

**TREATING CUSTOMERS
FAIRLY POLICY**

Cronjé & Co (Pty) Ltd

Registration No. 1992/004773/07

FSP No. 3192

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1) THE SIX TCF OUTCOMES

Cronjé & Co (Pty) Ltd respects the Regulator's mission to maintain a sound financial investment environment in South Africa and acknowledge its mandate to promote the:

- fair treatment of consumers of financial services and products
- financial soundness of financial institutions
- systematic stability of financial industries
- integrity of financial markets and institutions

To this end, Cronjé & Co (Pty) Ltd welcomes the TCF initiative and commits itself to align Cronjé & Co (Pty) Ltd.'s organisational culture and business processes in such a way as to ensure that the six outcomes of TCF are at all times achieved.

The six outcomes of treating clients fairly will be achieved by our organisation through ensuring that:

- our clients are always confident that their fair treatment is central to our corporate culture
- any products and services marketed and sold by us in the retail market are designed to meet the needs of identified client groups and that any related targeting of our clients is done so in accordance with this standard
- our clients are at all times provided with clear information and are kept appropriately informed before, during and after the point of sale
- where our clients receive advice, that the advice is suitable and takes into account the individual client's circumstances
- our clients are provided with products that performs as we have led them to expect and that any associated services are also of the standard that we have led them to expect
- our clients do not face any unreasonable post-sale barriers should they wish to change their products, switch to another FSP, submit a claim or submit a complaint about our services

2) OUTCOME 1

Clients are confident that they are dealing with firms where the fair treatment of clients is central to the firm culture.

POLICY STATEMENT

It is our committed objective to ensure that all our clients or potential clients can be confident that they are dealing with an FSP where the fair treatment of clients is central to the corporate culture.

We use our best efforts to always ensure that we, our staff members, and representatives 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.

Delivery of the TCF outcomes is a core feature of Cronjé & Co (Pty) Ltd.'s stated values.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE POLICY OBJECTIVES

LEADERSHIP

- Senior management of Cronjé & Co (Pty) Ltd contribute to the rendering of financial services to clients (whether directly or indirectly) and understand their respective roles in delivering TCF outcomes to those clients.

DECISION MAKING

- Management and staff are able to debate TCF related matters and refer any TCF questions or concerns.

GOVERNANCE AND CONTROLS

- Oversight and monitoring of TCF delivery has been explicitly assigned to the governance and control structures of the organisation tasked with risk management and the compliance function.
- Procedures have been implemented to ensure formal and regular reporting senior management on the progress in achieving TCF deliverables across all of the organisation's activities and functional departments.
- The management of TCF and market conduct risks are included in the risk management framework of the organisation and are monitored and supervised by the Compliance Officer.
- Procedures have been implemented for identifying and reporting TCF risks or failures to senior management.
- We have mechanisms in place to monitor and respond to changes in the broader environment such as economic and regulatory developments to enable us to proactively identify TCF related risks.

EMPLOYEE PARTICIPATION

- All staff members (including senior management) require delivery of TCF outcomes..
- Recruitment processes have been revised to ensure staff in relevant positions will have the necessary skills to achieve the outcomes of TCF
- All staff members are aware of the requirement to treat clients fairly. This Policy has been circulated to all staff members and staff members are encouraged to make suggestions, on how the treatment of our clients might be further enhanced.

MANAGEMENT INFORMATION (MI)

- Existing MI measures have been reviewed to determine which are useful for TCF monitoring and new measures have been identified where necessary (See Annexure B).
- Processes are in place to collate and summarise TCF related MI in such a way as to present a meaningful picture of organisation wide TCF progress.
- Processes are in place to analyse and act on MI findings to improve TCF outcomes for our clients.
- We analyse and act on MI findings to identify staff training needs and to align performance management measures

COMMUNICATION

- We communicate transparently with our stakeholders (including the Regulator) on our progress in achieving TCF outcomes

3) OUTCOME 2

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

We provide advice and certain intermediary services on products that fall within the categories and sub-categories of the financial products listed in Annexure A.

