



# TREATING CUSTOMERS FAIRLY

## POLICY

## INTRODUCTION

Pinnacle Marketing (Pty) Ltd respects the Regulator’s mission to maintain a sound financial investment environment in South Africa and acknowledges its mandate to promote:

- Fair treatment of clients of financial services and products;
- Financial soundness of financial institutions;
- Systematic stability of financial industries; and
- Integrity of financial markets and institutions.

To this end, Pinnacle Marketing (Pty) Ltd welcomes the TCF initiative and commits itself to align its organisational culture and business processes in such a way as to ensure that all 6 outcomes of TCF are at all times achieved.

Pinnacle Marketing (Pty) Ltd has appointed a TCF Champion as part of its commitment to treat clients fairly. This appointment is confirmed in the Annexure attached below.

The general duties of the TCF Champion include:

- To be actively involved with embedding the TCF principles into the company;
- To instil a culture where the fair treatment of clients is embraced and adopted; and
- To assist Top Management to implement and adopt business processes aimed at ensuring that the company is at all times achieving the outcomes of TCF as set out in this Policy.

The TCF Champion has the authority to approach and speak to employees at all levels about the delivery and achievement of the TCF outcomes.

The TCF Champion does not need any specific qualifications but must have a thorough understanding of the business, its functional departments, business processes and the principles associated with TCF.

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## ADOPTION

The below confirms acknowledgement by the Compliance Function that the TCF Policy 2024 as stated below has been adopted:

FSP Name	Pinnacle Marketing
FSP No.	15017
Version	V1 2024
Owner	Ruark Jewell
Review Date	16/01/2024

The **6 outcomes of TCF** will be achieved by Pinnacle Marketing (Pty) Ltd through ensuring that:



### COMPANY CULTURE

Our clients are at all times confident that their fair treatment is central to our corporate culture.



### PRODUCT DESIGN

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.



### CLEAR INFORMATION

Our clients are at all times provided with clear information and are kept appropriately informed before, during and after the point of sale.



### SUITABLE ADVICE

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



### CLIENT EXPECTATIONS

Our clients are provided with products that perform as we have led them to expect and that any associated services are also of a standard that we have led them to expect.



### NO BARRIERS

Our clients do not face unreasonable post-sale barriers should they wish to change their products, switch to another FSP, submit a claim or lodge a complaint about our services.

## OUTCOME 1 – FAIR TREATMENT IS CENTRAL TO OUR COMPANY CULTURE

*Clients are confident that they are dealing with a company where the fair treatment of clients is central to the company culture.*

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

We use our best efforts to ensure that at all times, our employees and Representatives render financial services honestly, fairly, with due skill, care and diligence, and in the best interests of clients and the integrity of the financial services industry.

Delivery of the TCF outcomes is a core feature of Pinnacle Marketing (Pty) Ltd.'s stated values, code of conduct and ethical conduct policy, and is embedded throughout Pinnacle Marketing (Pty) Ltd.'s DNA.

### LEADERSHIP

TCF is a standing item on Top Management's meeting agenda where the company's approach to TCF is analysed and discussed. Senior Management has adopted TCF deliverables and have been allocated specific responsibilities in terms thereof. Senior Management in all areas of the business that contribute to the rendering of financial services to clients, directly or indirectly, understand their respective roles in delivering TCF outcomes to those clients.

Senior Management conducts regular reviews of the main business processes with a view to identify areas that do, or may require improved TCF deliverables. Explicit allowance has been made for the consideration of TCF implications and deliverables during the strategic planning process of any new strategy or change to existing strategies.

Adherence to the TCF deliverables is monitored as part of our compliance monitoring program. We ensure on a monthly, quarterly and bi-annual basis that accurate, meaningful and timely management information has been produced during the period and that Senior Management acts accordingly. Existing tests within our compliance monitoring program aid us in demonstrating our level of compliance and adherence to the TCF outcomes. Where there are TCF action points, these will be documented and carried over to a further meeting.

### DECISION MAKING

All requests by Top Management for the approval of products and service innovations or project expenditure, include due consideration of the possible impact it may have on TCF outcomes.

Pinnacle Marketing (Pty) Ltd has established accessible forums or structures through which employees and management are able to debate TCF related matters and refer any TCF questions or concerns to Top Management or the Compliance Function.

### GOVERNANCE AND CONTROLS

Oversight and monitoring of TCF delivery has been explicitly assigned to the governance and control structures of Pinnacle Marketing (Pty) Ltd tasked with risk management and the Compliance Function.

