



NFB ASSET MANAGEMENT (PTY) LIMITED - FSP: 25962

("hereinafter referred to as NFB AM")

COMPLAINTS MANAGEMENT POLICY AND PROCEDURE

1. INTRODUCTION

- 1.1. In terms of section 17(1)(a) of the General Code of Conduct for Authorised Financial Services Providers and Representatives ("the General Code of Conduct"), a provider must establish, maintain and operate an adequate and effective complaints management framework to ensure the effective resolution of complaints and the fair treatment of Complainants that –
 - 1.1.1. Is proportionate to the nature, scale and complexity of the provider's business and risks;
 - 1.1.2. Is appropriate for the business model, policies, services, and clients of the provider;
 - 1.1.3. Enables complaints to be considered after taking reasonable steps to gather and investigate all relevant and appropriate information and circumstances, with due regard to the fair treatment of Complainants;
 - 1.1.4. Does not impose unreasonable barriers to Complainants;
 - 1.1.5. Must address and provide for, at least, the matters provided for in Part XI of the General Code of Conduct.
- 1.2. Section 17(1)(b) of the General Code of Conduct requires that a provider must regularly review its complaints management framework and document any changes thereto.
- 1.3. Section 17(2)(a) of the General Code of Conduct stipulates the requirements which an FSP's complaints management framework must incorporate which inter alia includes the following requirements:
 - 1.3.1. Documented procedures for the appropriate management and categorisation of complaints, including expected timeframes and the circumstances under which any of the of the timeframes may be extended;
 - 1.3.2. Documented procedures which clearly define the escalation, decision-making, monitoring and oversight and review processes within the complaints management framework;
 - 1.3.3. Appropriate complaint record keeping, monitoring and analysis of complaints, and reporting (regular and ad hoc) to executive management, the board of directors and any relevant committee of the board, or in the absence of a board the governing body, on –
 - 1.3.3.1. Identified risks, trends and actions taken in response thereto; and
 - 1.3.3.2. The effectiveness and outcomes of the complaints management framework.
 - 1.3.4. A process for managing complaints relating to the FSP's Representatives and service suppliers, insofar as such complaints relate to services provided in connection with the FSP's financial services products, financial services or related services.

KNOWLEDGE INTO **WEALTH**

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- 1.4. Section 17(3)(a) of the General Code of Conduct stipulates that the board of directors or in the absence of a board, the governing body and key individuals of the provider, excluding a representative, will be responsible for effective complaints management and must approve and oversee the effectiveness of the implementation of the provider's complaints management framework.
- 1.5. Section 17(4)(a) of the General Code of Conduct stipulates that the FSP must categorise Reportable Complaints in accordance with certain minimum categories, as well as consider additional categories relevant to its chosen business model, financial products, financial services and client base that will support the effectiveness of its complaints management framework in managing conduct risks and effecting improved outcomes and processes for its clients.
- 1.6. Section 17(5)(a) of the General Code of Conduct stipulates that an FSP must establish and maintain appropriate internal complaint escalation and review processes.
- 1.7. Section 17(7)(a) of the General Code of Conduct stipulates that an FSP must ensure accurate, efficient and secure recording of complaints and complaint related information. Furthermore, the FSP must establish and maintain processes for reporting of the aforementioned information to its governing body or executive management.
- 1.8. Section 17(8) of the General Code of Conduct stipulates the requirements for transparent, visible and accessible communication with Complainants.
- 1.9. Section 18(1) of the General Code of Conduct sets out the manner in which the FSP must engage with the relevant Ombud, as well as reporting requirements.
- 1.10. An electronic version of this Policy and Procedure can be found on NFB AM's website.

