



BAYPORT FINANCIAL SERVICES 2010 (PTY) LTD

(Hereinafter referred to as "Bayport" or "the Company")

Complaints Handling Policy

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1. DOCUMENT CONTROL AND APPROVAL

1.1. DOCUMENT INFORMATION

Last Reviewed	August 2018
Last Updated	Initial Draft
Approval State	On review
Approved By	Bayport Audit, Risk and Compliance Committee (ARC) Bayport Board of Directors
Reviewed By	Bayport Enterprise Risk Committee (ERCO)
Document Category	Confidential

Table 1: Document Information

1.2. DOCUMENT CHANGE CONTROL

	Author	Document Version	Summary of Changes	Date
1	Nompilo Manyosi	1.0	First Draft	July 2018
2	Bukhosibethu Kunene	2.0	Alignment with updates to Policyholder Protection Rules and Recommendations from Guardrisk and Internal Audit	August 2018

Table 2: Document Version Control

1.3. DEFINITIONS

Complaint:

An expression of dissatisfaction by a complainant, relating to a product or service provided or offered by Bayport, or to an agreement with Bayport in respect of its products or services and indicating that;

- Bayport or its affiliated service provider has contravened or failed to comply with an agreement, a law, a rule, or a code of conduct which is binding on the Bayport or to which it subscribes;
- Bayport or its affiliated service provider's maladministration or willful or negligent action or failure to act has caused the complainant harm, prejudice, distress or substantial inconvenience; or
- Bayport or its affiliated service provider has treated the complainant unfairly and regardless of whether such an expression of dissatisfaction is submitted together with or in relation to a customer query.

Complainant:

A person who has submitted a specific complaint to Bayport or, to the knowledge of Bayport, to Bayport's affiliated service provider and who;

- Is a customer or prospective customer of Bayport and has a direct interest in the agreement, product or service to which the complaint relates; or

2. Has submitted the complaint on behalf of a person mentioned in (1), provided that a prospective customer will only be regarded as a complainant to the extent that the complaint relates to the prospective customer's dissatisfaction in relation to the application, approach, solicitation or advertising or marketing material contemplated in the definition of "prospective customer".

Compliance Officer:

The statutory compliance officer appointed by Bayport in terms of the Financial Advisory and Intermediary Services Act.

Customer

Any user, former user or beneficiary of one or more of the Bayport's financial products or services, and their successors in title.

Prospective Customer

Any person who has applied to or otherwise approached Bayport in relation to becoming a customer of Bayport, or a person who has been solicited by Bayport to become a customer or has received marketing or advertising material in relation to Bayport's products or services.

Rejected

In relation to a complaint, rejected means that the complaint has not been upheld and Bayport regards the complaint as finalised after advising the complainant that it does not intend to take any further action to resolve the complaint. This can arise either where Bayport rejects a complaint without offering to take steps to resolve it because Bayport regards the complaint as unjustified or invalid, or where the customer or prospective customer does not accept or respond to Bayport's proposals to resolve the complaint and Bayport then advises the complainant that it does not intend to take any further action to attempt to resolve the complaint.

Reportable Complaint

Any complaint other than a complaint that has been;

1. upheld immediately by the person who initially received the complaint;
2. upheld within the financial institution's ordinary processes for handling customer queries in relation to the type of agreement, product or service complained about, provided that such process does not take more than five business days to complete from the date the complaint is received; or
3. submitted to or brought to the attention of the financial institution in such a manner that the financial institution does not have a reasonable opportunity to record such details of the complaint as may be prescribed in relation to reportable complaints.

Service Provider

Another person with whom Bayport's products or services the complaint relates has an arrangement in relation to the marketing, distribution, administration or provision of such products or services, regardless of whether or not such other person is the agent of Bayport.

Third Party

A separate individual or organization other than the two principals involved. A third party is typically a party that provides an auxiliary product or service not supplied by the service provider to the customer (the two principals).

Upheld

In relation to a complaint, upheld means that the complaint has been finalised in such a manner that the complainant has explicitly accepted that the matter is fully resolved or that it is reasonable for Bayport to assume that the complainant has so accepted. A complaint should only be regarded as upheld once any and all undertakings made by Bayport to resolve the complaint have been met.

2. INTRODUCTION

The Financial Services Conduct Authority (FSCA), through various legislative provisions, has set specific requirements that authorised financial services providers (FSP's), need to adhere to.

