



MANAGEMENT POLICY ON PRINCIPLES OF TREATING CUSTOMERS FAIRLY

**Applicable to Financial Services Provider acting as
Category I and II Financial Services Provider in
terms of the Financial Advisory and Intermediary
Services Act**

Implemented for:

K M
FSP 8304 EST 1992

K R Ü G E R

MAKELAARS / BROKERS



(hereinafter referred to by name or as "FSP")



DECLARATION OF IMPLEMENTATION AND COMPLIANCE

I, the undersigned, being the authorised and approved Key Individual of the above FSP, hereby declare as follows:

- ✓ I have made myself aware of the contents of this document
- ✓ I confirm that the processes herein contained are implemented in my FSP
- ✓ I will ensure that this document is updated and/or reviewed on at least an annual basis.

	
	[PG Krüger] KEY INDIVIDUAL
	DATE: 15/01/2021

REVIEWS

Date of review:	Completed by:

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1. BACKGROUND

As Financial Services Provider (FSP) we must be able to demonstrate that we have a TCF culture embedded in our business, proven and supported by appropriate controls, governance structures, management information and self-assessments.



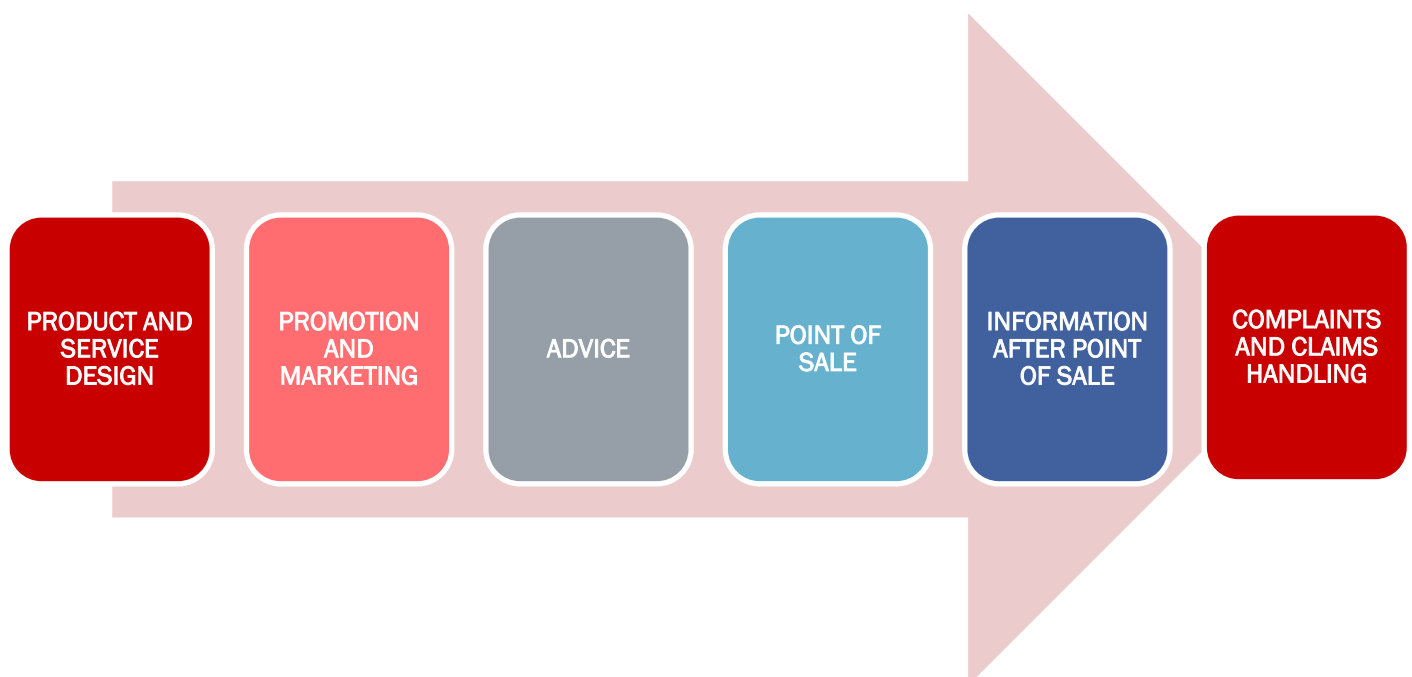
Delivering these outcomes will require action by both the FSCA and FSP. The FSCA will expect a great amount of disclosure from us as financial services provider, including certain reports and evidence that we have embedded TCF in our culture. The FSCA will develop a regulatory framework consisting of conduct principles as well as explicit rules within which we should conduct our business and adherence to the framework will be enforced.