2 DEFINITIONS

- 2.1 **"Client"** – means a specific person or group of persons, excluding the general public, who is, was or may become the subject to whom a service is rendered intentionally, or is the successor in title of such person or the beneficiary of such service;
- 2.2 **"Client Query"** – means a request to NFB AM or NFB AM's service supplier by or on behalf of a Client, for information regarding NFB AM's financial products, financial services or related processes, or to carry out a transaction or action in relation to any such product or service;
- 2.3 **"Complainant"** – means a person who submits a complaint and includes a-
 - 2.3.1 Client;
 - 2.3.2 Person that pays a premium or an investment amount in respect of a financial product;
 - 2.3.3 Member; or
 - 2.3.4 Person whose dissatisfaction relates to the approach, solicitation, marketing or advertising material or an advertisement in respect of a financial product, financial service or related service of NFB AM;
- 2.4 **"Complaint"** – means an expression of dissatisfaction by a person to NFB AM or, to the knowledge of NFB AM, to a service supplier of NFB AM, relating to a financial product or financial service provided or offered by NFB AM which indicates or alleges, regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a Client Query, that –
 - 2.4.1 NFB AM or its service supplier has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on NFB AM or to which it subscribes;
 - 2.4.2 NFB AM or its service supplier's maladministration or wilful or negligent action or failure to act, has caused the person harm, prejudice, distress or substantial inconvenience; or
 - 2.4.3 NFB AM or its service supplier has treated the person unfairly;
- 2.5 **"Compensation payment"** means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of NFB AM to a Complainant to compensate the Complainant for a proven or estimated financial loss incurred as a result of NFB AM's contravention, non-compliance, action, failure to act, or unfair treatment forming the basis of the complaint, where NFB AM accepts liability for having caused the loss concerned, but excludes any –

- 2.5.1 Goodwill payment;
- 2.5.2 Payment contractually due to the Complainant in terms of the financial product or financial service concerned; or
- 2.5.3 Refund of an amount paid by or on behalf of the Complainant to NFB where such payment was not contractually due; and
- 2.5.4 Includes any interest on late payment of any amount referred to in 2.5.2 or 2.5.3;
- 2.6 **“FAIS” (or “the Act”)** – means the Financial Advisory and Intermediary Services Act No. 37 of 2002 as amended from time to time;
- 2.7 **“Goodwill payment”** means a payment, whether in monetary form or in the form of a benefit or service, by or on behalf of NFB AM to a Complainant as an expression of goodwill aimed at resolving a Complaint, where NFB AM does not accept liability for any financial loss to the Complainant as a result of the matter complained about;
- 2.8 **“Internal Complaints Review and Escalation Process”** means the system and procedures established and maintained by NFB AM, in line with the FAIS General Code of Conduct, for the resolution of specifically reportable complaints lodged against NFB AM by Complainants;
- 2.9 **“Member”** in relation to a complaint means a member of a-
- 2.9.1 Pension fund as defined in section 1(1) of the Pension Funds Act, 1956 (Act 52 of 1956);
- 2.9.2 Friendly society as defined in section 1(1) of the Friendly Societies Act, 1956 (Act 25 of 1956);
- 2.9.3 Medical scheme as defined in section 1(1) of the Medical Schemes Act, 1998 (Act 131 of 1998); or
- 2.9.4 Group scheme as contemplated in the Policyholder Protection Rules made under section 62 of the Long-term Insurance Act, 1998, and section 55 of the Short-term Insurance Act, 1998;
- 2.10 **“NFOSA”** means the National Financial Ombud scheme which started operating on 1 March 2024 and is an amalgamation of the Credit Ombud, the Ombudsman for Banking Services (OBS), the Ombudsman for Long-term Insurance (OLTI) and the Ombudsman for Short-term Insurance (OSTI).
- 2.11 **“Ombud”** – means the Ombud for Financial Services Providers (commonly referred to as the **FAIS Ombud** and referred to in section 20(2) of the FAIS Act) together with the National Financial Ombud scheme of South Africa (**“NFOSA”**)
- 2.12 **“Rejected”** – means a Complaint that has not been Upheld and where NFB AM regards the Complaint as finalised after advising the Complainant that it does not intend to take any further action to resolve the Complaint and includes Complaints regarded by NFB AM as unjustified or invalid, or where the Complainant does not accept or respond to NFB AM's proposals to resolve the Complaint;
- 2.13 **“Responsible Person”** - means the person appointed as responsible for resolution of a particular Client Complaint and includes the Managing Director;
- 2.14 **“Reportable Complaint”** means any Complaint other than a Complaint that has been –
- 2.14.1 Upheld immediately by the person who initially received the Complaint;
- 2.14.2 Upheld within NFB AM's ordinary processes for handling Client queries in relation to the type of financial product or financial service complained about, provided that such process does not take more than five business days from the date the Complaint is received; or
- 2.14.3 Submitted to or brought to the attention of NFB AM in such a manner that NFB AM does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to Reportable Complaints;
- 2.15 **“Upheld”** means that a Complaint has been finalised wholly or partially in favour of the Complainant and that—
- 2.15.1 The Complainant has explicitly accepted that the matter is fully resolved; or
- 2.15.2 It is reasonable for NFB AM to assume that the Complainant has so accepted; and
- 2.15.3 All undertakings made by NFB AM to resolve the Complaint have been met or the Complainant has explicitly indicated its satisfaction with any arrangements to ensure such undertakings will be met by NFB AM within a time acceptable to the Complainant.

