responsibility of the Board;
 - In the case of corporate conflicts in relation to Board matters, the responsibility of the directors individually and collectively;
 - In the case of executive personal conflicts, the specific responsibility of the executive concerned; and

- In the case of corporate conflicts in relation to operational matters, the responsibility of the Head of Office.

6. NOTIFICATION AND DISCLOSURE OF CONFLICTS OF INTEREST

- 6.1. All individuals within Probitas 1492 (Europe) are required to behave in an open and honest manner in relation to their obligations to identify and disclose conflicts to:
- 1) the Head of Compliance & Underwriting Management or in their absence the Head of Office, and
 - 2) the Head of Compliance of PMA.
- 6.2. Board level conflicts must be advised in writing to:
- 1) the Head of Compliance & Underwriting Management or in their absence the Head of Office, and
 - 2) the Head of Compliance of PMA
- and noted at Board meetings.
- 6.3. The Head of Compliance & Underwriting Management or in their absence the Head of Office's report to the Board will advise of any material conflicts with respect to issues reserved for or considered by the Board.
- 6.4. Probitas 1492 (Europe) will, as appropriate, fairly inform those to whom duties are owed of the nature of potential conflicts inherent in its business and the policy to be adopted when actual conflicts arise.
- 6.5. Probitas 1492 (Europe) will, subject to duties of confidentiality, openly and honestly inform those to whom fiduciary duties are owed of the nature of the conflict and, on request, of the arrangements for and progress of its management.
- 6.6. The Board is ultimately responsible for determining, subject to the express terms of this Policy, whether and to what extent disclosure of an actual conflict to persons outside Probitas 1492 (Europe) may be appropriate and may delegate this decision to the Head of Compliance & Underwriting Management or in their absence the Head of Office.
- 6.7. The Head of Compliance & Underwriting Management or in their absence the Head of Office, will ensure that all conflicts are recorded in a Conflicts-of- Interest Register and will, if necessary refer the matter to the Board. The Conflicts-of-Interest Register will identify those nominated to manage each conflict.

7. MANAGING CONFLICTS OF INTEREST

- 7.1. The exact steps to be taken will vary according to the situation but the persons responsible for managing a conflict must:
- Ensure that individuals with a specific personal interest are not involved in or permitted to influence decisions regarding the actual performance of the duties in respect of which the conflict exists;
 - Ensure that the interests of each person to whom duties are owed, are represented and appropriately protected by persons who act, and can be seen to act, solely in the interests of such persons and without regard to the interests of any other persons; and
 - Ensure that objectivity is brought to any relevant decision, either by reallocation of responsibility, referral to the Board or ad-hoc Board committees, or engagement of external advisers, as appropriate.
- 7.2. The Chair will determine whether and to what extent a director's personal conflict should, in the circumstances, preclude that director's attendance at a meeting at which a particular matter is to be discussed.
- 7.3. The general principle will be that a director should not participate in the discussion relating to, or vote on, any matter, in which the director is personally interested (other than the director's general interest as an employee of Probitas 1492 (Europe)).
- 7.4. If the Chair has a personal conflict, another director will determine whether and to what extent the Chair should take part in relevant proceedings, whether as Chair or otherwise.
- 7.5. The management of conflicts may involve the creation of 'Chinese walls', where feasible and credible, between different groups within Probitas 1492 (Europe).
- 7.6. Decisions and action taken must be transparent to those to whom the relevant duties are owed, and the Board may require they be consulted, in relation to a particular conflict.
- 7.7. In every case, the test of suitability for a proposed action is whether an independent observer would be satisfied that the proposed action removes any suspicion of Probitas 1492 (Europe)'s being unable to discharge fully and properly its duties.
- 7.8. If necessary, and by agreement with the affected client, Probitas 1492 (Europe) will ensure that a conflict is handled by an independent, third party.