Procedures have been implemented to ensure formal and regular reporting to Top Management and Senior Management on the progress in achieving TCF deliverables across all company activities and functional departments. The management of TCF and market conduct risks are formally included in the Risk Management Framework and are regularly monitored and supervised by Top Management and independently monitored by the Compliance Officer. Procedures have been implemented for identifying and reporting, at an organisation-

wide level, TCF risks or failures to Senior Management and Top Management. There is also ongoing evaluations of whether the governance framework as a whole has been effective in achieving TCF outcomes. We have mechanisms in place to monitor and respond to changes in the broader environment such as economic and regulatory developments to enable us to proactively identify TCF related risks.

## EMPLOYEE PARTICIPATION

All employees, including Senior Management, whose roles require the delivery of TCF outcomes have been identified. Performance evaluation criteria incorporate TCF objectives and are rigorously applied at all levels, irrespective of their position within the FSP.

Employees undergo training on TCF principles and deliverables by way of induction and annual training, as to familiarise and to act as a refresher of the TCF principles as set out in this Policy.

Recruitment processes have been revised to ensure staff in relevant positions will have the required skills to achieve the outcomes of TCF. All employees are aware of the requirements of TCF. This Policy has been circulated to all employees and the employees are encouraged to make suggestions to our TCF Champion on how the treatment of our clients might be further achieved.

## REWARDS

Remuneration is meaningfully linked to the achievement of TCF objectives, at all levels and all reward and recognition processes have been revised in the light of TCF objectives, and is aimed at encouraging performance without negatively impacting the treatment of clients. Employment and service agreements have been amended and updated to permit the imposition of meaningful consequences, such as restraining, re-assignment or disciplinary action, for employees or management who do not achieve agreed TCF deliverables.

## MANAGEMENT INFORMATION

Existing MI measures have been reviewed which are useful for TCF monitoring and new measures have been identified where required.

Processes are in place to:

- Collate and summarize TCF related MI in such a way as to present a meaningful picture of the TCF progress;
- Analyze and act on MI findings to improve TCF outcomes for our clients; and
- Identify employee training requirements and to align performance management measures.

## COMMUNICATION

We communicate transparently with our stakeholders, including the Regulator, on our progress in achieving TCF outcomes and we make information regarding our progress in achieving TCF outcomes publically available.

## OUTCOME 2 – PRODUCTS AND SERVICES ARE DESIGNED TO MEET CLIENT NEEDS

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

Pinnacle Marketing (Pty) Ltd develops and provides advice and certain intermediary services on products that fall within the categories and sub-categories of the financial products in line with our FSP license.

FSP License 15017	
No.	Category I FSP
1.1	Long-Term Insurance – Subcategory A (under supervision)
1.2	Short-Term Insurance – Personal Lines
1.6	Short-Term Insurance – Commercial Lines
1.23	Short-Term Insurance – Personal Lines A1

## CLIENT CATEGORIES

Our clients can typically be grouped into three broad categories:

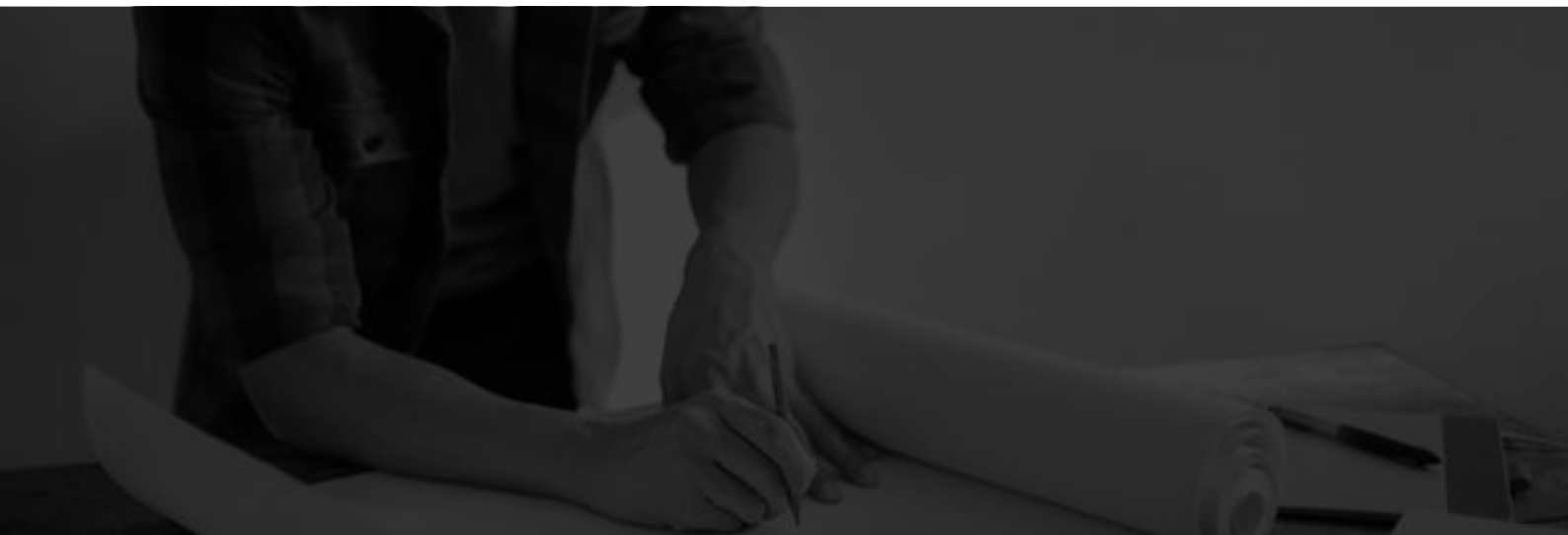
Low Sophistication	Relatively inexperienced groups with a high level of dependence.
Moderate Sophistication	General client groups falling into the mass market.
High Sophistication	Investment groups who have expertise.

## PRODUCT APPROVAL AND SELECTION PROCESS

Our product approval and product selection process include Senior Management confirmation that a product adequately meets the outcomes of TCF and that any such product will perform as clients have been led to expect.

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

- When designing a product or selecting a product to distribute or to administer, we identify the particular client groups for which the product can be considered suitable whilst taking into account the needs and various risk factors;
- We obtain information from the product supplier regarding client groups in respect of which the product is regarded as most suitable;
- We provide our employees and Representatives with information and guidance to determine client groups in respect of whom the product is 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 products;
- We have measures in place to identify and mitigate risks that a product or service may pose to particular client groups;
- When development and management of products and services are done, we have measures in place to ensure that the requirements and expectations of the identified client groups, including former members of the identified client groups, is met;
- When approving or selecting any product or service to distribute:
  - We assess the suitability of any promotional or other material that has been designed for the identified client groups, and take into consideration complaints and service data available;
  - We assess the suitability of any related and optional, bundled and add-on products or services for the identified client groups.
- 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 and 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 ensure that when bundling or add-on products or services, or incentives, it does not result in needless products or services to the client groups;
- We have measures in place to ensure that the client groups have enough information available to them in order to make an informed decision about the products and/or services;
- We track sales data to determine whether products are in fact being sold to the identified client groups; and
- 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 thereof, are not suitable for the identified client groups, or that the product has been distributed to inappropriate client groups.



## OUTCOME 3 – CLEAR INFORMATION

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

We assess the clarity, appropriateness and fairness of product information provided to clients, whether such information is produced by ourselves or by others and all product related information requires sign-off by Senior Management. Before any product information is issued, it is carefully tested to ensure that the content will be clear and understandable by the target audience and client group.

We have implemented appropriate 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 also implemented appropriate procedures to ensure that any information we provide regarding any other party's products or services is accurate, clear, fair and 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 us or not, is inaccurate, unclear, unfair or misleading.

We regularly review standardized product information we use, whether produced by ourselves 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 we receive from clients, employees and other parties that communicate the need for improvement in product information.

We have a process in place to ensure relevant and adequate product information is provided to clients, whether by our own employees or 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.

We provide all existing clients with written statements 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 details, where applicable of:

- Any ongoing monetary obligations of the client in respect of such financial products;
- The main benefits provided by the products;
- Where any products was marketed or positioned as an investment or as having an investment component, the value of the investment and the amount of such value which is accessible to the client; and
- Any ongoing incentives, consideration, commission, fee or brokerage 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, is maintained for each and every transaction entered into with any client and documented within the individual client files. A copy of the applicable Record of Advice is handed 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 possible, we control the accuracy and quality of any once-off or non-standard product information provided by employees or Representatives to clients or potential clients.

