

TREATING CUSTOMERS FAIRLY

(“TCF”) POLICY

Version 2

(21092022)



M E E T I N G Y O U R F I N A N C I A L N E E D S

Unit 1, Village Corner, 57 via Latina Crescent, Irene Corporate Corner, Irene, South Africa PO Box 61803, Pierre Van Ryneveld, Centurion, Gauteng, 0045
Company Reg: 1999/008361/07 **Director:** Mark Weetman **External Compliance:** Mrs Shashika Adsetts, Moonstone Compliance, CO 6220

 **+27 (0)11 384 2900**  **info@unum.co.za**  **@unumcapital**  **www.unum.co.za**

1. INTRODUCTION

Unum Capital (Pty) Ltd ("**Unum**") an authorised Financial Services Provider ("**FSP**"), registration number **1999/008361/07**, with license number FSP 564, is fully committed to ensuring that its clients are always treated fairly.

The Executive of Unum formally adopt the Treating Customers Fairly ("**TCF**") principle-based outcomes as a guiding principle as published by the Financial Sector Conduct Authority ("**FSCA**") in the TCF Roadmap.

According to the FSCA, TCF is an outcomes based regulatory and supervisory approach designed to ensure that regulated financial institutions deliver specific, clearly set out fairness outcomes for financial clients.

Delivery of the TCF outcomes is a core feature of the FSPs stated values, code of conduct and ethics policy. It is our committed objective to ensure that all our clients or potential clients can be confident that they are dealing with a regulated FSP, where the fair treatment of clients is central to the corporate culture.

Unum will use its best efforts to always ensure that our staff members and representatives render financial services honestly, fairly, and with due skill, care and diligence in the interests of clients and the integrity of the financial services industry.

2. OBJECTIVES

Below is a list of TCF objectives that are implemented within Unum;

- 2.1.** To ensure that a culture is cultivated within Unum, in which high quality service delivery, fair treatment of clients and transparency always remains the centre of our focus as an FSP.
- 2.2.** To ensure that quality management systems, measures, processes, procedures and controls are formulated, implemented, reviewed and monitored to ensure as far as possible that clients experience professional servicing standards and fair treatment on all levels of interaction.
- 2.3.** To provide training and to equip each staff member on the principles contained herein, also to be and remain active participants in cultivating the TCF culture.

3. THE SIX OUTCOMES OF TREATING CUSTOMER FAIRLY

Unum is expected to demonstrate that it delivers the following six TCF Outcomes to its clients throughout the product life cycle, from product design, promotion, advice, servicing, complaints and claims handling.

3.1. OUTCOME 1

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

LEADERSHIP

- 3.1.1. The TCF objectives have been adopted by Unum's executive and management have taken responsibility for them. Management conducts regular reviews of the main business processes with a view to identify areas requiring improved TCF outcomes;
- 3.1.2. TCF objectives have been communicated to all staff across the business;
- 3.1.3. A process for assessing staff and management understanding of TCF is in place and the organisation's TCF commitments will be implemented;
- 3.1.4. Staff and authorised representatives who contribute to the provision of financial services to retail clients understand their role in delivering TCF outcomes to Unum's Clients;
- 3.1.5. Delivery of the TCF outcomes is incorporated as a feature of Unum's vision, mission and values proposition;
- 3.1.6. Adherence to TCF outcomes is also monitored as part of Unum's Compliance Function. Where there are TCF action points, these will be documented assigned to the relevant staff and resolved thereafter.

STRATEGY

- 3.1.7. Unum's strategic planning process shall provide for the explicit consideration of TCF implications of any new strategy or change in strategy and the FSP's strategic plan shall include the TCF deliverables.
- 3.1.8. Unum's strategic plan includes the TCF deliverables.

DECISION-MAKING

- 3.1.9.** All requests by Unum's executive for the approval of product and service innovations or project expenditure include due consideration of the possible impact it may have on TCF outcomes.
- 3.1.10.** The monthly management meeting is used as the internal TCF platform (forum) for the purpose of providing all role players within the FSP an opportunity to raise any questions or concerns in respect of TCF related matters.

