

Complaints Handling and Resolution Procedure

INTRODUCTION

Section 27(1) of the Financial Advisory & Intermediary Services Act, 2002 and Part IX of Notice 910 of 2010 of the Collective Investment Schemes Control Act, 2002 deal with complaints in some length.

All licensed financial service providers (FSPs) and Collective Investment Scheme managers are required to have systems in place for the purpose of timeous and efficient resolution of complaints within the specified timeframes.

Element Investment Managers (Proprietary) Limited is an authorised financial services provider and Element Unit Trusts (RF) Proprietary Limited is a registered Collective Investment Scheme Manager. They will be collectively referred to as "Element" in this document.

DEFINITIONS

Complaint means a complaint submitted by a client to Element for purpose of resolution relating to a financial service rendered to the client, alleging that Element:

- Has contravened or failed to comply with a provision of FAIS and that, as a result, the client has suffered or is likely to suffer financial prejudice or damage;
- Has willfully or negligently rendered a financial service to the client, which has caused prejudice or damage to the client or which is likely to result in such prejudice or damage; or
- Has treated the client unfairly.

Internal complaint resolution system procedure in relation to Element and a client, means the system and procedures established and maintained by Element;

FAIS Ombud means the Office of the Ombud for Financial Services Providers which was established by the Financial Advisory and Intermediary Services Act, 37 of 2002 ("FAIS Act").

Resolution or internal resolution in relation to a complaint and Element means the process of resolving a complaint through and in accordance with the internal complaint resolution system.

TO DETERMINE IF IT IS A FAIS COMPLAINT

If:

- Element or its representatives have contravened or failed to comply with any provision of the FAIS Act and, as a result, the client has suffered or is likely to suffer financial prejudice or damage; or
- Element or its representatives have willfully or negligently rendered a financial service to the client, which has caused prejudice or damage to the client or which is likely to result in such prejudice or damage; or
- Element or its representatives have treated the client unfairly;

Then, it may be viewed as a complaint under the FAIS Act. If the client would like to lodge a complaint, this should be done in writing, as follows:

ALL COMPLAINTS MUST BE IN WRITING AND SENT BY:

Either E-mail to utclientservices@elementim.co.za

Or Fax to 021 426 0999

Or Post to Element Investment Managers / Element Unit Trusts
25th Floor
Atterbury House
9 Riebeek Street
Cape Town
8001

Please include as much detail as possible and forward any supporting documentation.

INTERNAL COMPLAINT RESOLUTION PROCEDURE

- If a complaint against Element is not in writing, Element must request the client to lodge the complaint in writing and to provide the necessary supporting documentation,
- The Compliance Officer will receive the written complaint and supporting documentation,
- Compliance will log the date and contents of the complaint in the Complaints Register. This record must be maintained for a period of five years.
- The Compliance Officer will appoint a relevant staff member/s to investigate the complaint,
- Compliance will acknowledge receipt of the complaint in writing within 3 business days of receipt, and give the client the name and contact details of the staff member/s responsible for the resolution of the complaint,
- The relevant internal department or staff member/s and any other resources or manpower, will investigate the complaint to ascertain whether the complaint can be resolved immediately,
- If the complaint is of a serious nature, the complaint will be handled and investigated by the Compliance Officer or any other senior staff / executive management,
- If the complaint can be resolved immediately, the relevant staff member/s will take the necessary action and advise the client accordingly,
- If the complaint cannot be resolved immediately, compliance will send the client a written summary of the steps to be taken to resolve the matter and the expected date of resolution,
- If unable to resolve the complaint within 3 weeks of logging the complaint in the Complaints Register, compliance will notify the client by means of a written acknowledgement. This must 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 was logged), compliance will notify the client, giving full written reasons as to why the outcome was not favourable, and advise the client of their right to seek legal redress by referring the complaint to the Office of the Ombud,
- The notification must clearly indicate that the client has 6 months from receipt of such notification to refer the matter to the FAIS Ombud. The Ombud's address and other contact details must be provided to the client,
- The relevant internal department or staff member/s investigating the complaint must keep the Compliance Officer and compliance up to date with the investigation,
- As soon as compliance receives any updates, developments and activities regarding the complaint, they must update the Complaints Register with all developments and activities.

COMPLAINTS PROCESS FLOW

1. Client lodges a complaint with an Element staff member;
2. If complaint is not in writing, Element to request that the complaint be in writing and to be submitted along with the necessary supporting documentation;
3. Complaint received by staff member and handed to the Compliance Officer. Complaint is validated and logged on Complaints Register;
4. Compliance acknowledge receipt of complaint in writing within 3 business days;
5. Complaint is assigned to a staff member by the Compliance Officer and investigated;
6. Resolve the complaint immediately or take the necessary action and advise the client of steps taken and expected date of resolution;
7. Compliance updates the Complaints Register with all developments/ activities;
8. Compliance to inform client in writing of the resolution of the complaint and the outcome;
9. The Compliance Officer to notify the client if complaint is not resolved within 3 weeks - advise client on status of the complaint;
10. The Compliance Officer to notify the client of final outcome. This must be within 6 weeks of receiving the complaint.
11. COMPLIANCE OFFICER / Compliance to advise client of other options if complaint could not be resolved eg FAIS Ombud.

FAIS Ombud

The FAIS Ombud's role is to resolve disputes between financial services providers and their clients in a procedurally fair, informal, economical and expeditious manner.

They will investigate an officially received complaint once they have notified all interested parties of the particulars of the complaint in writing, and are satisfied that all parties are provided with the opportunity to submit a response.

The FAIS Ombud contact details are as follows:

Telephone: 012 470 9080 / 0860 324 766
Fax number: 012 348 3447
E-mail: info@faisombud.co.za
Postal Address: FAIS Ombud
PO Box 74571
Lynwood Ridge
0040

If you have any further queries regarding the procedure to be followed in the event of a referral, please refer to the FAIS Ombud's website at www.faisombud.co.za.