We maintain up-to-date contact details of all our existing clients and we ensure that clients have current and accessible contact points if they need product or service information or need to get into contact with our functional departments for any reason.

We have accurate, retrievable and secure records of all product information we have provided to clients and any other material.

## OUTCOME 4 – ADVICE

*Where clients receive advice, the advice is suitable and takes into account client needs and circumstances.*

### PRIOR TO ADVICE

Prior to making any decision to market a particular product, we assess whether or not we have the appropriate skills and business processes in place to render the appropriate financial service and that the particular product will be suitable for the target market and clients concerned. Prior to contracting with any product supplier to market their products, we conduct an appropriate level of due diligence to satisfy ourselves that their products and service levels are likely to meet our clients reasonable expectations.

We insist that product suppliers provide our Representatives with adequate training on the specific products we market to enable them to render suitable financial services on those products.

We have controls in place to prevent our Representatives from rendering any financial services to any client in respect of products which adequate training has not been provided.

Prior to contracting with any product supplier to market their products, we make appropriate arrangements to ensure that Pinnacle Marketing (Pty) Ltd and our Representatives will have reasonable access to any product information required from the product supplier to enable all parties to render suitable and appropriate financial services to clients and potential clients. We have procedures in place to establish and monitor incentivizing of Representatives when marketing and selling a specific product of a product supplier.

We have implemented procedures that ensure all Representatives, prior to providing advice to a client:

- Take reasonable steps to seek from the client appropriate and available information regarding the clients financial situation, financial product experience and objectives to enable the provider to provide the client with appropriate advice;
- Conduct a needs analysis, for the purposes of the advice, based on the information obtained;
- Identify the financial product(s) 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 37 of 2002 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, follow 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.

### ADVICE

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 and complaints received from clients, product suppliers and 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 risks to clients should such events occur.

We monitor potential TCF indicators such as claims experience, product retention, early termination data, investment portfolio switching, 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 attributed to the Representative 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 in order to meet incentive or remuneration targets.

There are clear agreements between ourselves and any product supplier 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 product or services 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/mandate with us and/or with any product supplier or as a result of non-compliance with our FSP license or other legal requirements.

We have a policy in place for fair compensation of clients who have been financially prejudiced as a result of any inappropriate financial services rendered by our Representatives.

We monitor the published decisions of the FAIS Ombudsman, communications and guidance from the FSCA 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.

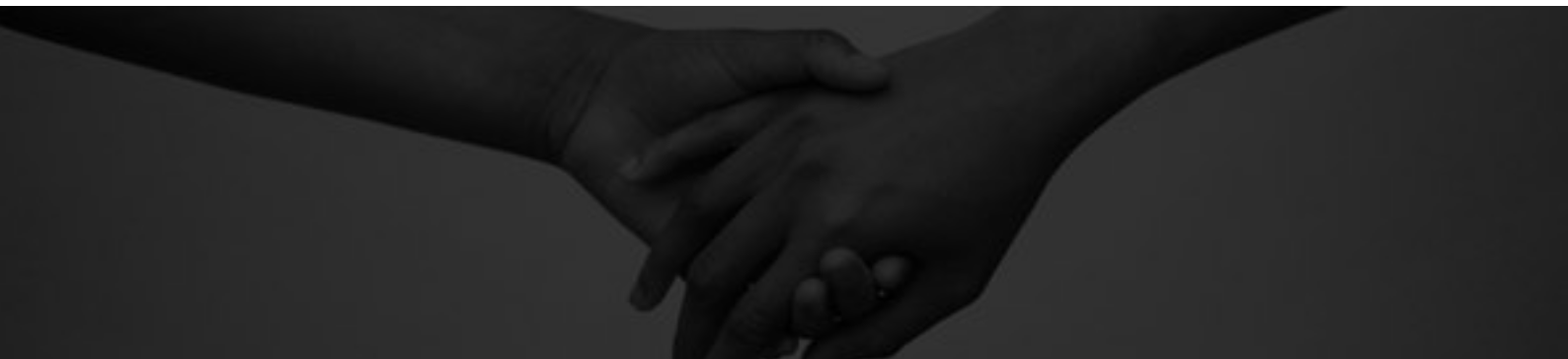
## OUTCOME 5 – PRODUCT PERFORMANCE MEETS CLIENT EXPECTATIONS

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



Our point of sale and post-sale information, includes the careful consideration of the elements listed below:

- Processes are in place to mitigate the risk that products and services are unable to satisfy the reasonable expectations of clients;
- We analyze the product retention, portfolio switching and early termination behaviour of our clients to identify the possible risk that products or services are not meeting client 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 premiums, investment portfolio switches, and benefit reductions, in reasonable time for them to act on the information;
- Processes are in place to alert clients of the risks of non-action on their part, such as 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 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, third parties and employees that identify the need for improvements in our service 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; and
- Processes are in place to protect the confidentiality of all client information.





