



NVEST FINANCIAL HOLDINGS LIMITED - RISK AND CONTROL FRAMEWORK

SECONDARY RISK POLICY

Treating Customers Fairly (“TCF”) Policy

Date of Policy approval:	21 November 2016
Date of Policy implementation:	March 2017
Key Risk:	Legal, Regulatory and Compliance Risk
Key Risk Owner:	Group Head of Legal/Group Company Secretary
Policy Owner:	Group Company Secretary
Action Owners:	Group Company Secretary and COO

1. Preamble:

- 1.1. This Policy forms part of the NVest Financial Holdings Limited (“NVFH”, “NVest” or “the Group”) Group Wide Risk and Control Framework (“RCF”).
- 1.2. Compliance with the controls, terms and protocols prescribed by this Policy is mandatory for directors, all employees, contractors and, where applicable, agents of the Group.
- 1.3. Breaches of the Policy may result in disciplinary action which may result in dismissal or termination of contract.
- 1.4. An electronic version of this Policy can be found via: http://_____

Purpose Statement:

The purpose of this policy is: to ensure that the Group, in as far as it and/or any of its majority/wholly owned subsidiaries that are registered as Financial Service Providers and are regulated by the Financial Services Board (as “Regulated Financial Firms”, as herein defined), abide by the Financial Services Board General Code of Conduct and the “Treating Customers Fairly” framework.

2. Relevant Definitions:

- 2.1 **“Group”**: means NVest Financial Holdings Limited and all of its majority/wholly owned subsidiaries.
- 2.2 **“Financial Services Board”** or **“FSB”**: is an independent institution established by statute to oversee the South African Non-Banking Financial Services Industry in the public interest.
- 2.3 **“Financial Services Provider”** or **“FSP”**: is a financial services company or operation that is duly licensed by and registered with the Financial Services Board.
- 2.4 **“Regulated Financial Firms”**: Group subsidiaries that are registered with the FSB as Financial Service Providers and to which this Policy and the Treating Customers Fairly framework applies to.
- 2.5 **“Treating Customers Fairly”** or **“TCF”**: is the regulatory framework set by the FSB which governs the way an FSP business conducts daily dealings with its clients ensuring that all clients are treated fairly, during all stages of the product life-cycle and advice process.

3. Policy Provisions:

- 3.1 NVest Financial Holdings Limited is a broad based financial services Group and includes subsidiaries that are registered and authorised as Financial Service Providers (FSP’s) under the auspices of the Financial Services Board (FSB). These subsidiaries are referred to as “Regulated Financial Firms”.
- 3.3 The Group includes the following Regulated Financial Firms (as subsidiaries), for which this Policy and the TCF directly applies to:
- 3.3.1 NFB Finance Brokers Gauteng (Pty) Limited
 - 3.3.2 NFB Finance Broker Eastern Cape (Pty) Limited
 - 3.3.3 NFB Finance Brokers Port Elizabeth (Pty) Limited
 - 3.3.4 NFB Insurance Brokers (Border) (Pty) Limited
- Hereinafter referred to as “the Regulated Financial Firms”.

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- 3.4 The aforementioned Regulated Financial Firms within the Group are required to comply with the FSB General Code of Conduct, which includes TCF.
- 3.5 TCF is an outcomes based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers are delivered by Regulated Financial Firms.
- 3.6 The TCF principles and outcomes are attached hereto and marked as “**Annexure A**”.
- 3.7 The TCF principles are encompassed in the TCF outcomes and are also embodied in the General Code of Conduct. These principles are linked to outcomes that focus specifically on the fair treatment of the customer. The principles can be defined as follows
 - 3.7.1 TCF Outcome 1 – Principle of Culture & Governance
 - 3.7.2 TCF Outcome 2 – Principle of Product Suitability
 - 3.7.3 TCF Outcome 3 – Principle of Disclosure
 - 3.7.4 TCF Outcome 4 – Principle of Suitable Advice
 - 3.7.5 TCF Outcome 5 – Principle of Performance and Service in line with expectations
 - 3.7.6 TCF Outcome 6 – Principle of Claims, Complaints & Changes
- 3.8 The Group’s Regulated Financial Firms will ensure that all Directors, employees, agents and/or sub-contractors employed and/or engaged by Regulated Financial Firms within the Group:
 - 3.8.1 have access to and understand this Policy which should be read and applied in conjunction with the TCF outcomes and policy provisions as set out in Annexure A,
 - 3.8.2 abide by the TCF throughout the product life cycle, from product design and promotion, through providing advice and servicing customers, to complaints and claims handling – and throughout the product value chain, and,
 - 3.8.3 incorporate TCF into the way that we conduct business and in the way that we deal with our customers on a daily basis, thereby instilling a culture of client centeredness within the FSP.
- 3.9 An annual reminder of this Policy and the TCF principles set out in Annexure A will be circulated to all staff of Regulated Financial Firms and all staff of Regulated Financial Firms