3. COMPLAINTS MANAGEMENT MISSION

- 3.1 NFB AM undertakes and commits to:
- 3.1.1 Resolve Complaints in a way that is fair to our Clients, our business and all our stakeholders;
 - 3.1.2 Inform all our Clients of the procedures established for the internal resolution of their Complaints as and when may be appropriate, details of which will be given to them in writing;
 - 3.1.3 Empower and properly train the people in our business to deal with Complaints;
 - 3.1.4 Appoint an independent mediator, if and when necessary, to resolve the Complaint;
 - 3.1.5 Deal with Complaints in a timely and fair manner, with every Complaint receiving proper consideration in a process that is managed appropriately and effectively by the Employee/s responsible for receiving a Complaint, escalating a Complaint and/or, resolving a Complaint;
 - 3.1.6 Manage Complaints in conformance with NFB AM's Policies on Treating Customers Fairly;
 - 3.1.7 Offer appropriate and reasonable remedy in all cases where a Complaint is resolved in favour of a Complainant;
 - 3.1.8 Inform Complainants of their right to refer their Complaints to the FAIS Ombud or any other relevant Ombud or regulator, should a Complaint not be resolved to their satisfaction;
 - 3.1.9 Maintain appropriate and accurate records of all Complaints received for a period of five years from the date of receipt of the Complaint, which records will specify the outcome of all the Complaints lodged;
 - 3.1.10 Implement follow-up procedures to ensure remedial actions to prevent similar Complaints from occurring and improve products, services and/or procedures where necessary in the business.
 - 3.1.11 Provide for the monitoring and analysis of aggregated Complaints data in relation to Complaints received and their outcomes by the inclusion of the following statistics in the Company's complaints register:
 - 3.1.11.1 Number of Complaints received;
 - 3.1.11.2 Number of Complaints Upheld;
 - 3.1.11.3 Number of Rejected Complaints and reasons for the rejection;
 - 3.1.11.4 Number of Complaints escalated by Complainants;
 - 3.1.11.5 Number of Complaints referred to an Ombud and their outcome;
 - 3.1.11.6 Number and amounts of Compensation payments made;
 - 3.1.11.7 Number and amounts of Goodwill payments made; and
 - 3.1.11.8 Total number of Complaints outstanding.
 - 3.1.12 Categorise Complaints in a manner that is compliant with the FAIS General Code of Conduct; and
 - 3.1.13 Include processes to ensure that Complainants are appropriately informed of the process being followed relevant to their Complaint/s and the outcome of the relevant Complaint.