GOVERNANCE & CONTROLS

- 3.1.11.** Oversight and monitoring of the TCF delivery has been assigned to Unum's compliance function which will be responsible for risk management and will be overseen by the external compliance services provider as well as the governance and control structures within Unum;
- 3.1.12.** Unum has formulated and implemented a regularly review and monitors processes to ensure formal and regular reporting of the progress of the implementation of TCF deliverables and for identifying and reporting TCF risks or failures;
- 3.1.13.** The management of TCF and market conduct risks are formally included in the Unum risk management framework and are regularly monitored and supervised by the Compliance Officer;
- 3.1.14.** Procedures have been implemented for identifying and reporting TCF risks or failures to management and the executive.
- 3.1.15.** The governance framework shall be evaluated continually to ensure that it is effective in achieving the TCF outcomes.
- 3.1.16.** Unum has mechanisms in place to monitor and respond to changes in the broader environment such as economic and regulatory developments to enable Unum to proactively identify the TCF related risks.

PERFORMANCE MANAGEMENT

- 3.1.17.** All staff members are responsible for the delivery of the TCF outcomes within Unum.
- 3.1.18.** Performance evaluation criteria, where appropriate, has been formulated and implemented to incorporate TCF objectives at all levels;
- 3.1.19.** All staff members of Unum undergo continuous training on TCF principles, standards and deliverables;
- 3.1.20.** Recruitment processes have been formulated and implemented to ensure staff in relevant positions will have the necessary skills to deliver the FSP's TCF objectives.

REWARD

- 3.1.21.** Unum will annually formulate and review remuneration and incentive schemes that are meaningfully linked to the achievement of TCF objectives;
- 3.1.22.** Reward and recognition processes, where appropriate, have been formulated and implemented to compliment TCF objectives;
- 3.1.23.** Unum has imposed meaningful consequences (such as retraining, re-assignment or disciplinary action, as appropriate) for staff or management who do not achieve agreed TCF deliverables

MEASUREMENT AND MANAGEMENT INFORMATION

- 3.1.24.** The Kotive compliance platform is used to record Management Information (MI) measures that have been designed and implemented for TCF monitoring;
- 3.1.25.** Unum shall determine processes to obtain MI on client expectations and how these expectations are being met by the FSP.
- 3.1.26.** Processes are in place to collate and summarise Unum's TCF related MI in a meaningful way that provides a complete overview of the progress and extent to which Unum is delivering TCF outcomes to its clients.
- 3.1.27.** Processes have been formulated and implemented to enable Unum to analyse and act on MI findings to improve TCF outcomes for clients.
- 3.1.28.** MI findings have been analysed to identify staff training needs as well as for performance management purposes.
- 3.1.29.** Over and above "business as usual" MI, Unum has mechanisms in place to monitor and respond to changes in the broader environment, to enable it to pro-actively identify TCF related risks.

COMMUNICATION

- 3.1.30.** Unum communicates transparently with its stakeholders on its progress in achieving TCF outcomes.
- 3.1.31.** Unum make information regarding our progress in achieving TCF outcomes publicly available.

3.2. 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.

