



Consilium Securities

Complaints Resolution Process for Clients of

Consilium Securities (Pty) Ltd a member of the JSE Ltd

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1. INTRODUCTION

The Financial Advisory & Intermediary Services Act 2002 deals with complaints in some length. Specifically section 27(1) Receipt of Complaints, prescription, jurisdiction and investigation

The rules and guidelines are effective from the implementation date and are valid either revised or revoked

All licensed financial service providers FSP's will be required to have systems in place for the purpose of timeous and efficient resolution of complaints within the specified timeframes.

2. DEFINITION OF COMPLAINT

Complaint means a specific complaint relating to a financial service rendered to the client on or after the date of commencement of FAIS, alleging that we:

- Contravened or failed to comply with a provision of FAIS and that, as a result, the client has suffered financial prejudice or damage.
- Wilfully or negligently rendered a financial service to the client which was caused prejudice or damage to the client or which is likely to result in such prejudice or damage; or Treated the client unfairly.
- Any client that has a complaint against the provider must lodge such complaint in writing. Complaints received orally should be reduced to writing and the clients approval obtained as to its details.
- A register of complaints must be held for a period of 5 years. The register shall include the identity, substance and correspondence of the complaint.
- The company must handle complaints in a timely and fair manner.
- The company must take steps to investigate and respond promptly to any complaint.
- The company must advise the client when a complaint is not resolved to the client's satisfaction, of any further steps available to the client in terms of the act.

3. COMPLAINTS POLICY

We are committed to:

- Resolving client complaints in a manner which we believe is fair to our clients, our business and our staff
- Ensuring that clients have full knowledge of the procedures established for internal resolution of their complaints, details of which will be given to them in writing.
- Ensuring easy access to our complaints resolution facilities at any of our offices, or by way of post, telephone or electronic help desk support.
- Employing and empowering properly trained people in our business to deal with complaints, as well as with the escalation of serious non-routine complaints.
- Dealing with complaints in a timely and fair manner, with each complaint receiving proper consideration in a process that is managed appropriately and effectively.
- Management oversight in terms of a monthly report is imperative.
- Any overdue complaints not addressed by the appropriate staff member are to be immediately escalated to Management.
 - Staff member's failure to adhere to any complaints timeously will result in a disciplinary action taken against the staff member.
- Offering full and appropriate redress in all cases where a complaint is resolved in favour of a client – without delay.
- Refer the client to the JSE should the client not be satisfied with Consilium's resolution to the complaint
- Informing clients of their right to refer their complaints to the FAIS Ombud should a complaint not be resolved to their satisfaction within four weeks from the date on which the complaint is received.
- Maintaining records of all complaints received for a period of 5 years, which will specify whether or not complaint were resolved

- Implementing follow-up procedures to:
- Ensure the avoidance of occurrences giving rise to complaints and
- Improve services and complaint systems and procedures where necessary

4. UNRESOLVED CLIENT COMPLAINT POLICY

- Should the client still not be satisfied with Consilium's resolution proposed to the complaint the complaint will be deemed unresolved.
- The client will be advised accordingly to lodge an unresolved complaint, in writing, with the Director: Surveillance. Giving full particulars of the matters concerned.
- In order for an unresolved complaint to be considered by the JSE Surveillance Department, the complaint must be lodged with the Director: Surveillance within 4 weeks of the receipt by the complainant of the member's response and within 6 months of the conduct by the member giving rise to the complaint
- An unresolved complaint which is lodged subsequent to the period referred to above will be considered, provided that failure to lodge the complaint within the relevant period was through no fault of the client.
- Consilium Securities will endeavour to cooperate with the JSE Surveillance department when they may request the member to provide copies of all relevant correspondence and documentation that is required to review the complaint.
- If the JSE Surveillance Department is unable to facilitate a resolution of the complaint within 4 weeks of lodgement of the complaint with it, the Director: Surveillance will refer the unresolved complaint to the Company Secretary of the JSE to be dealt with in terms of the dispute resolution rules.
- Applicability of the dispute resolution rule:
 - Where the amount in dispute is in excess of R2 000;
 - Where the dispute is not subject of existing litigation;
 - In the case of a dispute that a client has with a member, where the amount in dispute either does not exceed R500 000 or, where the amount in dispute exceeds
 - R500 000, if the consent of both parties to proceed has been obtained
 - in the case of a dispute that a member has with another member, if the members are able to evidence to the satisfaction of the Director: Surveillance that reasonable endeavors have been made by the said members to resolve the dispute, and the consent of both parties to proceed has been obtained;

