



AGM FINANCIAL SERVICES GROUP (PTY) LTD

and subsidiaries:

AGM MAPSURE RISK MANAGEMENT CONSULTANTS (PTY) LTD – FSP:23034

AGM MAPSURE FINANCIAL CONSULTANTS (PTY) LTD – FSP:12475

DIAL-A-QUOTE (PTY) LTD – FSP: 5329

GOVERNANCE POLICY

Senior management appreciate that stakeholders' (and customers') perceptions affect the company's reputation. They are therefore continuously striving to achieve the appropriate balance between all stakeholders in the best interests of the company as well as those of its customers which is key. King IV principles form the guiding light, if not specific controls, given our size and complexity of business. As a smaller company, the primary focus of our governance framework from a client perspective is TCF. Overall governance standards can be identified in the Risk Management and Operational Ability documents.

In line with the Financial Services Board (now the Financial Sector Conduct Authority) adoption of a Treating Customers Fairly (TCF) framework, as the basis for its supervision of the conduct of business of regulated financial institutions, the senior management of **AGM FINANCIAL SERVICES GROUP (PTY) LTD and subsidiaries** are committed to ensuring that the TCF framework is applied in all areas of our day-to-day business activities, as per the below policy statement.

In adopting the TCF framework we recognise that the fair treatment of our customers is central to our core principles, and to the service we offer and we ensure that:

- **TCF OUTCOME 1:** Our customers can be confident that they are dealing with a regulated financial institution where TCF is central to our corporate culture.
- **TCF OUTCOME 2:** Products and services that we market and sell in the retail market are designed to meet the needs of our identified customers who we target accordingly.
- **TCF OUTCOME 3:** Our customers are provided with clear information and are kept appropriately informed before, during and after point of sale.
- **TCF OUTCOME 4:** The advice that we provide to our customers is suitable and takes account of each individual customer's circumstance.
- **TCF OUTCOME 5:** Our product suppliers' products perform as we have led our customers to expect, and the service that we provide is of an acceptable standard as we have led our customers to expect.
- **TCF OUTCOME 6:** Our customers do not face unreasonable post-sale barriers should they wish to change or replace a policy, change insurer, submit a claim, or make a complaint.

In addition we promote the alignment of interests of our company policy with those of our customers which avoids the risk of us taking excessive risks and treating our customers unfairly. This policy is aligned with our Risk Management Plan to enable this to take place.

We also provide for regular monitoring and evaluation of the adequacy and effectiveness of our systems, processes and internal control mechanisms and measures to address any deficiencies and to determine

whether it serves reasonably to ensure the integrity of our practices, including the treatment of

customers with due care, skill and diligence and in a fair, honest and professional manner. This policy is therefore also aligned with our Operational Ability processes, controls and procedures to ensure ongoing good governance.

Where we appoint Representatives, we ensure that such appointment does not prevent us from acting in the best interests of our customers and that their remuneration may not increase the risk of unfair treatment. We have also developed contingency plans to ensure a continued service to our customers in the event that the Representative's appointment is terminated or becomes ineffective.

In practical terms for the different areas of our business this means:

- Our staff have thorough training on all products they advise on or sell, understand who they are and aren't suitable for, and are encouraged to challenge insurers where they spot inconsistencies, ambiguities or potential unfairness in the product literature or product features.
- We keep detailed records of our customers' instructions and profile/attitude to risk, and of the advice and options given before, during and after a sale, to ensure that we can deal with any complaints that may arise fairly, promptly and impartially, and in line with regulated rules and deadlines.
- We encourage after sales contact with our customers, where appropriate, to correct or improve on the service we have already offered so that our staff can recommend improvements to the service offering following customer complaints as well as to monitor and report back on the outcomes.
- All of our staff implement TCF in their day-to-day business activities and have regular training in its principles and practices to ensure that the company's TCF framework and values, which are set and communicated by senior management, are supported by all staff and understood in the same way.
- A remuneration policy is in place which includes staff performance measures, setting objectives and a reward structure linked to the six TCF outcomes detailed at the beginning of this policy. Our Human Resources policies and procedures also reflect this.
- We will, in future, monitor and report on all of the company's TCF activities as part of the company's monthly management statistical information in order to assess TCF performance across all areas of the business and make changes where appropriate e.g. an excessive amount of lapsed policies which is an indication that the wrong customer target market has been married to the wrong product.