

Treating Customers Fairly Policy

1. Policy Statement

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

We use our best efforts to ensure that at all times we, our staff members 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.

Our TCF Policy has been developed around the following six key TCF outcomes, as defined by the Financial Sector Conduct Authority ("FSCA"):

- **Outcome 1:** Clients are confident that they are dealing with firms where the fair treatment of clients is central.
- **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.
- **Outcome 3:** Clients are provided with clear information and are kept appropriately informed before, during and after the point of sale.
- **Outcome 4:** Where clients receive advice, the advice is suitable and takes account of their circumstances.
- **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.
- **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.

IFM respects the Authority'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 IFM welcomes the TCF initiative and commits itself to align IFM's organisational culture and business processes in such a way as to ensure that the six outcomes of TCF are at all times achieved.

2. Our Approach to TCF

The TCF principles are a business imperative which have been entrenched in every aspect of our business and our investment product value chain, as fully described below:

LEADERSHIP

- TCF is a standing item on IFM's board meeting agenda where IFM's approach to TCF is analysed and discussed.
- Senior management has adopted TCF deliverables and have been allocated specific responsibilities in terms thereof. Senior management in all areas of IFM that contribute to the rendering of financial services to clients (whether directly or indirectly), understand their respective roles in delivering TCF outcomes to those clients.
- Senior management conducts regular reviews of the main business processes with a view to identifying areas that do, or may, require improved TCF deliverables. Explicit allowance has been made to allow for and consider TCF implications and deliverables during the strategic planning process of any new strategy or change in existing strategy.
- Adherence to the TCF deliverables is monitored as part of our Compliance Monitoring Programme. We ensure on a monthly/ quarterly/ bi-annual basis that accurate, meaningful and timely Management Information has been produced during the period and that senior management acts accordingly. Existing tests within our Compliance Monitoring Programme aid us in demonstrating our level of compliance and adherence to the TCF outcomes. Where there are TCF action points, these will be documented and carried over to a further (minuted) meeting.

DECISION MAKING

- All requests by IFM's board for the approval of product and service innovations or project expenditure include due consideration of the possible impact it may have on TCF outcomes.
- The organisation has established accessible forums or structures through which staff members and management 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 to the governing body and 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 formally included in the risk management framework of the organisation and are regularly monitored and supervised by the Compliance Officer.
- Procedures have been implemented for identifying and reporting (at organisation-wide level) TCF risks or failures to senior management and the governing body.
- There is ongoing evaluation of whether the organisation's governance framework as a whole has been effective in achieving TCF outcomes.
- 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 AND REWARD

- All staff members (including senior management) whose roles require delivery of TCF outcomes have been identified.
- Performance evaluation criteria incorporate TCF objectives and are rigorously applied at all levels.
- Staff members undergo regular training on TCF principles and deliverables.
- 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 to our TCF Champion on how the treatment of our clients might be further enhanced.
- Remuneration is meaningfully linked to the achievement of TCF objectives, at all levels and all reward and recognition processes have been revised in the light of TCF objectives.
- Employment and service agreements have been amended and updated to permit the imposition of meaningful consequences (such as retraining, re-assignment or disciplinary action, as appropriate) for staff members or management who do not achieve agreed TCF deliverables.

COMMUNICATION

- We communicate transparently with our stakeholders (including the Authority) on our progress in achieving TCF outcomes.
- We make information regarding our progress in achieving TCF outcomes publicly available.

APPROPRIATE PRODUCT

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

- When designing a product or selecting a product to distribute or to administer, we identify the particular client groups for which the product can be considered suitable.
- In determining whether our distribution and 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 groups.
- When approving or selecting any product for distribution:
 - we assess the suitability of any promotional or other material that has been designed for the identified client group
 - we assess the suitability of any related and optional (bundled and "add-on") products or services for the identified client group
- 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 groups for which they are provided.
- We have measures in place to evaluate the client groups' financial understanding of products or services offered or provided to them.
- We have processes in place to mitigate risks where it becomes apparent that the product, distribution or the administration method, or any combination of these elements, was not suitable for the identified client group, or that the product has been distributed to inappropriate client target groups.
- We do not provide investment advice.
- Processes are in place to mitigate the risk that products and services are unable to satisfy the reasonable expectations of clients.

CHANGING PRODUCTS

- We inform our clients (in good time, not only on request) of the types of permissible changes they may make to their products if their individual needs or circumstances change and of any important limitations on their ability to access funds or to make amendments to any product.
- 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) and communicate these standards to our clients.
- 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.

CLIENTS

- We assess the clarity, appropriateness and fairness of product information provided to clients, whether such information is produced by ourselves 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 group.
- 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 IFM or not) is inaccurate, unclear, or unfair or is misleading.
- We regularly review standardised product information we use (whether produced by IFM or not) to ensure that it remains accurate, clear and appropriate to the applicable 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, in accordance with Board Notice 92, whether by our own staff members or by other parties, at an appropriate time to enable them to make an informed decision as to whether to enter into the relevant contract.
- We provide all existing clients with written statements, at least once a year, or clients may access their investment information electronically using our online portal. Statement information is reported in accordance with Board Notice 92.
- We ensure that clients are informed of any recent or pending changes to our products, contractual events or any actions required from them, and that such information is provided in sufficient time to enable any client to reasonably respond to or act on that information.
- To the extent applicable, we control the accuracy and quality of any once-off or non-standard product information provided by staff members to clients or potential clients.
- We ensure that clients have current and accessible contact points if they need product or service information or need to get in contact with our functional departments for any reason.
- We have clear service standards in place for client service processes and communicate these to our clients.
- Where it becomes apparent that products are not performing or are unlikely to perform as clients have been led to expect, we have implemented processes to mitigate the risks to our clients.
- 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.

- Processes are in place to mitigate the risks to our clients where it becomes apparent that a third party's products are not in fact performing as clients (and we) have been led to expect by that third party or where it becomes apparent that service from the third party is not of an acceptable or agreed upon standard.
- We have full and unrestricted access to information held by the third party in relation to our clients' Management Information.

COMPLAINTS HANDLING

- We test our complaints process to ensure it is accessible and appropriate to our client group/s.
- We have a robust complaints management, record keeping and root cause analysis process.
- 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.
- Where a request for redress is declined, wholly or partially, we inform the client of the steps that may be followed in order to have the decision reviewed.
- We have specific staff training in place for complaints handling.
- Complaints processes are structured in such a way as to ensure that it is consistent, there are no conflicts of interest and that all decisions are based on objective facts and criteria.
- Follow-up processes are in place to determine the client satisfaction levels of complaints that have been finalised.
- We have a policy in place for fair compensation of clients who have been financially prejudiced by unfair treatment, which is not limited only to those clients who complain.
- We consider the nature of complaints received and the complaints handling performance history of different product suppliers when deciding on whether or not to enter into a business relationship with a particular product supplier, or when recommending a particular product supplier or financial product to our clients.