- in the case of a dispute that a member has with a client, if the consent of the client to proceed has been obtained.
- Reporting of a dispute:
 - An unresolved client complaint that the JSE Surveillance Department is not able to resolve will be reported as a dispute by the Director: Surveillance to the Company Secretary of the JSE if the client elects to follow the dispute resolution process.
 - A dispute between two members in respect of transactions in equity securities must be reported in writing, by either member, to the Company Secretary of the JSE within 1 week of the circumstance giving rise to the dispute having arisen.
 - A dispute that a member has with a client in respect of transactions in equity securities must be reported, in writing by, the member, to the Company Secretary of the JSE within 6 months of the circumstance giving rise to the dispute having arisen.
 - The Company Secretary of the JSE may, at any time, will request any of the parties to a dispute to furnish him with such further information relating to the dispute as may be required.

- Declaration of a dispute

A dispute reported in terms of rule 11.80 will, subject to criteria set out in rule 11.70.2 having been met, be declared a dispute by the Company Secretary and will be referred by the Company Secretary to a duly appointed ombud for consideration.

- Consideration by an Ombud

- The JSE will appoint an ombud to consider a dispute, who is a retired judge of the High Court of South Africa or a Senior Counsel.
- Within 3 weeks of the dispute having been referred to the ombud for consideration, the claimant must set out the subject matter of the claim in a written statement, including all the material facts, and furnish this statement, along with all relevant documentation upon which the claim is based, to the ombud.
- The ombud may require the claimant to expand upon his statement of claim or provide further evidence or particulars as he deems necessary within such reasonable time as is specified by the ombud.
- The other party to the dispute, hereafter referred to as the defendant, must be provided with a copy of the written statement of claim by the ombud. The defendant must furnish the ombud with his written response to the statement of claim within 3

weeks of having received such. In addition to the defendant's written response, the defendant must attach thereto all other evidence relating to

the dispute

- The ombud may require the defendant to expand upon his response or provide further evidence or particulars as he deems necessary within such reasonable time as specified by the ombud and may require the claimant to provide a written reply to the defendant's response within such reasonable time as he may specify
- The ombud may at his discretion decide that a number of disputes based on similar occurrences or similar facts be consolidated and treated as a single dispute.
- After ascertaining the parties' availability, the ombud will, subject to rule 11.100.8 furnish the parties with written notification of the date on which the dispute will be heard.
- The ombud may make a decision regarding any issues relating to the dispute or consider the dispute on the basis of the documents submitted in terms of rules 11.100.2 to 11.100.5 without the necessity of a hearing.
- The dispute resolution proceedings will be conducted without legal representation of any of the parties, unless the ombud in his sole discretion decides otherwise.
- The ombud, in reaching a decision, may consult with any third party regarding any issue relating to the dispute. The ombud has the discretion to call upon any third party to participate in the dispute resolution proceedings.
- The ombud will, after having considered the information as presented to him by the parties and such other information as he may request, make his decision within 3 weeks of having considered the dispute. The ombud must, at the request of any party to the dispute, provide written reasons for his decision.
- The Ombud's decision will be furnished to the parties in writing.
- The ombud is not obliged to provide a ruling on a dispute if he is of the view that the dispute is of such a complex nature that it cannot be resolved expeditiously by means of the dispute resolution process and can only be properly considered by a court of law.
- Any decision made in terms of rule 11.100.12 must be complied with by the party against whom the decision is made within one week of the decision having been made by the ombud.
- If a member against whom the ombud has made an adverse finding is unable to satisfy his obligations, as provided for in the Ombud's decision, within the prescribed period, this member, after the JSE has considered the reasons for its inability to satisfy the ombud's decision, may be declared a defaulter by the JSE. The claimant will be permitted to lodge a claim against the JSE Guarantee Fund for the fulfilment of the member's obligations in terms of the ombud's decision. The JSE will have a '