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will be required to provide a written attestation that they have read and understood the Policy and the TCF principles.

Document Control						
						
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0.1	11.10.2016		11.10.2016	NC		Nathan Carr

Annexure A – supplementary to, and to be read and applied in conjunction with the TCF Policy

POLICY STATEMENT

It is the policy of all Regulated Financial Firms within the Group to incorporate the 6 TCF outcomes into their business.

It will be the responsibility of **BRENDAN CONNELLAN** to implement, monitor and supervise the implementation of TCF within the FSP's.

Each Regulated Financial Firm will incorporate TCF into the way that they conduct business and in the way that they deal with customers on a daily basis, thereby instilling a culture of client centeredness within the Regulated Financial Firm.

TCF OUTCOMES

The Regulated Financial Firms will at all times strive to meet the following 6 TCF outcomes:

Outcome 1: Customers are confident that they are dealing with an FSP where the fair treatment of customers is central to the FSP's culture.

Outcome 2: Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.

Outcome 3: Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.

Outcome 4: Where customers receive advice, the advice is suitable and takes account of their circumstances.

Outcome 5: Customers are provided with products that perform as FSP's have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.

Outcome 6: Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.

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OUTCOME 1: Customers are confident that they are dealing with an FSP where the fair treatment of customers is central to the FSP's culture.	
Have you thought about TCF and how you treat your customers?	The FSP will ensure that it continues with the customer service culture which already exists in the business.
If you are your own customer, would you be happy with the way you are treated?	All staff will treat customers as they want to be treated.
Do you and your staff talk about treatment of customers, and do you have a unified approach?	TCF will remain a talking point amongst staff both informally and at formal meetings, and the customer will remain central to the FSP's continuance and success.
How do you currently comply with s2 of the GCOC " <i>at all times render financial services honestly, fairly, with due skill, care and diligence, and in the interests of clients and the integrity of the financial services industry</i> ".	Through its actions, business endeavours, customer interactions and service delivery, the FSP will ensure that it at all times renders its service to the customer, honestly, fairly, with due skill, care and diligence and in the best interests of the customer and the integrity of the financial services industry.
Do you do a due diligence on other businesses before contracting with them?	The FSP will ensure that all other businesses (FSP's and product providers) are sound and meet the diligence requirements before contracting with them.

OUTCOME 2 Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly.	
Do you understand your customers, their financial situation and their financial needs?	<p>Representatives will ensure that they undertake the necessary and required needs analysis for each customer in order to seek information from the customer regarding their financial situation, financial product experience and objectives.</p> <p>This will ensure that the representative clearly understands the customer's financial product needs.</p>
Do you understand what the products really do, and how they match the needs of your customers?	<p>The FSP and key individuals will ensure that all representatives have a thorough knowledge of the products offered so that they can match the product to the customer's needs.</p> <p>Training will regularly be undertaken and recorded in the training register.</p>
Do you do due diligence on all the products / providers you offer?	Due diligence will be undertaken on all new products/product providers.
Do you do a suitability analysis in terms of s8 of the GCOC?	Representatives must conduct the FSP's needs analysis as referred to above.