Our clients can typically be grouped into three broad categories:

- Low sophistication: Relatively inexperienced groups with a high level of dependence
- Moderate sophistication: General client groups falling into the mass market
- High sophistication: Investment groups who have expertise

Our product selection processes include senior management confirmation that a product adequately meets the outcomes of TCF and that any such product will perform as clients are led to expect.

Our product selection processes also include the careful consideration of the elements listed below:

- We obtain information from the product supplier regarding client groups in respect of which the product is regarded as most suitable.
- We provide our staff members and representatives with information and guidance to determine the client group/s in respect of whom the products are best suited.
- In determining whether our administration methods are suitable for the product and target market, we take into account all known and foreseeable risks associated with the product.
- We have measures in place to identify and mitigate risks that a product or service may pose to particular client /client group/s.
- Moreover, should any product be selected that includes bundled or "add-on" products or services, we confirm that there are processes in place to ensure the fair treatment of clients or members with regard to such bundled and "add-on" products or services, including ensuring that these products or services are appropriately targeted to the needs of client /client groups for which they are provided.
- We have measures in place to evaluate the client /client groups, financial understanding of products or services offered or provided to them.

4) OUTCOME 3

Clients are provided with clear information and are kept appropriately informed before, during and after the point of sale.

- We assess the clarity, appropriateness and fairness of product information provided to clients, whether such information is produced by us or by others and all product related information requires sign-off by senior management.
- Before any product information is issued, it is carefully tested to ensure that the content will be clear and understandable by the target audience and client /client group.
- We have implemented appropriate procedures to ensure that any information we provide regarding any other party's products or services is accurate, clear, and fair and is not misleading.

- We have implemented appropriate procedures to ensure that we are able, as far as reasonably possible, to rectify any situation where it becomes apparent that any product information already in circulation (whether produced by Cronjé & Co (Pty) Ltd or not) is inaccurate, unclear, or unfair or is misleading.
- We regularly review standardised product information we use (whether produced by Cronjé & Co (Pty) Ltd or not) to ensure that it remains accurate, clear and appropriate to the applicable client /client groups.
- We monitor and act on feedback, complaints and suggestions received from clients, staff members or any other parties that communicate the need for improvement in product information.
- We have a process in place to ensure relevant and adequate product information is provided to our clients, whether by our own staff members or representatives, at an appropriate time to enable them to make an informed decision as to whether to enter into the relevant contract.

5) OUTCOME 4

Where clients receive advice, the advice is suitable and takes account of their circumstances

- Prior to making any decision to market a particular product, we assess whether or not we have the appropriate skills and business processes in place to render the appropriate financial service and that the particular product will be suitable for client concerned.
- Prior to contracting with any product supplier to market their products, we conduct an appropriate level of due diligence to satisfy ourselves that their products and service levels are likely to meet our clients' reasonable expectations.
- We insist that product suppliers provide our representatives with adequate training on the specific products we market to enable them to render suitable financial services on those products.
- We have controls in place to prevent our representatives from rendering any financial services to any client in respect of products for which adequate product training has not been provided.
- Prior to contracting with any product supplier to market their products, we make appropriate arrangements to ensure that Cronjé & Co (Pty) Ltd and our representatives will have reasonable access to any product information required from the product supplier to enable all parties to render suitable and appropriate financial services to clients and potential clients.
- We have implemented procedures that ensure that all representatives, prior to providing advice to a client:
 - take reasonable steps to seek from the client appropriate and available information regarding the client's financial situation, financial product experience and objectives to enable the provider to provide the client with appropriate advice;
 - conduct an analysis, for purposes of the advice, based on the information obtained;
 - identify the financial product or products that will be appropriate to the client's risk profile and financial needs, subject to the limitations imposed on the provider under the FAIS Act or any contractual arrangement;
 - take reasonable steps to establish whether the financial product identified is wholly or partially a replacement for an existing financial product of the client and if it is such a replacement, follows all the required disclosure procedures; and
 - take reasonable steps to ensure that the client understands the advice and that the client is in a position to make an informed decision.
- In order to ensure that the highest level of financial services is rendered to our clients and potential clients, we identify any risk of inappropriate financial service, and we monitor feedback or complaints received from clients, product suppliers or other third parties regarding the quality of financial service they may have received from our representatives.
- We have controls in place to identify and address any conflicts of interest between ourselves, our clients and product suppliers whose products we market.