## OUTCOME 6 – NO BARRIERS

*Clients do not face unreasonable post-sale barriers imposed by companies to change products, switch providers, submit claims or lodge complaints.*

Pinnacle Marketing (Pty) Ltd is committed to ensuring that clients do not face unreasonable barriers when changing products, switching providers or when claiming or lodging a complaint, and we consider all client criticism, whether positive or negative, as a critical feedback mechanism.

### CHANGING PRODUCTS

We inform clients, in good time, not only on request, of the type of permissible changes that may be made on 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, 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 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 or act on the information.

### SWITCHING PROVIDERS

We have clear service standards in place for processing switches to other providers and communicate these to clients. When we receive a request to switch providers, whether directly or through another party, we inform the client of any potential risks.

### CLAIMS HANDLING

We test our claims processes to ensure that it is suitable for the product and target client group concerned. We inform clients not only on request or at claim stage, of the process that must be followed in order to submit a claim and what information will be required in order to process a claim.

We inform clients of our service standards when processing claims, and we inform clients prior to contracting of the circumstances under which claims will not be processed and explain the client's obligations in this regard.

Once a claim has been received, we keep clients informed on our progress. Where a claim is declined, wholly or partially, we provide the client with 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 decline a claim. We have specific training in place for claims processing staff, including TCF training.

We consider the claims repudiation experience and quality of claims handling of different insurers when recommending an insurer to clients. We also analyse types of claims and claim 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 groups. We have a robust complaints management, record keeping and root cause analysis process, and have devoted sufficient resources to ensure effective complaints handling when needed. 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. We also inform clients of our service standards when processing complaints.

We benchmark our complaints data against competitors.

Once a complaint has been received, whether we are dealing with the complaint ourselves or where we have referred the complaint to another party, we keep clients informed of its progress, including the contact details of the person responsible for processing the complaint. When responding to a complaint, we provide clear reasons for our response, including where the response is favourable to the client, with supporting evidence where relevant. Where a request for redress is declined, wholly or partially, we inform the client of the steps that may be followed in order to have the decision reviewed.

We have specific training in place for complaints handling. Complaints processes are structured in such a way as to ensure that complaints of a similar nature have a similar outcome. Follow up processes are in place to determine the client satisfaction levels of complaints that have been finalized.

Processes are in place to ensure consistency in complaints handling. We have a policy for the fair compensation of clients who have been financially prejudiced by unfair treatment, which is not limited to those clients who complain.

We analyse complaints to identify any risks of mis-selling, whether by our 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 also 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 clients.

## ANNEXURE – TCF CHAMPION APPOINTMENT

### TCF CHAMPION

Pinnacle Marketing (Pty) Ltd has appointed a TCF Champion as part of its commitment to treat clients fairly.

The general duties of the TCF Champion include:

- To be actively involved with embedding the TCF principles into the business;
- To help instill a culture where the fair treatment of clients is embraced and adopted; and
- To assist Top Management to implement and adopt business processes aimed at ensuring that the business is at all times achieving the outcomes of TCF as set out in this Policy.

The TCF Champion has the authority to approach and speak to employees at all levels about the delivery and achievement of TCF outcomes. The TCF champion does not require to have any specific qualifications, but must have a thorough knowledge of all functional departments, business processes and the principles associated with TCF.

As a Key Individual of Pinnacle Marketing (Pty) Ltd, I, Ruark Jewell, hereby accept the appointment of TCF Champion.

Full Name	Ruark Jewell
Designation	Compliance Manager
Date	16/01/2024



For all policy and/or compliance queries please contact us on:

**T: 021 879 1119**

**E: [compliance@pinnaclemarketing.co.za](mailto:compliance@pinnaclemarketing.co.za)**

**Pinnacle Marketing (Pty) Ltd** is an authorized financial services provider (FSP No. 15017). Unit 82 Eden on the Bay, Cnr. Otto Du Plessis & Sir David Baird Drive, Big Bay, Cape Town, 7441

