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TREATING CUSTOMERS (CLIENTS) FAIRLY AND DUTY OF CARE POLICY

This policy is owned by **BARKO FINANCIAL SERVICES (PTY) LTD (FSP No: 45614)** a duly authorised Financial Services Provider.

The processes contained herein forms part of the FSP's internal control structures and procedures.

As the Key Individual of the aforementioned FSP, I, **GERHARDT MATTHEE**, hereby confirm the adoption of the processes set out in this document.



Key Individual Signature

1 October 2017

Date

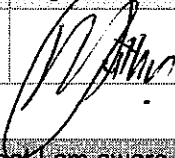
GUIDANCE NOTES:

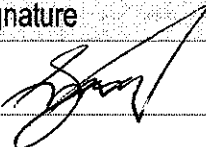
- This policy is aimed at achieving the objectives and requirements set out in section 2 of the General Code of Conduct:
 - that a FSP must at all times render financial services honestly, fairly, with due skill, care and diligence;
 - always act in the interest of clients and the integrity of the financial services industry; and
- To demonstrate the achievement of the six outcomes that forms the TCF initiative.
- All Staff must sign the attached Annexure A (Duty of care document) to this Policy.


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MANAGEMENT CONFIRMATION SHEET:

I confirm that I have read and understand the contents of this document and that I am aware of my duties in respect		
Name	Date	Signature
MARTIE RUTHVEN	1 OCTOBER 2017	

I confirm that I have read and understand the contents of this document and that I am aware of my duties in respect		
Name	Date	Signature
GERHARDT MATTHEE	1 OCTOBER 2017	

I confirm that I have read and understand the contents of this document and that I am aware of my duties in respect		
Name	Date	Signature
AATIFA MOTI	1 OCTOBER 2017	

THE INTERNAL TCF OFFICER:

The FSP has appointed the following internal TCF Officer as part of its commitment to treat its customers/clients fairly:

As Key Individual, I, GERHARDT MATTHEE hereby appoint MARTIE RUTHVEN as the FSP's Internal TCF Officer.

The Internal TCF Officer's responsibilities are as follows –

- To ensure that a culture is created (adopted) within the FSP where the fair treatment of clients and customers are foremost, through the embedding of the TCF Principles;
- To assist the FSP to implement and adopt business processes aimed at ensuring that the FSP is at all times achieving the outcomes of TCF;
- To constantly communicate the delivery and achievements of the TCF Outcomes (via internal communication channels) to Management and all staff members.
- To depict the TCF principles in his/her own work ethic and have a thorough knowledge of the FSP operations and processes to be able to advice Management and all staff members regarding the integration of the TCF principles in the FSP's operations and processes.
- To provide TCF Training on an annual basis and to ensure that Management and all staff members are fully aware of the content of this internal policy and all other requirements regarding TCF and the Duty of Care in general.
- To constantly evaluate the outcomes of client complaints, claims and product and client retention against the FSP's internal processes and procedures and to adjust those policies and procedures, if needed, to enhance and improve service delivery.

THE SIX TCF OUTCOMES:

The FSP welcomes the TCF initiative and commits itself to align the FSP'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/customers fairly will be achieved by the FSP through ensuring that:

- 1) **our clients are at all times confident that their fair treatment is central to our corporate culture.**
- 2) **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 are done so in accordance with this standard.**
- 3) **our clients are at all times provided with clear information and are kept appropriately informed before, during and after the point of sale.**
- 4) **where our clients receive advice, that the advice is suitable and takes into account the individual client's circumstances.**
- 5) **our clients are provided with products that performs as we have led them to expect and that any associated services is also of the standard that we have led them to expect.**
- 6) **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.**

OUTCOME 1:

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

OBJECTIVE:

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 ensure that at all times 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 the FSP's stated values, code of conduct and duty of care policy (Note Annexure A).**

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE OBJECTIVE:

- TCF is a standing item on the FSP's monthly management and staff meeting's agenda where the FSP's approach to TCF is analysed and discussed.
- Management (KI's) has adopted TCF deliverables and have been allocated specific responsibilities in terms thereof.
- 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 also monitored as part of our Compliance Programme. We ensure on a quarterly basis that accurate, meaningful and timely Management Information has been produced during the period and that management acts accordingly.
- All requests 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 FSP has established accessible structures through which staff members and management are able to debate TCF related matters and refer any TCF questions or concerns.
- Oversight and monitoring of TCF delivery has been assigned to the governance and control structures of the FSP tasked with risk management and the compliance function. Procedures have been implemented for formal and regular reporting to Management regarding –
 - TCF risks or failures;
 - The progress made in achieving TCF deliverables across all of the FSP's activities and divisions.
- The management of TCF and market conduct risks are formally included in the risk management framework of the FSP and are regularly monitored and supervised by the Compliance Officer.
- 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