4. CATEGORISATION OF COMPLAINTS

- 4.1 Reportable Complaints must be categorised as complaints relating to:
- 4.1.1 The design of a financial product, financial service or related service, including the fees, premiums or other charges related to that financial product or financial service;
 - 4.1.2 Information provided to Clients;
 - 4.1.3 Advice;
 - 4.1.4 Financial product or financial service performance;
 - 4.1.5 Service to Clients, including Complaints relating to premium or investment contribution collection or lapsing of a financial product;
 - 4.1.6 Financial product accessibility, changes or switches, including complaints relating to redemptions of investments;
 - 4.1.7 Complaints handling;
 - 4.1.8 Insurance risk claims, including non-payment of claims; and
 - 4.1.9 Other Complaints.
- 4.2 The Responsible Person must categorise, record and report on Reportable Complaints by identifying the category of Complaint to which the Complaint most closely relates and group Complaints accordingly.

- 4.3 NFB AM may consider additional categories, but only if these additional categories support the effectiveness of NFB AM's complaints management framework and improves the outcomes and processes for Clients.

5. INTERNAL COMPLAINTS REVIEW AND ESCALATION PROCESS

- 5.1 All Complaints must be in writing with the following information clearly stipulated:
- 5.1.1 The full names, ID/registration number and contact details of the Complainant;
 - 5.1.2 The full names, ID/registration number and contact details of the Client (if different from the Complainant);
 - 5.1.3 A detailed description regarding the nature of the Complaint, which would include details relating to whom and what the Complaint relates to, sufficient facts, dates and supporting documentation to enable NFB AM to deal with the Complaint quickly and fairly; and
 - 5.1.4 Preferred method of communication.
- 5.2 Any Complaint received by NFB AM through any channel, must be forwarded to the MD who will either handle the Complaint directly or appoint another Responsible Person to deal with the Complaint.
- 5.3 To ensure quick and appropriate responses to Complaints received, the following process must be followed by the Responsible Person:
- 5.3.1 Acknowledge receipt of the Complaint in writing and furnish the Complainant with a copy of the *Complaints Management Policy and Procedure* document within **1 (one) working day** of receiving the Complaint.
 - 5.3.2 If the Complaint was communicated verbally, instruct the Complainant to resubmit the Complaint in writing within **3 (three) working days**.
 - 5.3.3 As soon as the Complaint is received by the Responsible Person in writing, proceed to categorise the Complaint according to the categories listed in paragraph 4.1 of this document.
 - 5.3.4 After categorisation of the complaint, proceed to record the Complaint in the Complaints Register within **1 (one) working day**.
 - 5.3.5 Review NFB AM's Professional Indemnity Cover policy wording and inform the relevant parties of the Complaint and potential claim if appropriate.
 - 5.3.6 Revert to the Complainant with preliminary findings and request supporting documents and / or additional information from the Complainant where necessary within **7 (seven) working days**. Provide reasons for any decisions taken and communicate any anticipated deviation from timelines.
 - 5.3.7 Where necessary, the matter must be referred to external parties who may be party to the Complaint for a response. In such instances, the Complainant to be duly informed of this development.
 - 5.3.8 After thorough investigation, the Responsible Person, if other than the MD, will provide the MD with the outcome of the investigation to formulate a response to the Complaint. Where deemed necessary, an independent mediator will be appointed.
 - 5.3.9 Revert to the Complainant with a proposed solution with the option to escalate the matter to the NFB AM board within **14 (fourteen) working days of receipt of the Complaint or receipt of supporting documents**. In all instances, provide reasons for any decisions taken and communicate any anticipated deviation from the specified timelines.
 - 5.3.10 Update the status of the Complaints Register and file all relevant correspondence for a period of **5 (five) years**.
 - 5.3.11 Review the reasons that gave rise to the Complaint and implement remedial action.
- 5.4 If during the course of the enquiry, the Responsible Person becomes aware that the complaint is of a non-routine, complex, unusual or serious nature, the matter should be discussed with NFB AM's Compliance Officer for a recommendation on how to proceed with the Complaint.
- 5.5 If a Client is unhappy or disagrees with the outcome of the Complaint, they may, within **14 (fourteen) working days** and in writing, submit their reasons for such to the MD who will escalate to the NFB AM board for a decision. The MD must confirm to the Complainant the date on which the board will take a decision relating to the Complaint. The board may amend the solution or confirm it.
- 5.6 **Within 6 (six) weeks from the date of receipt** of the Complaint, if –
- 5.6.1 the Complaint has not been resolved to the satisfaction of the Complainant;