Furthermore, the FSCA has adopted a Treating Customers Fairly (TCF) framework as the basis for its supervision of the conduct of the business of regulated financial institutions. The TCF framework is a key component of the future market conduct regulatory authority's mandate to promote fair treatment of financial customers under the "Twin Peaks" model of financial sector regulation. The TCF approach seeks to ensure that specific, clearly articulated fairness outcomes for financial services customers are demonstrably delivered by regulated financial institutions, at all stages of the relationship between the institution and its customers. In alignment with the provisions of the amended Policyholder Protection Rules (PPRs) contained in the Long Term Insurance Act, 52 of 1998 (LTIA), effective management of customer complaints by financial institutions is a vital component of financial consumer protection. TCF Outcome 6 provides that "Customers do not face unreasonable post-sale barriers imposed by firms to change the product, switch providers, submit a claim or make a complaint."

This Policy document provides general principles to guide the way complaints are managed within Bayport and formalises the business practices required for an effective complaints handling process.

3. POLICY OBJECTIVES

This policy aims to ensure that we handle complaints consistently, fairly, efficiently and effectively. Our complaint management system is intended to:

- enable us to respond to issues raised by people making complaints in a timely and cost-effective way
- boost public confidence in our administrative process, and
- provide information that can be used by us to deliver quality improvements in our products (where relevant), services, employees and complaint handling.

This policy provides guidance to our employees and people who wish to make a complaint about the key principles and concepts of our complaint management system. The key objectives of this document are as follows:

- To ensure fair outcomes for customers
- To protect and enhance Bayport Reputation
- To allow for effective reporting, root cause analysis and error cause removal
- To ensure that complaints are resolved in a timeous manner
- To ensure consistent complaints handling
- To ensure the effective management of complaints
- To improve customer experience

4. REGULATORY FRAMEWORK

This policy is governed by the complete compliance of the following legislative frameworks:

Legislation	Abbreviation/Acronym
Consumer Protection Act 68 of 2008	CPA
National Credit Act 34 of 2005	NCA
Protection of Personal Information Act 4 of 2013	POPI
Financial Intelligence Centre Act 38 of 2001	FICA
Financial Advisory and Intermediary Services Act 37 of 2002	FAIS
Long-Term Insurance Act 52 of 1998	LTIA

Table 3: Regulatory Framework

The complete compliance of the above legislative frameworks are enforced by the following regulatory bodies:

Regulator	Overview
Financial Services Conduct Authority (FSCA)	The Financial Sector Conduct Authority (FSCA) [Previously the Financial Services Board (FSB)] is the market conduct regulator of financial institutions, which provide financial products and financial services, financial institutions that are licensed in terms of a financial sector law, including banks, insurers, retirement funds and administrators, and market infrastructures. The FSCA is responsible for market conduct regulation and supervision. FSCA aims to enhance and support the efficiency and integrity of financial markets and to protect financial customers by promoting their fair treatment by financial institutions, as well as providing financial customers with financial education. The FSCA will further assist in maintaining financial stability.
National Credit Regulator (NCR)	The National Credit Regulator (NCR) was established as the regulator under the National Credit Act No. 34 of 2005 (The Act) and is responsible for the regulation of the South African credit industry.
Independent Communications Authority of South Africa (ICASA)	The Independent Communications Authority of South Africa (ICASA) is the regulator for the South African communications, broadcasting and postal services sector. ICASA was established by an Act of statute the Independent Communications Authority of South Africa Act of 2000, as Amended.
Credit Ombudsman	The Office of the Credit Ombud resolves complaints from consumers and businesses that are negatively impacted by credit bureau information or when a consumer has a dispute with a credit provider, debt counsellor or payment distribution agent.