- We have a policy in place for fair compensation of clients who have been financially prejudiced as a result of any inappropriate financial service rendered by our representatives.
- We monitor the published decisions of the FAIS Ombud, communications from the Regulator and any other relevant information sources in relation to advice practices, to ensure that our controls and practices in relation to this TCF outcome remain relevant and effective.

6) OUTCOME 5

Clients are provided with products that perform as the firm has led them to expect, and the associated service is of an acceptable standard and as they have been led to expect

- Processes are in place to mitigate the risk that products and services are unable to satisfy the reasonable expectations of clients.
- Processes are in place to alert clients to the risks resultant from their actions (such as early termination of a product, non-payment of contributions, investment portfolio switches, and benefit reductions) in reasonable time for them to respond to or act on the information.
- We monitor and act on feedback, complaints and suggestions received from clients that identify the need for improvements in our services or service standards.
- Processes are in place to protect the confidentiality of all client information.
- We have clear agreements in place regarding the division of responsibilities between the various parties to ensure the fair treatment of clients.
- We conduct an appropriate level of due diligence on any such third party, before dealing with them, to satisfy ourselves that TCF outcomes are adhered to and that the products and / or service levels, as the case may be, are likely to be as clients (and we) have been led to expect.

7) OUTCOME 6

Clients do not face unreasonable post-sale barriers imposed by firms to change product, switch provider, submit a claim or make a complaint

CHANGING PRODUCTS

- We have clear service standards in place for processing product changes (including instances where the request needs to be referred to another party for processing).
- Where a request for a product change is declined by any party in the value chain, we provide the client with clear reasons for the decision.
- When we receive a request to change a product (whether directly or through another party) we inform the client of any potential risks associated with the change, in reasonable time for them to respond to or act on the information.

SWITCHING PROVIDERS

- When we receive a request to switch providers (whether directly or through another party) we inform the client of any potential risks associated with the switch.

CLAIMS AND DISBURSEMENT HANDLING (LONG-TERM AND SHORT-TERM INSURANCE ONLY)

- We test our claims and/or disbursement handling processes to ensure that it is suitable for the product and target client group concerned.
- We inform our clients (not only on request or at claim stage) of the process that must be followed in order to submit a claim or a disbursement request and what information will be required in order to process a claim or a disbursement request.
- We inform our clients of our service standards when processing claims and disbursement requests.
- We inform clients prior to contracting, of the circumstances under which claims, or disbursement requests will not be processed and explain the client's obligations in this regard.
- Once a claim has been received, we keep clients/members informed of our progress.
- Where a claim is repudiated, wholly or partially, or a disbursement request is declined, we provide the client/member clear reasons for the decision, with supporting evidence, where relevant, and the steps available to the client in order to review the decision (if any).
- We consider the client's reasonable benefit expectations and our TCF objectives before making a decision to repudiate / decline a claim or disbursement request.
- We have specific training in place for claims and disbursement processing staff (including on TCF).
- We consider the claims repudiation experience and quality of claims handling of different insurers when recommending an insurer to clients.
- We analyse types of claims and claims repudiation experience of our different representatives to identify any risk of mis-selling.