- 5.6.2 the Complaint has been dismissed; or
- 5.6.3 the Complainant is not satisfied with the results of the investigation into the Complaint

inform the Complainant of his / her right to escalate the matter to the Ombud providing the relevant contact details to the Complainant and, also advising that, after receipt of the response regarding the outcome of the Complaint from NFB AM, should they wish to refer the Complaint further, they should do so **within 6 (six) months** of receipt of such notification.

5.7 It is important to note the following regarding the FAIS Ombud:

5.7.1 The FAIS Ombud will not deal with any Complaint -

5.7.1.1 About the investment performance of a financial product unless the financial performance was guaranteed expressly or implicitly or if the financial performance was so deficient as to raise a prima facie presumption of misrepresentation, negligence or mal-administration on the part of the FSP concerned or its representative;

5.7.1.2 About an act or omission that occurred before 30 September 2004;

5.7.1.3 Where a period of more than three years has expired since the act or omission which resulted in the Complaint has passed;

5.7.1.4 Constituting a monetary claim in excess of R800,000 unless the responding party has agreed in writing to this limitation being exceeded; and

5.7.1.5 Where the Complainant has instituted proceedings in a court of law regarding the subject matter of the Complaint before the date of receipt of the Complaint by the Ombud or during an investigation by the Ombud.

5.7.2 Complaints about a retirement fund or decisions made by the board of trustees, the repudiation of any Claim or poor administrative service received from a product supplier will not be dealt with in terms of FAIS Complaint resolution procedures and must be directed to the Complaints department of the relevant retirement fund, board of trustees or product supplier as the case may be. Employees must still endeavour to assist Clients relating to these types of Complaints.

5.7.3 The FAIS Ombud will only proceed to investigate a Complaint if it has informed every other interested party of the receipt of such Complaint and provided particulars of such Complaint to the parties concerned and provided them with an opportunity to respond.

5.7.4 The FAIS Ombud may follow and implement any procedure which it deems fit and may allow any party the right of legal representation.

5.7.5 If the Complaint was not resolved through conciliated settlement, the FAIS Ombud may make a determination which has the same legal status of a civil court judgment.

6. IMPORTANT CONTACT DETAILS

6.1 Particulars of the FAIS Ombud:

Telephone: +27 (0)12 762 5000 / +27 (0)86 066 3274

Email address: info@faisombud.co.za

Physical Address: Menlyn Central Office Building, 125 Dallas Ave, Waterkloof Glen, Pretoria, Gauteng, 0010

Postal address: P.O. Box 41, Menlyn Park, 0063

Website: www.faisombud.co.za

6.2 Particulars of the National Financial Ombud Scheme South Africa NPC (NFOSA):

Telephone: 0860 800 900

WhatsApp: +27 (0) 66 473 0157

Email address: info@nfosa.co.za

Physical Address:

Cape Town

Claremont Central Building, 6th Floor, 6 Vineyard Road, Claremont, Western Province, 7700