PRODUCTS AND SERVICES

- 3.2.1.** Unum offers a list of Financial Products as highlighted in the Unum Disclosure Document.
- 3.2.2.** When selecting a product to distribute or administer, our process includes (1) the identification of particular client group(s), the product will be suitable for and (2) we obtain relevant information from the product supplier in respect of the suitability of the product to identified customer groups;
- 3.2.3.** We conduct assessments on the product information to determine whether such material is suitable for the identified client group;
- 3.2.4.** Our staff and representatives are provided with such appropriate information regarding which client groups the product suits;
- 3.2.5.** Unum ensures that its distribution and/or administration methods are suitable for the product and target market;
- 3.2.6.** Our product approval or product selection process includes executive management confirmation that a product adequately meets the TCF outcomes, including the requirement that it will perform as clients are led to expect;
- 3.2.7.** The Unum executive formulate, implement and regularly review the product selection and approval process (including on add-on products) which includes an assessment and sign-off of the suitability of promotional or other material for the identified client group. i.e. ensuring that any information provided by us regarding another party's products or services, is clear, fair and not misleading and shall be reviewed regularly. This process also ensures fair treatment of clients with regard to customer incentives, such as loyalty programmes, bonuses or discounts, including mitigating any conflicts of interest risks;
- 3.2.8.** Unum executive have formulated, implemented, regularly review and monitor processes:
 - 3.2.8.1.** for evaluating the financial understanding of products and services by clients;
 - 3.2.8.2.** to mitigate risks where it becomes apparent that the product or distribution and/or administration method was not suitable for the identified client group, or has been distributed to inappropriate client target groups mitigate risks that a product or service may pose to particular client groups;
 - 3.2.8.3.** to monitor and analyse routine complaints and communicate them to the relevant product suppliers;
 - 3.2.8.4.** to rectify a situation where it becomes apparent that any product information already in circulation (whether produced by our FSP, or not) is inaccurate, unclear, unfair or misleading;
 - 3.2.8.5.** to review the range of products/product suppliers we distribute or administer which includes our TCF objectives;

3.3. OUTCOME 3

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

CLEAR AND APPROPRIATE INFORMATION

- 3.3.1.** Unum assesses the clarity, appropriateness and fairness of product information provided to clients whether produced by itself, or others in order to ensure that any information provided regarding another party's products or services is accurate, clear, fair and not misleading;
- 3.3.2.** We have formulated, implemented, regular reviews and monitor an approval process for all product related information for which compulsory sign-off by senior management is required;
- 3.3.3.** In the event where Unum has produced its own product information, it tests the clarity of the information with the target audience before issuing it;
- 3.3.4.** Where Unum has designed any products which may be distributed through other FSPs, Unum has a risk mitigation processes to monitor whether any inaccurate, unfair or misleading information about our products or services are provided by third parties;
- 3.3.5.** Unum rectifies the situation where it becomes apparent that any product information already in circulation (whether produced by us or not) is inaccurate, unclear, unfair or misleading;
- 3.3.6.** Unum regularly reviews standardised product information it uses (whether produced by us or not) to ensure that it remains accurate, clear and appropriate to the applicable client groups;
- 3.3.7.** Unum monitors and act on feedback, complaints and suggestions received from clients, staff or any others that identify the need for improvement in product information;
- 3.3.8.** Unum ensures that relevant and adequate product information is provided to clients (whether by our own staff/representatives or by others) at an appropriate time to enable them to make an informed decision as to whether to enter into the relevant contract;
- 3.3.9.** Unum provides existing clients with key information on their products on a regular ongoing basis after contracting, through appropriate channels;
- 3.3.10.** Unum ensures that clients are informed of any recent or pending changes to the products, contractual events or any actions required from them, in sufficient time to enable them to reasonably respond to or act on the information;
- 3.3.11.** Unum controls the accuracy and quality of any once-off or non-standard product information provided by staff or representatives;
- 3.3.12.** Unum maintains up-to-date contact details of existing clients;

- 3.3.13.** Unum ensures that clients have current and accessible contact points if they need product or service information or need to get in touch with the FSP for any reason;
- 3.3.14.** Accurate, retrievable, secure records are maintained of all product information which has been provided to clients and any other material interactions with clients;