COMPLAINTS HANDLING

- We inform clients (before complaint stage) of the process that must be followed in order to submit a complaint and of the various options available for further recourse if the client is dissatisfied with the outcome of the complaint.
- Once a complaint has been received, whether we are dealing with the complaint ourselves or where we have referred the complaint to another party, we keep clients informed of its progress (including the contact details of the person responsible for processing the complaint)
- When responding to a complaint, we provide clear reasons for our response (including where the response is favourable to the client), with supporting evidence where relevant.

ANNEXURE A: AUTHORISED FINANCIAL PRODUCT CATEGORIES AND SUBCATEGORIES

Products Approved

Category Description	Advice Non-automated	Intermediary Other
CATEGORY I		
Long-Term Insurance subcategory A	X	X
Short-Term Insurance Personal Lines	X	X
Long-Term Insurance subcategory B1	X	X
Long-term insurance subcategory B2	X	X
Long-term Insurance subcategory B2-A	X	X
Long-term Insurance subcategory B1-A	X	X
Short-term Insurance Personal Lines A1	X	X
Structured Deposits	X	X
Participatory interest in a hedge fund	X	X
Long-Term Insurance subcategory C	X	X
Retail Pension Benefits	X	X
Short-Term Insurance Commercial Lines	X	X
Pension Funds Benefits	X	X
Participatory interests in a collective investment scheme	X	X
Forex investment	X	X
Health Service Benefits	X	X
Long-term Deposits	X	X
Short-term Deposits	X	X
Friendly Society Benefits	X	X
CATEGORY II - Discretionary FSP		
Long-term Insurance subcategory B1		X
Long-Term Insurance: Category B2-A		X
Long-Term Insurance: Category B1-A		X
Structured Deposits		X
Participatory interest in a hedge fund		X
Long-term Insurance subcategory C		X
Retail Pension Benefits		X
Pension Funds Benefits		X
Shares		X
Bonds		X
Participatory interests in one or more collective investment schemes		X
Forex investment		X
Long-term insurance subcategory B2		X

ANNEXURE B: MANAGEMENT INFORMATION

DATA SET: SALES		(Outcomes 2, 3, 4 & 5)
Data Measured	Possible TCF Implications	
Sales volume by product type	Product suitability – excessive sales of one product may indicate mis-selling or unsuitable sales including inadequate suitability analysis	
Sales volume by commission rate / type	Commission rate payable on a particular product may result in product bias, leading to mis-selling or unsuitable sales. As above, this may mean suitability was not properly assessed	
Sales volume against expectations	Poor sales may indicate incorrect targeting or that the product is too complex; excess sales may indicate mis-selling and/or unsuitable sales, including affordability concerns	
Cancellation within cooling off period	High cancellation rates may indicate unsuitable advice and/or a misunderstanding of the product on the part of the client	
Early cancellation rates	Excessive early cancellations may indicate a lack of suitability of advice as the client believes the product is unsuitable or is unable to afford premiums and terminates early	
Percentage of file check fails – total and by representative (based on a sample of files)	By FSP / Representative - evidence of systemic weaknesses and/or breaches of the General Code of Conduct (particularly disclosure) which may result in misleading or insufficient information being given and/or mis-selling. By representative – may indicate training needs	
Number of new products introduced during a given period	Review in conjunction with product training statistics	
Percentage of representatives completing new product training within a given period	Training and competency of representatives is a key component in ensuring that clients are treated fairly. Poor product knowledge may lead to inappropriate recommendations	

DATA SET: COMPLAINTS		(Outcomes 1, 2, 3, 4, 5 & 6)
Data Measured	Possible TCF Implications	
Volume of complaints	May indicate mis-selling or other failings affecting the fair treatment of clients	
Complaints against any particular representative	As above, may reveal a training need	
Complaints against a particular product	May indicate product and/or provider's marketing material is unclear or misleading or unsuitable for the target market. This could lead to mis-selling or other unfair treatment of clients	
Complaints relating to information supplied by representatives	Could indicate either a lack of clarity and completeness of essential features and other information that was supplied by the representative, (or in the actual financial services that were rendered) and/or deficiencies in the product information provided by the product provider to the representative	
Complaints upheld internally – analysed by reference to whether there was negligence, failure to comply with statutory requirements of unfair treatment	May reveal trends depending on the underlying reasons and the need for improvements in the relevant areas. May be a measure of the fairness of the complaints handling procedures	
Volume and percentage of complaints referred to FAIS Ombud	May identify possible areas of misunderstanding by clients as to what constitutes a complaint (assess possible action to reduce this). May indicate unfairness in the complaints handling process	
Percentage of complaints to FAIS Ombud upheld	External measure of complaints handling process	