Regulator	Overview
FAIS Ombudsman	The Office of the Ombud for Financial Services Providers ('FAIS Ombud') was established by the Financial Advisory and Intermediary Services Act, 37 of 2002 ('FAIS Act').
Consumer Goods and Services Ombuds	The Office of the Consumer Goods and Services Ombud ("the CGSO") is the consumer goods and services industry's voluntary Ombud scheme, set up in line with the Consumer Protection Act ("the CPA") 68 of 2008. The body is voluntary and may engage in the resolution of disputes arising within the industry.
Ombudsman for Long-term Insurance	The office for the Ombudsman for Long-term Insurance was established in 1985. The function of the office is to mediate in disputes between subscribing members of the long-term insurance industry and policyholders regarding insurance contracts
Direct Marketing Association (DMA)	The Direct Marketing Association establishes and maintains standards for the conduct of direct marketing in South Africa. The DMASA is a highly proactive leader in this vital, flourishing industry that contributes substantially to South Africa's economy.
National Consumer Commission (NCC)	The National Consumer Commission (NCC) is established in terms of section 85 of the Consumer Protection Act No. 68 of 2008, as an organ of state within the Public administration, and as an institution outside public service with jurisdiction throughout the Republic of South Africa.
National Consumer Tribunal (NCT)	<p>The National Consumer Tribunal was established in terms of the National Credit Act 34 of 2005 (the NCA).</p> <p>The Tribunal is an independent adjudicative entity, deriving its mandate from the National Credit Act (NCA). As such, it hears all sides of a case before making a decision. A decision by the Tribunal has the same status as one made by the High Court of South Africa.</p> <p>Various parties can bring cases before the Tribunal. These can be the National Credit Regulator, consumers, credit providers, debt counsellors and credit bureaux. Cases are brought before the Tribunal in terms of the Rules for the Conduct of Matters before the National Consumer Tribunal (Government notice no 30225, 28 August 2007) (the Rules) or the applicable applications and referrals. There are 34 different types of applications and referrals, including provision for a matter that can be brought by order from the High Court on application by a third party. If the Tribunal adjudicates on a matter of prohibited conduct, it can impose a remedy as provided for in the NCA and grant orders for costs. The Tribunal's mandate includes reviewing decisions made by the National Credit Regulator.</p>

Table 4: Overview of Regulators

5. APPLICABILITY AND SCOPE

This policy is applicable to all complaints received by Bayport through the following mediums:

- Direct complaints from customer received via phone, fax and email
- Complaints received via the branches
- Regulatory complaints received from the regulatory bodies
- Media complains, including social media
- Complaints received from Attorneys
- Complaints received from 3rd Parties and Service Providers

6. ROLES AND RESPONSIBILITIES

Customer Experience Department

The Customer Experience Department is responsible for:

- co-drafting and implementing (along with the Governance and Compliance Department) this framework.

Governance and Compliance Department

The Governance and Compliance Department is responsible for:

- co-drafting and implementing (along with the Customer Experience Department) this framework and for submitting it to the board of directors for consideration and approval.
- ensuring that all policies associated with this framework are in place, are adequate and are periodically reviewed to ensure relevance.
- ensuring that all employees and, where appropriate, applicable stakeholders including Service Providers, are made aware of the contents of this framework, including training or education.
- publishing this framework in the appropriate media so that it's easily accessible for public inspection at all reasonable times.
- monitoring and maintaining a register of complaints.

Key Individuals

In terms of the FAIS Act, the key individuals are responsible for managing or overseeing the activities of Bayport as they offer financial services. In terms of this policy, the key individuals are responsible for;

- implementing it and training employees, especially as it relates to the FAIS Act.
 - all training in respect of complaint handling will be formally recorded. For representatives, such training will be logged on the Bayport Skills Register. Under the direction of the Key Individuals, Bayport undertakes to
 - Ensure that adequate training is provided to all relevant employees, ensuring full knowledge of the FAIS Act with regard to the resolution of complaints;
 - Have an appropriate mix of experience, knowledge and skills in complaints handling, fair treatment of customers, the subject matter of the complaints concerned and relevant legal and regulatory matters;
 - Not be subject to conflict of interest;
 - Be adequately empowered to make impartial decisions or recommendations; and
 - Ensure that employees are aware of provisions for the escalation of reportable complaints.
- providing relevant input and guidance to the operational areas or support functions

Compliance Officer

Compliance officers are responsible for:

- submitting annual compliance reports which must be submitted to the Registrar of Financial Services Providers under the FAIS Act that deal with monitoring, complying with and accessing this framework.