- Performance evaluation criteria incorporate TCF objectives and are rigorously applied at all levels.
- Staff members undergo 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/customers fairly. This Policy has been circulated to all staff members and staff members are encouraged to make suggestions to our Internal TCF Officer on how the treatment of our clients might be further enhanced.
- 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.

MANAGEMENT INFORMATION (MI) & INTERNAL COMMUNICATION:

- Existing MI measures have been reviewed to determine which are useful for TCF monitoring and new measures have been identified where necessary (See Annexure C).
- Processes are in place to collate and summarise TCF related MI in such a way as to present a meaningful picture of TCF progress.
- Processes are in place to analyse and act on MI findings to improve TCF outcomes for our clients.
- We use MI findings to identify staff training needs and to align performance management measures.
- We communicate transparently with our stakeholders (including the Regulator) on our progress in achieving TCF outcomes.
- We make information regarding our progress in achieving TCF outcomes available.

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.

OBJECTIVE:

We develop (where applicable) / select and provide advice and certain intermediary services on products that fall within the categories and sub-categories of the financial products listed in Annexure B. Our product approval and product selection processes includes the objective that a product adequately meet the needs of identified client groups and therefore the individual needs of every client as well as the outcomes of TCF and that any such product will perform as clients are led to expect.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE OBJECTIVE:

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; and
- High sophistication: Commercial Line - Business groups who have expertise.

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

- When designing a product (where applicable) or selecting a product to distribute or to administer, we identify the particular client groups for which the product can be considered suitable.
- We obtain information from the product supplier regarding client groups in respect of which the product/s have been developed and are 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 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; and
 - 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 track sales to determine whether products are in fact sold to the identified client groups.
- We have processes in place to mitigate risks where it becomes apparent that the product or the 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.

OUTCOME 3:

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

OBJECTIVE:

It is our objective that we have adequate processes in place to ensure that relevant, adequate and clear product and other financial information is provided to our clients (before and during the point of sale), whether by our own staff members / representatives 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. Our annual renewal process ensure that all our clients are kept informed (especially with regard to product and other changes) after the point of sale.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE OBJECTIVE:

- 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 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 risk mitigation procedures that are designed to address any inaccurate, unfair or misleading information about our products or services that may be provided to clients by third parties.
- 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 the FSP or not) is inaccurate, unclear, or unfair or is misleading.
- We regularly review standardised product information we use (whether produced by the FSP 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 provide all existing clients with written statements (reference to renewal process in terms of short term insurance) at least once a year that identify any financial products that have been acquired by that client and where such products are still in existence. Such statements provide brief current details (where applicable), of:
 - any ongoing monetary obligations of the client in respect of such products;
 - the main benefits provided by the products;
 - any ongoing incentives, consideration, commission or fees payable to ourselves in respect of such products.

- A documented Record of Advice as provided for in section 9 of the General Code of Conduct (Board Notice 80 of 2003 as amended) is maintained for each and every transaction entered into with any client and a copy of the applicable record of advice is emailed to each client upon completion of the transaction.
- 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 or representatives to clients or potential clients.
- We maintain up-to-date contact details of all our existing 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 accurate, retrievable, secure records of all product information we have provided to clients and any other material interactions with clients.

OUTCOME 4:

Where clients receive advice, the advice is suitable and takes into account the individual client's circumstances.

OBJECTIVE:

It is our objective that we have adequate processes and procedures in place to ensure that the advice process as indicated in our documented advice process and duty of care (Ethics) document (Annexure A) is followed not only by Management but all staff members as well. (All staff members are required to sign the document and a copy is provided for recordkeeping) The process established, ensures that clients are provided with suitable advice that takes into account the client's individual needs and circumstances.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE OBJECTIVE:

- Prior to making any decision to market a particular product, we assess whether or not we are authorised (reference to FAIS license) to market such product, have the appropriate skills and business processes in place to render the appropriate financial service and that the particular product will be suitable for the target market and 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 they are authorised (reference to FAIS and other licenses) to present the relevant product/s and 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 the FSP 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 (reference to Annexure A):
 - 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 are 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 implemented procedures to identify instances where our representatives have provided inappropriate advice or misleading information to clients and have implemented further procedures that seek to mitigate the risk to clients should such events occur.
- We monitor potential TCF indicators such as insurance claims experience, product retention / termination data, investment portfolio switching (where applicable), type and frequency of product changes in relation to the clients associated with our representatives, in order to identify and mitigate risks of any inappropriate financial services or poor client outcomes attributable to the representatives concerned.
- We provide product suppliers and other third parties in the client value chain with feedback in relation to any aspects of their products or services which inhibit our ability to provide suitable advice or the delivery of other TCF outcomes to clients.
- We have controls in place to identify and address any conflicts of interest between ourselves, our clients and product suppliers whose products we market.
- Clear TCF measures are included in the criteria that our representatives are required to satisfy.

- There are clear agreements between ourselves and any product suppliers whose products we market that set out our respective responsibilities in relation to providing clients with appropriate financial services, information and service support. These agreements are structured to ensure that clients understand who they should look to in relation to different aspects of the financial products or service provided to them.
- We have controls in place to identify and act on instances where our representatives have provided advice which they are not authorised to provide, either in terms of their specific contract or mandate with us and/or with any product supplier, or as a result of non-compliance with our FAIS licence conditions or other legal requirements.
- 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.

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.

OBJECTIVE:

It is our objective that we have adequate processes and procedures in place to ensure that the risk, that products and services are unable to satisfy the reasonable expectations of clients, is mitigated

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE OBJECTIVE:

- We analyse the product retention / portfolio switching (where applicable) / early termination/cancellation (where applicable) behaviour (as well as complaints) of our clients to identify the possible risk that products or services are not meeting expectations.
- 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.
- Processes are in place to alert clients to the risks of non-action on their part, such as a failure to review insurance cover needs, investment goals, risk profiles and beneficiary nominations.
- We have clear service standards in place for client service processes and communicate these to our clients.
- We research and test our service standards to determine whether they are in line with client expectations.
- We monitor and act on feedback, complaints and suggestions received from clients, intermediaries and staff members that identify the need for improvements in our services or service standards.
- 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.
- We have adopted "Management Information" on client expectations (See Annexure B).
- Processes are in place to protect the confidentiality of all client information.

The procedures listed below are for third parties such as product suppliers, Category II, IIA or III FSPs, binder holders, reinsurers, administrators and other outsourced service providers that are part of the overall value chain in providing products or services to our clients. These procedures do not apply to the relationship between product suppliers and Category I FSPs.

- 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.
- We regularly monitor the third party's client treatment standards, including how the third party meets client expectations.
- 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.

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

OBJECTIVE:

It is our objective that we have adequate processes and procedures in place to ensure that our clients do not face unreasonable post sale barriers when requesting to change a product, switch to another provider, submit a claim or make a complaint.

PROCEDURES IMPLEMENTED IN ORDER TO ACHIEVE OBJECTIVE:

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.
- When we become aware of any changes to a client's needs or circumstances (including affordability difficulties), we inform such client of possible product changes that are available to them in order to meet their changed requirements.
- 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.

- 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:

- We have clear service standards in place for processing switches to other providers and communicate these to our clients.
- 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 (BINDER HOLDERS: 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 via a documented claims process.
- 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 (where applicable).
- 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 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 clear service standards in place for processing complaints and we communicate such standards to our clients.
- We have specific staff training in place for complaints handling
- Complaints processes are structured in such a way as to ensure that 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.
- Processes are in place to ensure consistency in complaints handling.
- We analyse complaints to identify any risks of mis-selling (whether by our own representatives or not).
- 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
- We consider the nature of complaints received and the complaints handling performance history of different product suppliers when recommending a particular product supplier or financial product to our clients.

Commitment to a fair ADVICE PROCESS and DUTY OF CARE (TCF Objectives)

Advice Process to be followed by all Key Individuals and Representatives (Adviser):

1. The advice process consist of the following:
 - a. Introduction / Disclosure letter
 - b. Needs analysis
 - c. Advice record / disclosures concerning product
2. Replacement process / disclosures

To elaborate under each heading:

a. Introduction

At the first meeting with a client you are required to provide him with specific detail (disclosures) about you and the practice. (Use the disclosure letter provided). Since the onus is on you to prove that this letter was provided to the client, it is recommended that you give a copy to the client and have the client sign another copy that can be kept on your file.

b. Needs analysis

The law requires that the adviser acquire the following information from the client to allow him or her to provide the client with advice appropriate to his circumstances and in the client's interest:

- Financial situation
- Risk profile
- Needs and objectives
- Financial product experience

It is recommended that the adviser obtain this information in a structured manner to allow him to prove later on that he did do a need analysis. (Reference to needs analysis and advice record document).