According to the FSCA, implementing TCF should not be regarded as a compliance project, or a once-off project. It is an ongoing, evolving and ultimately permanent feature of an FSP's approach to its business.

[FSP] has implemented this policy to ensure that any financial services are rendered in the interest and fair treatment of clients.

2. POLICY CONTEXT

The expectations of the FSCA can be summarised as below:



As financial services provider we will ultimately have to demonstrate that we are consistently treating clients fairly.

OUTCOME 1: CULTURE

According to the FSCA, the primary responsibility of financial services providers will be to demonstrate achievement of the first fairness outcome: that the fair treatment of clients is central to our business' culture.

Furthermore according to the FSCA, if such a culture is truly embedded in a financial services business, delivery of the remaining five fairness outcomes should follow as a matter of course. In order to get embedded in the culture, TCF should be built into certain structures and processes within a business.

The following structures in our business are accordingly aligned with the principles of TCF:

1. Leadership

Management will be held accountable for TCF.

As management we have to provide direction to the rest of the business and monitor the delivery of TCF behaviours and outcomes.

2. Strategy

TCF is built into all strategic and business plans and forms part of the continuous strategic planning of the business.

3. Decision-Making

The interest of clients are always taken into account when business decisions are made.

Decisions are tested for the impact on clients and staff are free to evaluate and challenge decisions from a TCF perspective.

4. Governance and Controls

Governance structures and control mechanisms in the business are designed around TCF considerations.

There are information systems in place to monitor and measure our business' performance in delivering the six outcomes.

We are able to supply evidence that this information was used to identify shortcomings and risks and for setting goals and raising TCF standards.

5. Performance Management

Staff with appropriate values and skills are recruited, while continuous training will be provided on TCF practices.

TCF will form part of performance contracts, which have clear objectives linked to the fair treatment of consumers.

Performance will be evaluated in terms of TCF competence and expectations.

6. Rewards

Remuneration, incentive and reward policies will provide for and entail consequences for TCF successes and failures.

OUTCOME 2: TARGETING CLIENT GROUPS

New product design and launch

While it also remains the product supplier's responsibility to ensure that a product is appropriate for a particular target market, the FSCA has made it clear that an intermediary should also take responsibility for ensuring that a product is suitable for the particular client concerned (in line with the client's needs and risk appetite and their ability to afford the product).

As business we are expected to obtain information from the supplier regarding which particular client groups the product or service would be suitable for and the products and services should be targeted accordingly.

An appropriate level of product due diligence is therefore expected from our business. We will strive to know and understand the risks and complexity of products and be able to gauge the impact such a product will have on a client.

We will also assess the suitability of promotional material for the identified target market and evaluate and ensure the clients' understanding of products or services offered to them.

OUTCOME 3: INFORMATION

Client communications, marketing and financial promotions

Clients will be given clear information and be kept properly informed before, during and after the time of contracting.

We have processes in place to:

1. Ensure relevant and adequate product information is provided;
2. Ensure any information we provide about another party's products or services is accurate, clear, fair and not misleading (the process should entail senior management sign-off);

3. Rectify a situation where it becomes apparent that information already in circulation does not comply with the above;
4. Ensure that product information remains accurate, clear and appropriate;
5. Monitor and act on feedback for the improvement of product information. After contracting, we will have regular, ongoing contact with existing clients to provide them with key information on products at appropriate times. We shall therefore ensure we have up-to-date contact details of clients and that clients are in possession of the correct contact details for the business.

We will keep accurate, retrievable and secure records of all product information provided to clients.

OUTCOME 4: ADVICE

Sales and advice

Before contracting with a product supplier and marketing certain products, as intermediary we should ensure that the products (and services) are likely to meet our clients' expectations.

We shall therefore assess whether we have the proper skills and expertise to provide the correct advice for the product we are marketing and that we can provide suitable advice for the market we are targeting. We will insist on adequate training from product suppliers. Arrangements will also be made for access to any product information necessary to provide suitable advice.