7. COMPLAINTS PROCESS

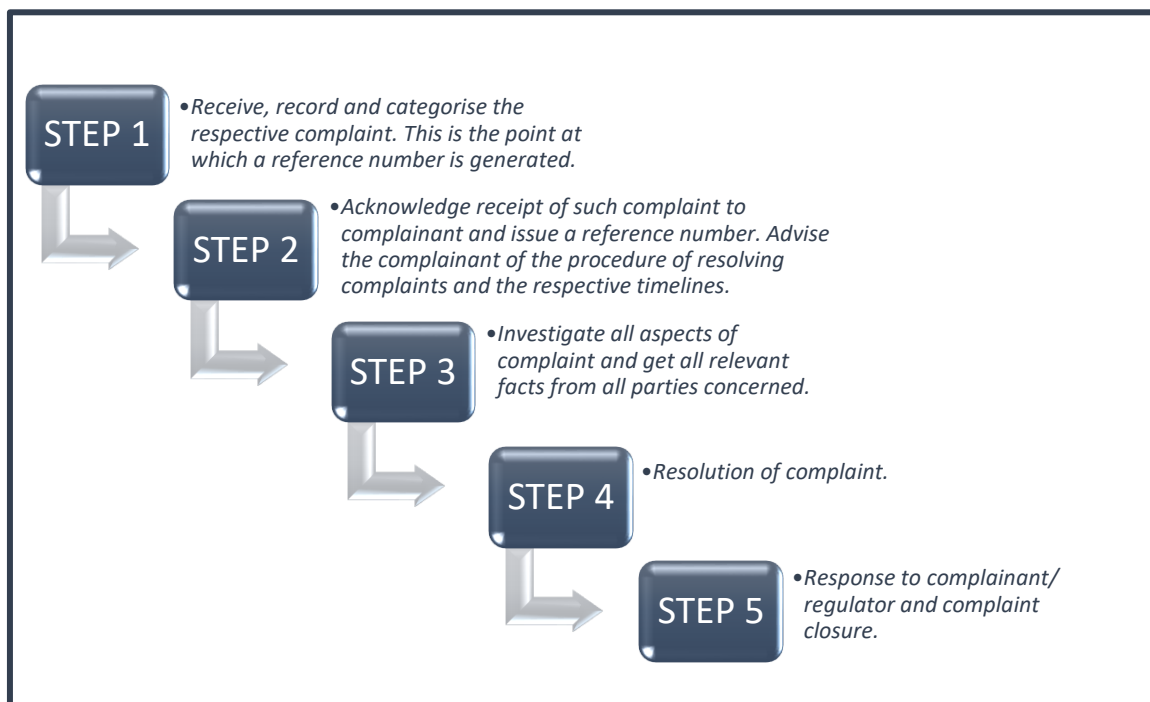


Figure 1: Complaints Process Overview

7.1. PROCESS STEPS EXPLAINED

STEP 1: RECEIPT, CATEGORISATION AND RECORDAL

Receipt of Complaint and Recordal

The purpose of this step is to ensure that all potential issues are captured by Bayport, and classified for escalation, review and action as required.

Any reportable complaint, issue or negative customer interaction must be logged and classified for action. All of these complaints must be formally logged using the paper-based complaint form.

Within 24 hours (Monday to Friday) the complaint should be directed to the Responsible Person within the business unit to resolve the complaint. The Business Unit will have oversight of the complaint.

At the point of receiving a complaint, the following checks are to be performed;

- Ensure that such complaint is in writing in the correct form and manner.
- Categorise the complaint in the respective category that it should fall under as stipulated in the “complaints categories” section.

- iii. Record the details onto the Complaints Register where a Complaint Reference Number is generated.

Categorisation of Complaints

In accordance with TCF provisions, financial institutions such as Bayport are required to manage and categorise complaints in line with the TCF Outcomes. TCF aligned complaints categorisation entails that financial institutions should categorise, record and report on complaints by identifying the TCF Outcome category to which a complaint most closely relates, and group complaints accordingly. There is a total of nine minimum categories which should be used, namely;

- i. **Complaints relating to the design of a product or service (Outcome 2)**
 - a. Complaints indicating that specific features of the product or service are unfair, inadequate, confusing or overly complex, or unsuitable for the customers at which they have been targeted. Complaints regarding unfair or confusing pricing, costs or charges would fall into this category.
 - b. Complaints regarding the features or operation of bundled products or add-on/value-added services, customer incentives or loyalty benefits should be included.
 - c. Complaints relating to the inclusion of advice related charges in the cost structure of the product.
- ii. **Complaints relating to information provided (Outcome 3)**
 - a. Complaints relating to any documentation provided to customers or prospective customers, or other communications with customers or prospective customers that are alleged to be inaccurate, unsuitable, misleading, incomplete, confusing, unclear, etc. It will cover both advertising and marketing material as well as specific product or service related communications.
 - b. This also includes complaints relating to information provided at all stages of the product lifecycle, not only at or before the point of sale. Complaints regarding such information could apply to either the content of the information or the manner or medium in which it is provided.
 - c. This category will also be inclusive of complaints regarding a failure to provide information or complaints that information was provided at an inappropriate time.
- iii. **Complaints relating to advice (Outcome 4)**
 - a. This category entails complaints relating to advice provided not taking adequate account of the customer or prospective customer's needs and circumstances (including affordability), factually incorrect information and/or misleading, or advice not being provided when the complainant believes it should have been provided.
 - b. This category also includes complaints indicating that the adviser was subject to a conflict of interest, or was lacking in knowledge, skill, experience or integrity.
 - c. This category would also include complaints directed to advisers themselves, relating to the adviser's remuneration.
- iv. **Complaints relating to product performance (Outcome 5a)**
 - a. This category will include complaints indicating a customer's disappointment in becoming aware of limitations relating to the product or service that are not in line

with their expectations. Where applicable, this would include (but is not limited to) complaints regarding perceived poor investment returns on investment, savings or retirement savings products.