- subsequent claim against the member for the amount of the member's obligations to the claimant, as provided for in the ombud's decision, which the JSE Guarantee Fund has satisfied.
- Unless the JSE, the ombud and the parties to the dispute agree otherwise, the identity of the parties, the nature of the evidence and the details of the ombud's deliberations and finding, and all other information pertaining to the proceedings, will be kept confidential by all parties thereto, unless disclosure by the JSE is required by law.
- Cost of proceedings
 - The parties to any dispute resolution proceeding in terms of rule 11.100 may be required to pay to the JSE, before the proceedings commence such amount as the JSE may determine as a deposit to cover a portion of the costs of the proceedings.
 - The ombud may, as part of his award and as he deems appropriate in the circumstances, make an order on costs which may include an order against the unsuccessful party for payment of all the costs of the proceedings.

5. COMPLAINTS PROCEDURE

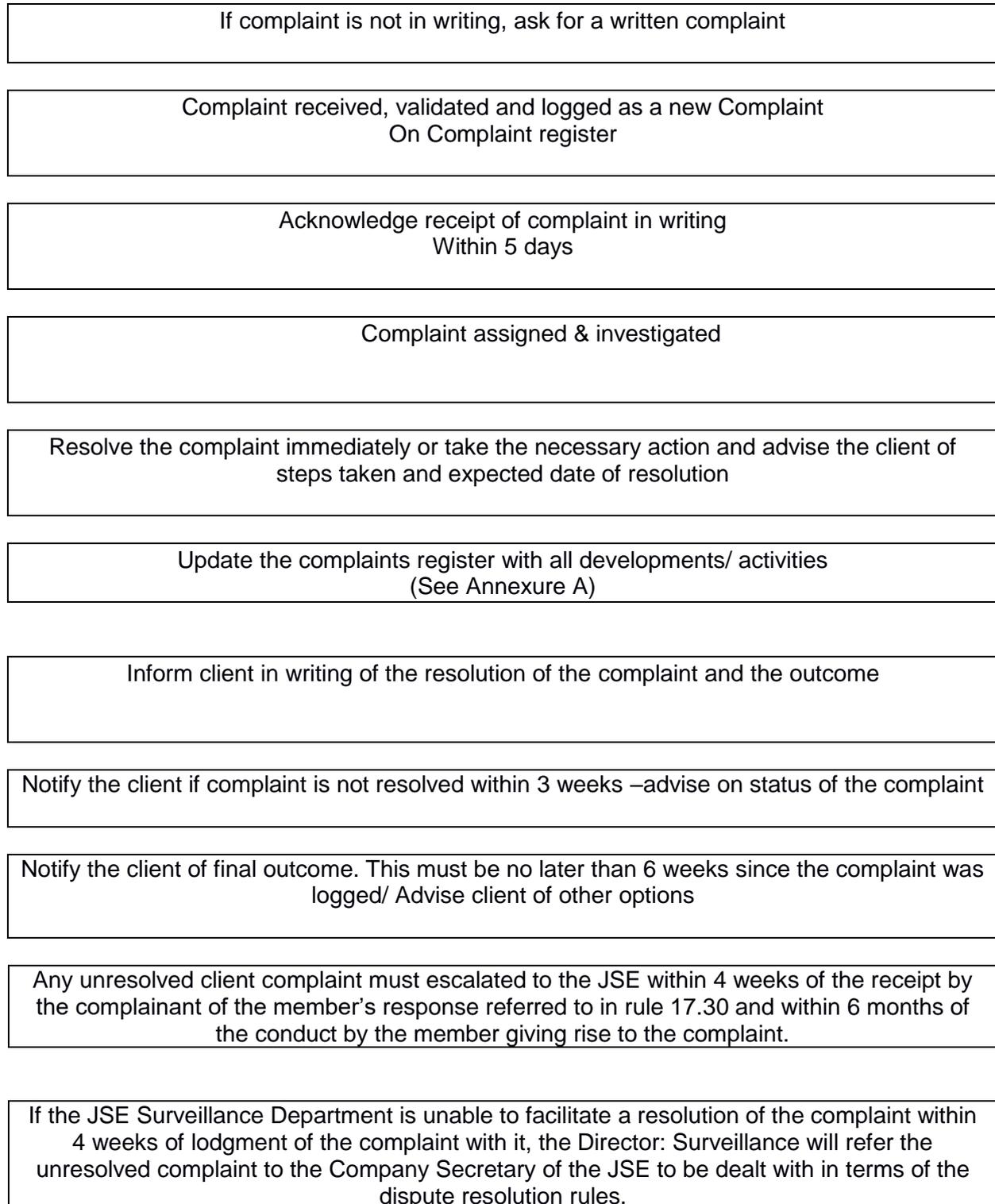
We deal with complaints as follows:

- Log the date and contents of the complaint in the Complaints Register.
- If a complaint is not in writing, the compliance officer will ask the client to lodge the complaint in writing.
- Acknowledge receipt of the complaint in writing within 5 days of receipt, and give the client the name(s) and contact details of the staff responsible for the resolution of the complaint.
- The managing director needs to be notified of such complaints when it arises. The provisions of the JSE Equity Rules will be reviewed under section 11 to facilitate the resolution.
- The compliance officer will investigate the complaint to ascertain whether the complaint can be resolved immediately.
- If the complaint can be resolved immediately, the compliance officer will take the necessary action and advise the client accordingly.
- If the complaint cannot be resolved immediately, send the client a written summary of the steps to be taken to resolve the matter and the expected date of resolution.

- All investigative evidence of clients' complaints and correspondence must be kept safely ensuring that they were appropriately addressed and the client must be informed of the decision.
- An acknowledgement that the complaint has been dealt with to the satisfaction of the client, fairly, effectively and promptly and that the resolution of any unresolved complaints is beyond the reach of the TSP will be obtained in writing.
- If unable to resolve the complaint within 3 weeks of logging the complaint with the Complaints Register, notify the client by means of a written acknowledgement. This will outline the current status of the complaint and the expected date of final resolution.
- If unable to resolve the complaint within a further 3 weeks of the written acknowledgement (6 weeks since complaint logged), notify the client giving full written reasons as to why the outcome was not favorable, and advise the client of their right to seek legal redress by referring the complaint to the Office of the Ombudsman.
- The compliance officer of Consilium Securities must advise the complainant, in writing, that in order for an unresolved complaint to be considered by the JSE Surveillance Department, the complaint must be lodged with the Director: Surveillance within **4 weeks** of the receipt by the complainant of the member's response referred to in rule 11.30 and within **6 months** of the contract by the member giving rise to the complaint.
- Update the register with all developments/activities.
 - Ombud for Financial Services Providers (FAIS Ombud)
 - Street Address: Celtis House, Eastwood Office Park, Lynnwood, Pretoria, 0081
 - Postal Address: PO Box 74571, Lynwood Ridge, 0040
 - Telephone number: 0860 324 766
 - Fax number: +2712 348 3447
 - Email Address: info@faisombud.co.za
 - Website: www.faisombud.co.za
 - Acts: www.acts.co.za

4. COMPLAINT PROCESS FLOW

Client lodges a complaint



Notify client of the dispute resolution rules
Reporting of a dispute by JSE
Declaration of the dispute
Consideration by an Ombud
Cost pf proceedings

5. COMPLAINTS REGISTER

The register should contain the following fields:

Received: This field will reflect the date on which the letter was received. The receipt period starts its calculations here.

Date Captured: The date of the day on which the complaint is captured.

Received From: The name and designation of the person that submitted the complaint must be entered here. It may be a client or a client's representative.

Complaint Reference Number: This field contains the clients' reference number linked to an internal system

Client Surname and Initials: Enter the surname of the client making the complaint.

Complaint Description/Type: Short summary of the complaint

Captured by: The name of the person who captured the complaint.

Responsible person internally: Who will deal with the complaint and ensure that it is resolved.

Activity Update: Log all developments and movements.

Outcome of Complaint: Summary of what decisions was taken.

Date of Final Communication to client: Date of letter to the client.

Compliance Officer Final Sign Off Designated compliance officer to sign off a complaint as finalised

Learnings: This is a field where any possible lessons learned from the handling of this complaint can be entered.