Controls are in place to prevent representatives of the FSP from providing advice on products they have not received adequate training on. There are also controls to identify (and act on) instances where representatives have provided advice where they were not authorised to provide and to compensate clients who have suffered financial loss as a result of inappropriate advice.

We will continuously monitor feedback or complaints from clients about advice, in order to identify training needs. We will also provide product suppliers with feedback about aspects of their products or services that inhibit our ability to provide suitable advice.

We will identify and address any conflicts of interest there may be between the intermediary, supplier and client.

Incentive or remuneration targets of all representatives will include TCF measures.

OUTCOME 5: DELIVERY

After sales service: product performance

The products provided to clients should perform as financial services providers have led them to expect and the associated service should both be of an acceptable standard and what clients have been led to expect.

Where third parties (such as product suppliers, administrators, etc.) are involved in providing products or services to our clients:

- An appropriate due diligence of the third party will be conducted before dealing with them to ensure TCF principles are adhered to by such party;
- Agreements are in place regarding each party's responsibilities to ensure fair treatment of clients;
- The third party's treatment of clients should be monitored.

We will closely monitor environmental, regulatory and economic developments that could impact the extent to which products will meet clients' expectations.

We have processes in place to mitigate the risks to clients where it becomes clear that products are not performing (or are unlikely to perform) as the clients have been led to expect.

Clients will be alerted to the risks of particular actions and non-action on our part (such as early termination of a product, non-payment of contributions, failure to review insurance needs, investment goals and risk profiles, etc.).

Clear service standards are in place for client services and the standards are tested regularly to determine if we are in line with client expectations. Management information is available on how client expectations are met.

Processes are in place to protect the confidentiality of clients' personal information.

OUTCOME 6: POST-SALE TREATMENT

Complaints handling

Clients will not face unreasonable post-sale barriers to change a product, switch provider, submit a claim or make a complaint.

Changing products

Clients are informed of the changes we may make to products if their needs or circumstances change and when the intermediary becomes aware of a change in a client's needs or circumstances, the client will be informed about the changes we may need to consider to meet changing requirements.

Clients will also be informed of the service standards for processing changes and when a request for a product change is received, the client will be informed of the potential risks associated with the change. Where a request for a product change is declined, the client will receive clear reasons for it.

Switching providers:

There are clear service standards for processing switches to other providers and clients will be informed of any risks associated with the switch.

Insurance (long- and short-term risk):

Before recommending an insurer, the intermediary should consider the claims repudiation and handling experience of different insurers. Prior to contracting, clients have to be informed of the circumstances under which claims or disbursement requests will not be processed and the client's obligations in this regard must be explained.

Clients will be informed of how to submit a claim or disbursement request, of the service standards, as well as the information needed to process the claim or request. Once a claim has been received, clients will be kept informed of the progress.

The client's expectations and the intermediary's TCF objectives have to be considered before repudiating or declining a claim or disbursement request.

Where a claim gets repudiated or a disbursement request declined, the client will be given clear reasons for this.

Complaints handling:

Clients will be informed of how to complain, about service standards for the processing of complaints and about options for further recourse.

Record will be kept of complaints and the root cause for complaints should be determined to identify risks of miss-selling.

When a complaint has been received, clients will be kept informed of the progress and when responding to a complaint, clear reasons will be provided for the response, with supporting evidence where relevant.

A follow-up will be done to determine client satisfaction after the finalisation of complaints.

3. CONCLUSION

For intermediaries, TCF responsibilities do not only refer to the advice provided to clients; we span the entire culture and day-to-day operation of the business.

The fact that TCF regulations are principles-based makes them open to interpretation, which makes it imperative for financial services providers to keep evidence that we have made every effort to ensure client fairness throughout every process.

We acknowledge that the FSCA will not accept an intermediary's abdication of responsibilities on any of the outcomes, as we are expected to retain a certain amount of responsibility on each.

In summary, financial services providers will be expected to have a culture to which TCF is central; we should ensure the correct product is targeted at the correct individual client; we should provide clear information to clients, which falls within the realm of suitable advice that takes account of clients' circumstances and we should also ensure that we are familiar with the products we sell, including any post-sale barriers.

4. REVIEW

This policy document will be reviewed on an annual basis and amended where necessary.