- b. The category would also include complaints indicating that the customer was not kept adequately informed during the life of the product of matters that affect the product's ability to meet expectations.
 - c. Complaints regarding a product supplier's exercise of any contractual right to terminate a product or amend its terms would also fall under this category.
- v. Complaints relating to customer service (Outcome 5b)**
- a. This category involves customer service complaints which are those expressing dissatisfaction with Bayport's administration of requests and transactions (including complaints regarding Bayport's technological support) and complaints relating to the way in which Bayport's employees have dealt with the customer (for e.g. complaints of rudeness, incompetence or non-responsiveness).
 - b. This category would also include complaints regarding the administrative processing of payments to or by the customer.
 - c. Complaints relating to breaches of privacy or confidentiality also fall under this category.
 - d. It is important to note that complaints relating to the customer service standards of third party or outsourced service providers are included in this category and should be specifically identified.
 - e. Complaints arising from alleged fraudulent activity by the firm or a third party, where the customer is dissatisfied with the manner in which the firm has handled the matter or with the assistance provided by the firm in attempting to resolve the matter, would typically also fall under this category.
- vi. Complaints relating to product accessibility, changes or switches (Outcome 6a)**
- a. This category relates to complaints in respect of barriers or limitations on access to funds, or on the ability to transfer products or services to another provider, or on the ability to make changes to the product or service. Typical types of barriers or limitations covered would include penalties, termination charges, lengthy notice periods, complex "red tape" administrative hurdles when trying to access funds, etc.
- vii. Complaints relating to complaints handling (Outcome 6b)**
- a. This includes complaints regarding the administration of the complaints process, such as delays, poor communication regarding processes and decisions, cumbersome or inaccessible processes, failure to inform complainants of their rights regarding escalation or Ombud mechanisms, etc. Note that this excludes dissatisfaction regarding the outcome of a complaint as this should be regarded as a continuation of the original complaint.
- viii. Complaints relating to insurance risk claims (Outcome 6c)**
- a. This category should be used for complaints relating to insurance risk claims only. These complaints would include;

- i. Complaints relating to the administration of the claim process (such as delays, poor communication regarding processes and decisions cumbersome or inaccessible processes, etc.),
- ii. Complaints relating to actual non-payment of claims and, where applicable
- iii. Complaints regarding the quality of workmanship where claim settlement entails repair or similar services.

ix. Other complaints

A catch-all category for any complaints not falling within one of the above TCF aligned complaints categories or sub-categories.

Note: Where a particular complaint could fall under more than one category, Bayport should, for reporting purposes, identify the category to which the complaint most strongly relates. For internal analysis purposes, however, where a complaint clearly indicates more than one type of TCF failing, Bayport should consider how best to ensure that both types of failing are identified and managed.

STEP 2: COMPLAINT ACKNOWLEDGEMENT

In this step, Bayport aims to ensure that every complaint receives a formal written acknowledgement containing a Complaint Reference Number, an explanation of the complaints process and the timelines in which the complainant should expect a response. This acknowledgement must also provide the complainant with the details of the individual/department dealing with their complaint. Included in the aforementioned acknowledgement would be the process of escalation in the event that the complainant is dissatisfied with the manner in which their complaint has been resolved. Contact details of the insurer and the relevant regulators will be included in such acknowledgement, together with the subsequent escalation process that the complainant would need to follow in order to escalate the matter. The purpose of this is to ensure transparency and visibility, ensuring that the complainant has full knowledge of the procedures for resolution of their complaints.

All complaints, regardless of category, should receive an acknowledgement on the day of receipt of such complaint.

The Responsible Person should acknowledge receipt of the complaint and ensure that the complainant is contacted within 24hours (Monday to Friday). If the complaint cannot be resolved at this stage, then the complainant is to be kept updated during the investigation until the complaint is resolved.