Johannesburg

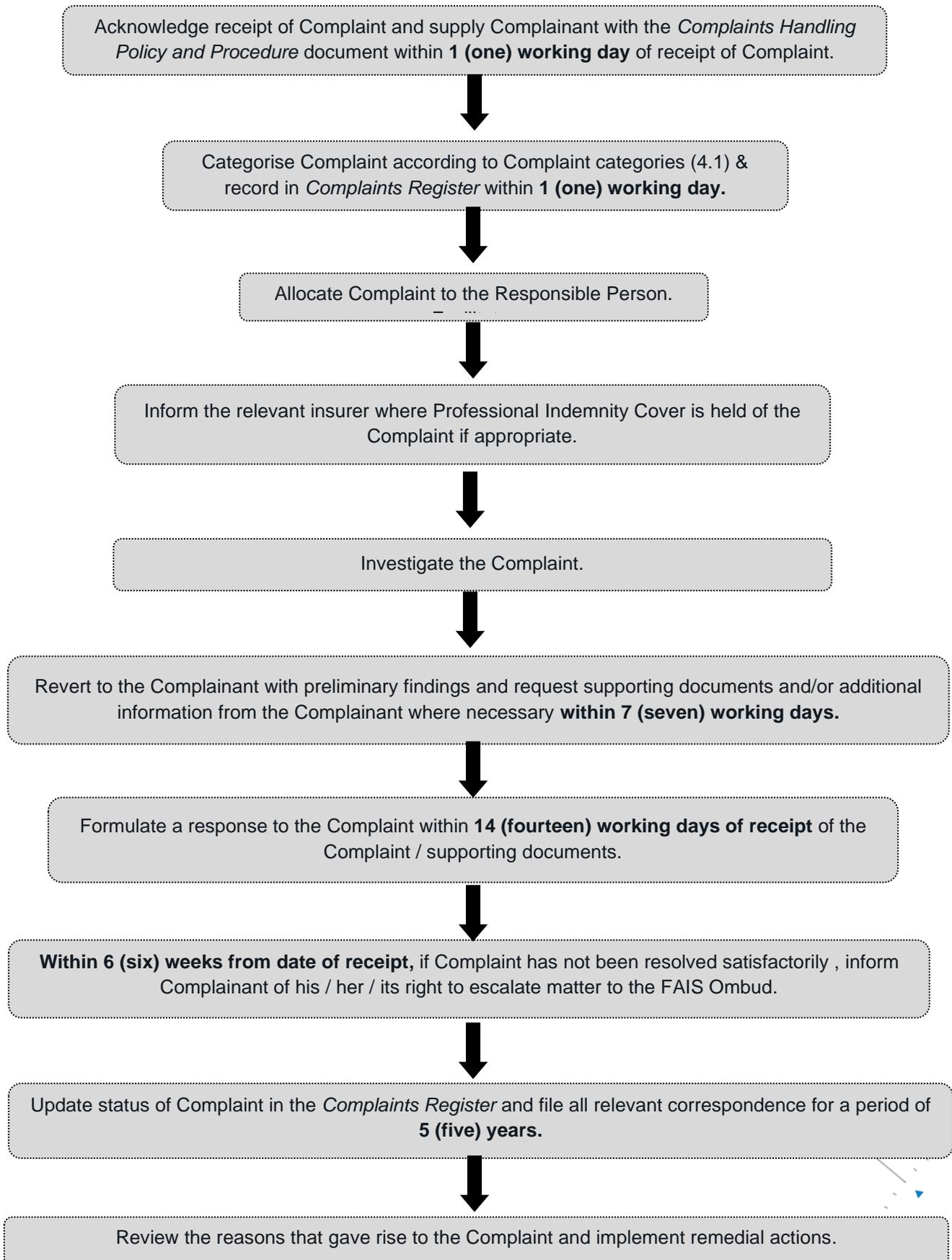
110 Oxford Rd, Houghton Estate, Johannesburg, Gauteng, 2198

Website:

<https://nfosa.co.za>

ANNEXURE A

COMPLAINTS HANDLING PROCESS OVERVIEW



ADOPTION

The Board of Directors of NFB AM (“the Board”) has reviewed the Complaints Handling requirements contained in the General Code of Conduct of the Financial Advisory and Intermediary Services Act (“FAIS”), in consultation with NFB AM’s compliance officer, and has updated the Complaints Handling Policy and Procedure accordingly.

The Board has therefore adopted the principles relating to Complaints Handling which all Key Individuals, Representatives and employees of NFB AM are required to conform to.

Effective Date of this update: 04/12/2023

Update to Definitions and Important Contact Information: 04/03/2024