3.4. OUTCOME 4

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

ADVICE

- 3.4.1.** Prior to any decision to market a product, Unum assesses whether or not it has the appropriate skills and business processes in place to provide advice and service that will be suitable for the target market and product concerned;
- 3.4.2.** Prior to contracting with any product supplier to market their products, Unum conducts an appropriate level of due diligence to satisfy itself that such products and service levels are likely to meet the FSP's clients reasonable expectations;
- 3.4.3.** Unum insists that all the product suppliers it has business with provide the authorised representatives with adequate training on the specific products marketed to enable them to provide suitable advice on those products;
- 3.4.4.** Unum designs and implements controls to prevent its authorised representatives to providing advice on products where they do not have adequate product training;
- 3.4.5.** Prior to contracting with any product supplier, Unum makes satisfactory arrangements to ensure that the authorised representatives and Unum will have reasonable access to any product information required from the product supplier in order to provide suitable advice;
- 3.4.6.** Unum monitors and acts on feedback or complaints received from clients, product suppliers or other third parties regarding the quality of advice they have received from authorised representatives, to identify any training needs and/or risk of inappropriate advice;
- 3.4.7.** Processes to identify instances and mitigate the risk to clients have been formulated and implemented to resolve where our representatives have provided inappropriate advice or misleading information to clients;
- 3.4.8.** Over and above complaints, Unum monitors potential TCF indicators such as insurance claims experience, product retention, early termination data, investment portfolio switching, type and frequency of product changes, etc. in relation to the clients associated with the representatives, to identify and mitigate risks of inappropriate advice or poor client outcomes attributable to the representatives concerned;

- 3.4.9.** Unum provides 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 deliver other TCF outcomes to clients.
- 3.4.10.** We formulate and implement controls to identify and address any conflicts of interest between ourselves, our clients and product suppliers whose products we market;
- 3.4.11.** Incentive and remuneration targets are to include clear TCF measures that Unum's authorised representatives are required to satisfy, regardless of whether such remuneration or incentives is determined by the product supplier, or by us;
- 3.4.12.** There are clear agreements between Unum and any product suppliers setting out the parties' respective responsibilities in relation to providing clients with advice, information and service support. Clients must be able to understand who they should look to in relation to different aspects of the financial products or service provided to them;
- 3.4.13.** Unum has controls in place to identify and act on instances where authorised 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;
- 3.4.14.** Unum has formulated and implemented a fair compensation of client's policy for the compensation of clients who have been financially prejudiced as a result of inappropriate advice provided by our representatives;
- 3.4.15.** Unum ensures that published decisions of the FAIS Ombud, guidance from the regulators and other relevant information sources in relation to advice practices are analysed by management so as to evaluate whether our existing practices remain relevant and effective.

3.5. 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 as they have been led to expect.

PRODUCT PERFORMANCE EXPECTATIONS

- 3.5.1.** We analyse the product retention, portfolio switching, early termination behaviour of our clients to identify possible risks that products or services are not meeting expectations created;
- 3.5.2.** Unum has formulated and implemented the following processes:

- 3.5.2.1.** processes to alert clients to the risks of particular actions on their part (such as early termination, non-payment of contributions, investment portfolio switches, benefit reductions) in reasonable time for them to respond to or act on the information;
- 3.5.2.2.** processes to alert clients to the risks of non-action on their part, such as a failure to review insurance cover needs, investment goals and risk profiles, beneficiary nominations and other relevant requirements;
- 3.5.2.3.** clear service standards for client service processes which shall be communicated to clients;
- 3.5.2.4.** processes to protect the confidentiality of all client information;
- 3.5.3.** Unum conducts research or test its service standards to determine whether they are in line with client expectations;
- 3.5.4.** Although Unum explicitly cannot accept responsibility for the performance of products of the product suppliers, processes have been put in place to mitigate the risks to our clients where it becomes apparent that products are not performing or are unlikely to perform as clients have been led to expect;

3.6. 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

CHANGING PRODUCTS

- 3.6.1.** Unum Clients are informed (in good time, not only on request) of the types of changes they may make to their products if their needs or circumstances have changed and of any important limitations on their ability to access funds or make changes;
- 3.6.2.** When Unum becomes aware any changes in a client's needs or circumstances (including affordability difficulties), and they are informed of changes they may consider making to their products to meet their changed requirements;
- 3.6.3.** Unum has clear service standards in place for processing product changes (including where we need to refer the request to another party to deal with) and communicate these to our clients;
- 3.6.4.** Where a request for a product change is declined by any party in the value chain, we give the clients clear reasons for this;
- 3.6.5.** When a request is received to change a product (whether directly or through another party) Unum informs the client of any potential risks associated with the change, in reasonable time for them to respond to or act on the information;

SWITCHING PRODUCT PROVIDERS

- 3.6.6.** Unum has clear service standards in place for processing switches to other providers and communicate these to clients.
- 3.6.7.** When Unum decide to switch providers, Unum shall inform the client of any potential risks and benefits associated with the switch.