STEP 3: CASE INVESTIGATION

The purpose of this step is to follow up on all aspects of the complaint, both internal and external, to ensure that the key facts are identified and clarified. All areas of interaction and communication should be established (who, what, where, when, why, etc.) and documented where possible.

The Responsible Person will provide feedback to their business unit about the investigation into the cause of the complaint and how it should be resolved. The business unit should

ensure that the investigation is thorough and that all aspects of the complaint have been investigated.

STEP 4: CASE RESOLUTION & CONFIRMATION

The purpose of this step is to ensure that the final resolution is clear and fair with consideration of the merits and facts of the case in line with prescribed provisions from the respective legislation. Also, confirmation and consultation with the business unit may be required in this step before finalization and interaction with the complainant. It should be confirmed that;

- i. Bayport ensures that the proposed resolution meets corporate guidelines and does not prejudice Bayport in any unnecessary legal, reputational or financial manner.
- ii. The proposed action is documented, discussed, deliberated upon and agreed with the presiding officer of the owners of this document.
- iii. The solution is discussed and reviewed from both Bayport and the complainant's viewpoint to ensure fairness and clarity.
- iv. The review includes the recognition and documentation of any underlying issues that have contributed to the complaint and recommendations for actions to prevent further occurrence

The Responsible Person must ensure action is taken to resolve the complaint within the business unit and that the complainant is provided with an update. The business unit should record the complaint outcome in the Complaints Register. If the outcome of the complaint is not in the complainant's favour, reasons must be provided and the Complaints Register updated accordingly.

STEP 5: RESPONSE TO COMPLAINANT/REGULATOR

In this step, Bayport needs to ensure that they provide the customer with a resolution to their complaints within the committed timelines. The details of the findings and proposed resolution should be clearly explained in written form to the complainant where possible. The final outcome of the complaint must be communicated to the complainant by the Responsible Person and thereafter resolved/closed.

8. THIRD-PARTY OR RELATED PARTY COMPLAINTS MANAGEMENT

A third party acting on behalf of a complainant must deliver a certified or original consent or power of attorney to act on behalf of a complainant. Should such third party fail to deliver a consent or power of attorney, no further dealings will be pursued with such third party until the proper authority is obtained. The complaint will, however, be taken up directly with the complainant on whose behalf the complaint is made.

Complaints from third parties and/or legal advisors will be treated in the same manner as all other complaints. Bayport must acknowledge receipt of the complaint and further request authority to act on the complainant's behalf such as a power of attorney or consent by the complainant to deal with the complaint on the complainant's behalf. No information will be divulged to a third party who does not have the proper authority to act on a complainant's behalf.

9. UPHELD AND REJECTED COMPLAINTS

Where a complaint is upheld, any commitment to make a compensation, goodwill payment or to take any other action must be carried out without undue delay and within any agreed timeframes.

Where a complaint is rejected, the complainant must be provided with clear and adequate reasons for the decision and must be informed of any applicable escalation or review processes, including how to use them and any relevant time limits. The complainant may within the applicable limits, pursue the Regulator with the complaint, whose details must always be provided.

Bayport may reject any complaint, which;

- a. is based on hearsay, rumour or reports disseminated through the media: Provided that Bayport may conduct an enquiry to verify any allegation of a violation of any regulatory provision that is reported in the media or obtained from any source; and upon verification, such alleged violation must be dealt with in terms of this Framework;
- b. is couched in language that is abusive, insulting, rude or disparaging: Provided that Bayport may consider a complaint if such language is removed;
- c. is the subject of a dispute before a court of law, tribunal, any statutory body, any body with internal dispute resolution mechanisms, or settled between the parties, or in which there is a judgment on the issues in the complaint or finding of such court of law, tribunal, statutory body or other body: Provided that Bayport may consider any complaint regarding the process and manner in which the hearing is conducted at such a court of law, tribunal, statutory body or any other body and if such complaint amounts to a violation of regulatory provision, it must be dealt with in terms of Framework;
- d. is an anonymous complaint: Provided that Bayport may on its own accord make enquiries to ascertain the alleged violation of a regulatory provision and, upon verification, Bayport may deal with the complaint in terms of this Framework;
- e. is viewed to be frivolous, misconceived, unwarranted, incomprehensible, and manifestly incompatible with any regulatory provision.

10. ESCALATION PROCESS FOR COMPLAINTS

10.1. COMPLAINTS ARBITRATION

In the event that a complainant is dissatisfied with the outcome of the complaint, they may escalate their complaint to a complaints arbitrator. A new complaints reference number should be issued after which the complaint is assigned to the previous responsible person's business unit for feedback and comment. Simultaneously, a receipt of complaint confirmation provided to the complainant (within 48 hours).