After the required information was obtained, this information must be analysed, the correct financial product/s must be identified and the client must be served with APPROPRIATE/SUITABLE advice based on the client's information.

When is a needs analysis not required?

A needs analysis is not required when -

- If a client does not provide enough information to allow the adviser to do an analysis;
- Due to circumstances out of his control, the adviser is not able to do an analysis.

c. *Advice record*

After the needs analysis, the client must receive a written advice record containing the following:

- A summary of the information that the advice is based on;
- The financial products considered;
- The financial product recommended and the reason why that product is likely to satisfy the client's identified needs and objectives.
- (Reference to needs analysis and advice record document).

When is an advice record not required?

An advice record is **always** required. HOWEVER, in the event that there is no need analysis in place due to the reasons mentioned above, special warnings must be put in place. There is an advice record (section 8(4) advice record) in place that makes provision for these warnings.

Is a shorter advice record possible?

If the client suggests a change to his contract, and the adviser is called upon to advise the client concerning the change and-

- The adviser established enough information concerning the client in a previous needs analysis; and
- The adviser already submitted a complete advice record to the client,

The adviser can make use of the "mini" advice record.

d. *Disclosures required*

Certain details must be disclosed concerning the product provider and about the product. Most short-term insurers include the required disclosures in their quotes or as part of the policy schedule.

Recommendation: Submit the quotation with the information concerning the product (bearing in mind that fees and charges, commission, type of product, benefits, exclusions, special terms and conditions, should all be disclosed to the client **before** he signs the application form) to the client, and have him sign a copy for the adviser's file. Request the product provider to provide you with written assurance that his promotional material / brochure / quote, complies with section 7 of the General Code.

e. *Replacement disclosures*

When the transaction to be concluded by the client includes the replacement or partial (decrease of premium / decrease of benefits) replacement of one product with another financial product, the advice record to the client must be accompanied by the required replacement disclosures. (Reference to needs analysis and advice record document).

Duty of Care (TCF Objectives):

1. All Key Individuals and Representatives shall at all times place the interests of the client first, before their own or those of their employer.
2. All Key Individuals and Representatives shall treat the client fairly and provide professional services with integrity and objectivity.
3. All Key Individuals and Representatives shall ensure that their personal bias or interests do not adversely affect their services to clients.
4. All Key Individuals and Representatives shall provide professional services promptly and thoroughly.
5. All Key Individuals and Representatives shall disclose all relevant facts, where disclosure is necessary, to avoid misleading clients or any other parties.
6. All Key Individuals and Representatives shall not engage in conduct involving dishonesty, fraud, deceit or misrepresentation, or knowingly make a false or misleading statement to clients or any other parties.
7. All Key Individuals and Representatives shall exercise reasonable and prudent professional judgment in providing professional services.
8. Whenever All Key Individuals and Representatives are dealing with a client or potential client, it is obligatory that they fully divulge those products and services in respect of which they are bound to a particular supplier, and, where relevant, disclose any limitations or constraints placed on them, and the consequences thereof, in respect of services or products that may be provided to such clients.
9. All Key Individuals and Representatives shall properly supervise subordinates with regard to their delivery of financial services and shall not accept or condone any conduct that is in violation of the TCF Objectives.
10. All Key Individuals and Representative and the client shall mutually agree on the services to be provided by them.
11. All Key Individuals and Representative shall take all reasonable steps to ensure that the client understands the proposed recommendation(s), so that informed decisions may be made by the client.

Declaration:

As Key Individuals and Representatives of **BARKO FINANCIAL SERVICES (PTY) LTD**, we are committed to service excellence, a fair Advice Process, the Duty of Care and the following "Treat Your Customers Fairly" outcomes:

1) Outcome 1:

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

2) 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.

3) Outcome 3:

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

4) Outcome 4:

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

5) 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

6) 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.

Thus done and signed at _____ on _____ 2017.

WITNESSES:

1. _____

2. _____

Employee

PLEASE PROVIDE A COPY OF THIS DOCUMENT TO ALL KEY INDIVIDUALS AND REPRESENTATIVES!