Percentage of complaints to FAIS Ombud not upheld	May be indicative that Cronjé & Co (Pty) Ltd.'s complaints handling process is fair and resulting in the right outcomes
Percentage of complaints acknowledged within the time frame stipulated in the official Complaints Policy of Cronjé & Co (Pty) Ltd	Performance measurement of timeliness of complaints handling process
Percentage of complaints resolved within the time frame stipulated in the official Complaints Policy of Cronjé & Co (Pty) Ltd	Performance measurement of complaints being handled in a fair and timely manner
Number of recommendations following complaint raised	Action being taken to improve standards. Could be evidence of a TCF culture and embedding
Number of recommendations following complaint that resulted in a change to procedure or policy	Action taken to improve standards/reduce complaints. Could be evidence of a TCF culture and embedding

DATA SET: POINT OF SALE (Outcomes 2, 3 & 4)	
Data Measured	Possible TCF Implications
Rating of quality of financial services rendered and/or information provided following telephone or other monitoring	Measure of the quality of financial services rendered and/or information provided by representative. Shortcomings may result in unsuitable sales or other unfair outcomes

DATA SET: AFTERS SALES SERVICE (Outcomes 1, 2, 3, 4 & 6)	
Data Measured	Possible TCF Implications
Percentage of clients contacted within 12 months of completion and reason for contact	May be a measure of the standard of client care, depending on the reason for the contact
Overall service satisfaction	May indicate whether clients are being fairly treated, depending on the questions asked

DATA SET: CULTURE AND VALUES (Outcomes 1)	
Data Measured	Possible TCF Implications
Percentage of staff who have completed general TCF training – sales and non-sales	May be indicative of TCF awareness and a TCF culture and communication strategy
Number of representatives who received retraining following high volumes of complaints/file fail checks	May be indicative of TCF awareness and a TCF culture – firm is routinely identifying and acting on TCF issues
Documented TCF Policy and strategy	Senior management/business owner commitment and strategy

DATA SET: ADVERTISING AND PRODUCT PROMOTION (Outcomes 2, 3 & 5)	
Data Measured	Possible TCF Implications
Number of compliance breaches picked up by the in-house monitoring process	May indicate that monitoring processes are operating satisfactorily, a poor technical understanding in the marketing areas, a poor understanding of what constitutes using clear, fair and not misleading information – may identify training needs
Number of compliance breaches picked up by the Regulator	Inadequate financial services being rendered to clients. May indicate problems with a poor technical understanding of the product or lack of familiarity with General Code of Conduct requirements

DATA SET: FEEDBACK TO PRODUCT SUPPLIERS		(Outcomes 1 & 5)
Data Measured	Possible TCF Implications	
Number of cases of product feedback / suggestions to providers to assist TCF	Feedback on the quality / suitability of a product and/or clarity of product information may improve consumer outcomes	

DATA SET: STRATEGY		(Outcomes 1)
Data Measured	Possible TCF Implications	
Cronjé & Co (Pty) Ltd has a strategic commitment (documented) to avert major TCF risks / failings through ongoing scrutiny of sales targeting of products	FSP's commitment to prevent major TCF failings – such as endowment mis-selling.	

As authorised key individual I acknowledge and approve the adoption of this TCF policy as at this date until any amendments to this TCF policy are required or if legislative changes require such changes to be enforced.