The respective business unit has 10 working days in which to respond. Responses that may require additional time in order to respond will need to be communicated back to the complainant. Once feedback is received from the respective business unit representative, a response is then drafted by the Complaints Arbitrator and issued to the complainant detailing reasons for the decision, the escalation process and/ or reference to alternative dispute resolution mechanism. The complaints Register is to be updated accordingly with the outcome and thereafter resolved/closed.

10.2. INTERNAL ARBITRATOR

Any comeback from the complaints arbitration process is then referred to the internal arbitrator. The internal arbitrator should never be the point of the first reference. Should this, for whatever reason, be the case, then the matter will be referred per the appropriate chain above. The complaint will be logged onto the complaints register and referred to the internal arbitrator via email. Receipt of the complaint is acknowledged via email which is done within 24 hours. The internal arbitrator may respond directly to a client and in the event that this is done, the complaints register will be updated and resolved as an Internal Arbitration matter.

For insurance related matters, the complainant may alternatively direct their dissatisfaction to the Internal Dispute Arbitrator at the Insurer, before referring it to an external body, such as the Ombud for Long Term Insurance. The Insurer's details are:

- Guardrisk Life Limited
 - Postal Address: PO Box 786015 Sandton, 20196
 - Telephone number: (011) 669 1000
 - Email Address: info@guardrisk.co.za

In the event that the complaints handling committee need to meet to discuss the matter, owing to its complexity, the complainant is informed, a meeting will be set up, and minutes will be taken. The committee will come to a conclusion and the response is thereafter drafted by the internal arbitrator. Any complicated or complex matter may be referred immediately to the internal arbitrator for resolution.

Come-back from the various Ombuds' may also be escalated to the internal arbitrator for review and a response. The internal arbitrator shall have the highest authority in making a determination and has the authority to override any previous decision. Complaints in respect of the Insurer or the design of the insurance product must be referred to the Insurer and;

- All complaints lodged with the Ombudsman of Long-term or the FAIS Ombud and all legal proceedings in respect of the Insurer, the Policies and/or the Insurance Business must be dealt with exclusively by the insurer.
- Bayport must give all assistance and co-operation to the Insurer in respect of any of the above and promptly furnish all documents/information and give all representations required in order to enable the Insurer to defend any such legal proceedings, claims, potential claims, complaints or potential complaints.
- Bayport must, at its costs, within 3 (three) business days of receipt of a complaint, a notification from the Ombudsman for Long-Term or the FAIS Ombud; or any other legal document pertaining to the Insurer, the Insurance Business and/or the Policies, provide a copy of such documents and any supporting documents to the Insurer.

11. REGULATOR COMPLAINTS

Legal and Compliance investigates complaints received from Regulatory bodies relating to but is not limited to:

- Bayport credit agreements and its contents e.g. interest, initiation fee etc.

- Over-deductions/overcharging; Credit bureau information disputes
- Disputed settlement amounts; short settlements
- Reckless Lending
- Non-adherence to section 127 & 129, taking legal action or repossessing without following the prescribed steps
- Legal enforcement; Unprofessional conduct; and
- Accounts not restructured in accordance with the debt review court order.

For any regulator complaint, a due date will be confirmed and the matter will be tracked by the case handler to ensure the deadline is met.

- A response will be expected well before the actual specified due date, failing which the matter will be escalated to the relevant executive to ensure that the due date is met.
- Once feedback is received from a regulator, the complaints register will be updated and the matter closed

12. REDRESS

Redress is setting right what went wrong for an individual or group of individuals. This means that, wherever possible and practicable, if a customer was detrimentally affected as a consequence of when something has gone wrong within Bayport, they should be returned to the position they would have been in if the failure had not occurred. This may include reimbursement for actual, demonstrable, and consequential financial loss.

Compensation is usually used to describe the financial amounts given by courts in damages. We will consider the complexity of the complaint so as to ensure appropriate financial compensation for any loss as a direct result of Bayport's incorrect action or inaction. In handling a complaint we can propose action, at any stage, which we consider would resolve the complaint. This may also inform our decision whether or not to initiate or continue an investigation. We may also make recommendations in relation to service improvement or complaints handling.