ANNEXURE "B"

AUTHORIZED FINANCIAL PRODUCT CATEGORIES AND SUBCATEGORIES:**Category I Advisory FSP**

	Advice	Intermediary Services
1.1 Long-term Insurance: Subcategory A	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.2 Short-term Insurance: Personal Lines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.3 Long-term Insurance: Subcategory B1	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.6 Short-term Insurance: Commercial Lines	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>
1.20 Long-term Insurance: Subcategory B2	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>

MANAGEMENT TOOLS AND INFORMATION:

The data sets listed below are examples of Management Information (MI) that must be used to measure and improve TCF performance. All six outcomes are relevant across all areas of business activity.

Where the organisation fails to meet the TCF outcomes, the Internal TCF Officer must evidence the actions that were taken in order to investigate and rectify the failure.

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
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
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/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
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
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

COMPLAINTS (Outcomes 1, 2, 3, 4, 5 & 6)
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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 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 relating to information supplied by representatives	
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 the FSP'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 the FSP	Performance measurement of timeliness of complaints handling process
Percentage of complaints resolved within the time frame stipulated in the official Complaints Policy of the FSP	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

POINT OF SALE (Outcomes 2, 3 & 4)

Data Measured

Score rating of quality of financial services rendered and/or information provided following mystery shopping, telephone or other monitoring

Possible TCF Implications

Measure of the quality of financial services rendered and/or information provided by representative. Shortcomings may result in unsuitable sales or other unfair outcomes

AFTER SALES SERVICE (Outcomes 1, 2, 3, 4 & 6)

Data Measured

Percentage of clients contacted within 12 months of completion and reason for contact

Clients contacted to notify unsuitability of product following TCF review

Possible TCF Implications

May be a measure of the standard of client care, depending on the reason for the contact

Indicative of the existence of serious compliance breaches at the point of sale and possibly in other areas resulting, in mis-selling. May be indicative of wider systemic shortcomings

CULTURE AND VALUES (Outcomes 1)

Data Measured

Percentage of staff who have completed general TCF training – sales and non-sales

Percentage of staff who have completed additional TCF training specific to their area
Number of representatives who received retraining following high volumes of complaints/file fail checks

Number of TCF goals in place by business area (financial services, complaints, advertising, after-sales service)

Percentage of TCF goals achieved by business area for this period

Number of sales/non-sales staff rewarded for meeting TCF targets

Possible TCF Implications

May be indicative of TCF awareness and a TCF culture and communication strategy

As above – likely to further enhance TCF awareness and the development of an embedded TCF culture

May be indicative of TCF awareness and a TCF culture – firm is routinely identifying and acting on TCF issues

May be indicative of TCF awareness and an embedded TCF culture

May be indicative of TCF awareness and an embedded TCF culture

May be indicative of TCF awareness and an embedded TCF culture

Number of staff rewarded for suggestions to improve service (whether following complaints or otherwise) – all and/or by business area	May be indicative of TCF awareness and an embedded TCF culture
Documented TCF Policy and strategy	Management/business owner commitment and strategy
TCF MI reports, regular minutes of meeting, reporting structures and review processes.	Embedding of TCF culture and use of TCF MI is being identified, reviewed and acted on
Staff opinions on how TCF is working and on how it could be improved	Captures staff perception of how fairly a firm treats its clients. Further evidence of embedding of TCF culture

ADVERTISING AND PRODUCT PROMOTION (Outcomes 2, 3 & 5)

Data Measured	Possible TCF Implications
Volume of complaints by promotion type (advertisement)	Could indicate that promotion is unclear or inaccurate, depending on the nature of the complaint May indicate that monitoring processes are operating satisfactorily, a
Number of compliance breaches picked up by the in-house monitoring process	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

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

STRATEGY (Outcomes 1)

Data Measured	Possible TCF Implications
The FSP 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.

ANNEXURE "D"**DOCUMENT REVIEW ROSTER:**

The Treating Customers (Clients) Fairly and Duty of Care Policy is a working document that must be reviewed periodically. It is advisable to review the policy on an annual basis. Any amendments must be indicated on the document review roster and relevant staff members must be informed of any updates.

Review Date	IMPLEMENTATION DATE: 2017
General Comments / Updates	NA
Next Review Date	01/10/2018
Responsible Person Signature	GERHARDT MATTHEE

Review Date	
General Comments / Updates	
Next Review Date	
Responsible Person Signature	

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