OUTCOME 3 Customers are given clear information and are kept appropriately informed before, during and after the time of contracting.	
Do you use clear explanations of the products when talking to your customers?	Representatives must use clear explanations when explaining products to customers, ensuring that the information is <ul style="list-style-type: none"> • factually correct; • provided in plain language, to avoid uncertainty or confusion and not be misleading; • adequate and appropriate in the circumstances of the particular financial service, taking into account the factually established or reasonably assumed level of knowledge of the customer.
Do you keep customers informed of the processes & information required by the product suppliers?	The FSP will ensure that processes exist to ensure that customers are kept informed of information which may be required by the product suppliers.
Do you guide customers about the information required by product suppliers?	The FSP will ensure that processes exist to guide customers about information which may be required by the product suppliers.
How do you disclose information in terms of s7 of the GCOC?	Disclosure in terms of s7 of the GCOC will be provided to customers on the following types of documentation: <ul style="list-style-type: none"> • Quotes • Marketing Material (if applicable) • Policy Wordings • Schedules

OUTCOME 4 Where customers receive advice, the advice is suitable and takes account of their circumstances.	
Did you conduct a suitability analysis in terms of s8 of the GCOC?	Refer to Outcome 2
Did you check the customer's needs against the recommendations?	At all times, the recommendation will be based on the customer's financial product needs.
Does your record of advice comply with s9 of the GCOC and contain all the required disclosures?	The FSP will ensure that the Record of Advice, which is used by all representatives, reflects the basis on which the advice was given, focusing on: <ul style="list-style-type: none"> • a brief summary of the information and material on which the advice was based; • the financial products which were considered; • the financial product/s recommended with an explanation of why the product/s was selected, is likely to satisfy the customer's identified needs and objectives. The customer will receive a copy of the record of advice.
Do you consider all requirements relating to replacement products?	The representative will ensure that the required replacement disclosure in terms of s8(1)(d) of the GCOC will be disclosed to the customer in the event of a replacement financial product transaction.

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	These disclosures will be documented and provided to the customer for them to make an informed decision about the new and old financial products.
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OUTCOME 5	
Customers are provided with products that perform as the FSP has led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect.	
Do you check product performance before you recommend it to a customer?	The FSP will only recommend products which are offered by reputable and established product providers.
Is the service provided by product suppliers to customers after contracting stage satisfactory?	The FSP will monitor the service offered by product providers and in the event that the service is no longer satisfactory, representatives will be encouraged to offer an alternative product provider to the customer.
Do you give feedback to product suppliers about their products and services?	Feedback will at all times be communicated in writing to product providers via the channels available to the FSP, namely broker consultants, regional managers etc.

OUTCOME 6	
Customers do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint.	
When you provide after-sales service, is it easy for your customers to contact you for assistance?	Easy and open communication channels will be available to customers at all times. Customers will be given contact details on the intermediary disclosure document, such as telephone number/s; fax number/s; email addresses etc.
Do you make it a priority to assist customers who have complaints?	It is the policy of the FSP to ensure that complaints are dealt with timeously and with the priority of assisting the customer to ensure customer satisfaction.
Do you help customers when they contact product suppliers after any service after contracting stage?	Whenever necessary, staff and representatives of the FSP will assist the customer in contacting and dealing with product suppliers.

OTHER TCF POLICY CONSIDERATIONS

1. The key individual will ensure that management, staff and representatives are clear about their TCF responsibilities at all times.
2. The key individual will review the TCF questions on a bi-annual basis to measure TCF delivery.
3. Staff (including administrative staff) will be trained in TCF and this will be recorded in the training register.
4. The FSP will support and comply with product supplier TCF initiatives.
5. Product supplier training will be undertaken by staff when offered by the product suppliers and this will be recorded in the FSP's training register.
6. Feedback to product suppliers on their products and services will be documented by the key individual.

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7. Complaints and claims will be monitored by the key individual to alert the key individual to the possible risk of poor advice by any representative.
8. If it is found that a problem is discovered which could pose a risk to the customer based on bad advice, the key individual will ensure that the representative immediately rectifies the situation in consultation with the key individual and the affected client.
9. Service standards are communicated to customers in the FSP's Service Level Agreement.
10. Customers will be supported at all times at claims stage.
11. Complaints will be analysed bi-annually by the key individual for TCF purposes. Complaints will be viewed as an opportunity to learn and improve.
12. The key individual, in consultation with the compliance officer, will annually review the FSP's policies and processes and adjust where necessary to ensure alignment with the FSP's TCF policy.
13. The key individual will develop open communication lines with the product suppliers to be able to give feedback to product suppliers on the FSP's and their customer's experiences of their product performance, promotional material, and service delivery before, during and after the contracting stage.

TCF POLICY REVIEW

The key individual will review the TCF policy annually to ensure alignment with the FSP's TCF culture, implementation and monitoring.