General Principles when making recommendations for redress will be as follows:

- Focus on loss or harm to the individual(s) that is the consequence of maladministration on Bayport's part
- Take into account the wishes and needs of the complainant, but equally be clear about the complainant's responsibilities in terms of evidence
- Consider carefully what is fair and reasonable
- Be proportionate to the loss and the hardship suffered
- Aim to provide, as far as possible, a comprehensive resolution of the issue
- Explain clearly the reason for the redress and the outcome we want to achieve
- Ensure evidence is provided of compliance.

12.1. TYPES OF REDRESS

Redress may include some or all of the following:

- An apology
- A detailed and thorough explanation
- Practical action to mitigate any detriment

- Where possible, reimbursement of demonstrable loss and/or costs incurred (e.g. refund of bank charges)
- Other appropriate action suggested by the complainant or Bayport.

Redress may be limited by:

- How much time has elapsed since the problem occurred
- The degree to which the complainant had a contributory responsibility for the failure and the detriment that occurred
- The capability of Bayport to comply.

Redress for direct financial loss or costs

When making a recommendation to redress a financial loss or cost, the respective manager awarding the compensatory award must record the reasons for each element and how this should be calculated. The calculation will be on the basis of direct loss or costs incurred as a result of the failure we have identified.

Recommendations for financial payment will take into account any degree to which the complainant has contributed to the failure or loss suffered. Complainants will normally be required to provide Bayport with evidence of the loss.

When making a recommendation for financial redress, a date by which payment should be made must be stipulated.

12.2. APPROVAL OF FINANCIAL REDRESS

Any monetary redress awards must be approved by a Head of Department. Apology letters to customers must be signed off by the manager of the respective department.

12.3. COMPLIANCE

Should Bayport received a compensation order from a complaints body, or from the Regulator, the person in receipt of the order must ensure that all the relevant Heads of Department are notified and that we comply within the stipulated period.

13. COMPLAINTS REPORTING AND RECORD KEEPING

We will ensure that complaints are recorded in a systematic way so that information can be easily retrieved for reporting and analysis.

Regular reports will be run on:

- The number of complaints received
- The outcome of complaints and root cause of complaints
- Issues arising from complaints
- Systemic issues identified, and
- The number of requests we receive for internal and/or external review of our complaint handling.

The following data in relation to reportable complaints need to be recorded on an ongoing basis:

- Number of complaints received, upheld, rejected and the reason for rejection;
- Number of complaints escalated by complainants to the internal complaints escalation process
- Number of complaints referred to the Regulators and their outcome;
- Compensation and goodwill payments;
- The total number of complaints outstanding.

Record of complaints shall be appropriately maintained for a period of five years. Regular analysis of these reports will be undertaken to monitor trends, measure the quality of our customer service and make improvements. Both reports and their analysis will be provided to Bayport's CEO and senior management for review. Such reports and analysis will also be made available to the Audit, Risk and Compliance board subcommittee.

14. MONITORING OF COMPLAINTS MANAGEMENT SYSTEM

We will continually monitor our complaint management system to:

- Ensure its effectiveness in responding to and resolving complaints, and
- Identify and correct deficiencies in the operation of the system.
- Monitoring may include the use of audits, complaint satisfaction surveys and online listening tools and alerts.

15. CONTINUOUS IMPROVEMENT

We are committed to improving the effectiveness and efficiency of our complaint management system. To this end, we will:

- Support the making and appropriate resolution of complaints
- Implement best practices in complaint handling
- Recognise and reward exemplary complaint handling by employees
- Regularly review the complaints management system and complaint data, and implement the appropriate system and process changes arising out of our analysis of complaints data and continual monitoring of the system.

16. DOCUMENT REVIEW AND SIGNOFF SHEET

Document Review

1. This policy was reviewed and signed by the Executive: Legal & Compliance, on **27 September 2018**. The signed version is available for inspection, on request from the Compliance Manager or Company Secretary.
2. This policy was reviewed and approved by the Enterprise Risk Committee on **6 November 2018**, and signed by the Risk Committee Secretary in confirmation of the committee's approval. The signed version is available for inspection, on request from the Compliance Manager or Company Secretary.

Governing Body Approval

1. **Audit Committee Approval:**
This policy has been reviewed and approved by the Company's Audit, Risk and Compliance Committee at its meeting held on **3 December 2018**, as evidenced in the minutes of that meeting, an extract of which can be obtained from the Company Secretary.
2. **Board Approval:**
This policy has been approved by the Company's Board of Directors at its meeting held on **3 December 2018**, as evidenced in the minutes of that meeting, an extract of which can be obtained from the Company Secretary.