DISINVESTMENT AND DISBURSEMENT HANDLING

- 3.6.8.** Unum ensures that clients are informed of how to submit a disinvestment or disbursement / withdrawal request and of our service standards for disinvestment or disbursement / withdrawal processing and what information we will need to process the disinvestment or disbursement / withdrawal request;
- 3.6.9.** Unum ensures that clients are informed prior to contracting, of the circumstances under which disinvestment or disbursement / withdrawal requests will be delayed or not be processed and ensures that the clients obligations are explained;
- 3.6.10.** Unum ensures that once a disinvestment or disbursement / withdrawal request has been received, that clients/members are constantly informed of progress;

COMPLAINTS HANDLING

- 3.6.11.** Unum has a robust complaints handling, record keeping and root cause analysis process which are detailed in our complaints management framework;
- 3.6.12.** Unum has clear service standards in place for processing complaints and ensure they are communicated Unum client;
- 3.6.13.** Unum frequently tests, via our Kotive compliance platform, the complaints process to ensure it is accessible and appropriate for our client groups;
- 3.6.14.** We inform our clients (before complaint stage) of how to complain and of options for further recourse if they are dissatisfied with the outcome of a complaint as per our complaints management framework;
- 3.6.15.** Once a complaint is received, we keep clients informed of the progress (including the contact person details) whether we are dealing with the complaint ourselves or have referred it to another party;
- 3.6.16.** 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;
- 3.6.17.** 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;
- 3.6.18.** Unum has specific training provided to delegated staff on complaints handling including TCF;

- 3.6.19.** Unum ensures that complaints processes are structured to ensure that decisions will be objective, consistent for similar complaints and that decision makers do not have a conflict of interest;
- 3.6.20.** Unum implements follow-up processes to determine customer satisfaction levels after complaints are finalised;
- 3.6.21.** Processes are in place to ensure consistency in complaints handling;
- 3.6.22.** Unum frequently tests, via our Kotive compliance platform, the complaints process to ensure it is accessible and appropriate for our client groups;
- 3.6.23.** Unum's Complaints Management Framework has details on fair compensation of clients who have been financially prejudiced by unfair treatment, and is not limited only to those clients who complain;
- 3.6.24.** Unum benchmarks its complaints data (for example, complaint volumes, resolution rates, referrals to Ombud schemes) where appropriate against competitors and market norms;
- 3.6.25.** Unum considers the nature of complaints received and complaints handling performance of different product suppliers in deciding whether to do business with them or recommend them or their products to clients;

4. Obligation by employees

All employees have an obligation to promote the compliance culture as well as adhering to the provisions of this policy. Disregard for the compliance philosophy, compliance culture and failure to comply with any provisions of the legislation or this policy will result in remedial and/or disciplinary action being taken.

5. Implementation

This policy will be made available and distributed to all employees and representatives working in or on behalf of the organisation. Executive Management is responsible to ensure that this policy is communicated, observed and that it remains appropriate on an ongoing basis.

6. Endorsement

This policy is approved and endorsed by Executive Management.

7. Review of policy

This policy will be reviewed by Executive Management on at least an annual basis or more frequently in the event of material amendments to the regulatory environment and may

be altered and improved at any time and will be enforceable with immediate effect. All changes and amendments will be communicated and distributed to all stakeholders who will be required to adhere to such changes without delay.

8. OWNERSHIP & ACCOUNTABILITY

This policy is owned by **Unum Capital (PTY) LTD**, an authorised financial services provider in terms of the Financial Advisory & Intermediary Services Act (37 of 2002) and subordinate legislation.

As Key Individual of the Provider, I, **Mark Weetman** hereby confirm the adoption of the policy on behalf of the governing body of the Provider.

I hereby accept responsibility for the successful training of employees and successful implementation of this Policy.

Signature
