



THE ELECTRICAL CONTRACTING INDUSTRY PENSION & PROVIDENT FUNDS
FSCA REFERENCE NUMBERS 12/8/4730/1 and 12/8/36330/1
122 Queen Street, South Kensington, JHB, 2094

☎ 011 339 2312

✉ ecifund@nbcei.co.za

📘 @ECIRegionAandB

☎ 068 210 6783

APPROVED BY BOARD OF TRUSTEES 15 FEBRUARY 2022

TREATING MEMBERS FAIRLY POLICY

TRUSTEES: BOARD OF FUNDS

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Chairperson

SM Mayisela
Vice Chairperson

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PURPOSE OF THE POLICY

The policy outlines the Funds' commitment to the Treating Customers Fairly outcomes based regulatory and supervisory approach (referred to as Members for the purposes of retirement funds) as a central operating philosophy.

1. DEFINITIONS

1.1 **Board:**

A collective term referring to the individual Board structures of each Fund.

1.2 **Financial Advisory and Intermediary Services Act:**

The Act (also known as "FAIS") was designed to protect consumers of financial products and services. The Act is applicable to any provider of financial services and its Representatives, including any person who gives financial advice or who provides an intermediary service.

1.3 **Financial Sector Conduct Authority:**

Under the "Twin Peaks" model of financial sector regulation, the Financial Sector Conduct Authority, or "FSCA", acts as a dedicated market conduct regulator. Its main objective is to protect financial Members through the supervision of market conduct. The FSCA was previously known as the Financial Services Board of South Africa, or "the FSB".

1.4 **Financial Services Provider:**

Any person (including both natural and juristic persons) other than a Representative who furnishes advice or who furnishes advice and renders intermediary services. For the purposes of abbreviation, it can also be referred to as a "FSP".

1.5 **Funds:**

Refers to the Electrical Contracting Industry Pension and Provident Funds.

1.6 **Member:**

The term "Member" refers to a Member of the Funds and vice versa, who could potentially be vulnerable to unfair treatment by the Financial Services Industry.

1.7 **Representative:**

Any person, as defined by the Pension Funds Act, who renders a service to a Member on behalf of the Funds by means of an employment contract or mandate.

1.8 **Risk Management Plan:**

A Document stipulating the risk management framework, categories of foreseeable risks, estimating impacts and defining risk response methodologies. The document also outlines the Funds' risk assessment matrix.



1.9 Treating Members Fairly:

An outcomes based regulatory and supervisory approach designed to ensure that specific, clearly articulated fairness outcomes for financial services consumers are delivered by financial firms. For the purposes of abbreviation, these outcomes are also referred to as "TCF".

2. OUTCOME PRINCIPLES OF TCF

The six guiding outcomes of TCF are set out as follows:

2.1 Outcome 1

Members are confident that they are dealing with firms where the fair treatment of Members is central to the firm culture - The Funds are confident that the Funds are managed and administered in such a way that the fair treatment of Members and Beneficiaries is central to the Funds' culture.

2.2 Outcome 2

Products and services marketed and sold in the retail market are designed to meet the needs of identified customer groups and are targeted accordingly -

- A. The Funds' products and services are developed and administered to meet the needs and expectations of –
- i. Members and former members of the Funds;
 - ii. Beneficiaries of Members or former members of the Funds;
 - iii. nominees or dependants of members or former members of the Funds;
 - iv. participating Employer(s) participating in the Funds; and
 - v. spouse or a former spouse of a member or former member of a Funds to achieve the ultimate goal of providing appropriate retirement income.
- B. The Board undertakes not be influenced or induced by current or potential providers of financial products and services which may result in the products and services purchased by the fund be inappropriate or not offering value for money for the Funds, its members and beneficiaries;
- C. Complaints and service call data are considered in assessing the suitability of the products, investments or services provided to members and/ or beneficiaries;
- D. Bundling of products and/ or services, or excessive incentives to funds may lead to inappropriate or unnecessary products or services and are avoided unless it adds value to the Members;
- E. The Board undertakes to ensure that the retirement products provided by the Funds are appropriate after considering the needs and risk profile of the Members and Beneficiaries;
- F. The Board understands and monitors the risks of the Funds products/ investments offered by the Funds.
- G. The Board ensures that Members and Beneficiaries have sufficient information to make an informed decisions regarding the Members retirement income options.



- H. Surveys on the needs of Members and Beneficiaries will be done to ensure that the services provided meet the needs of the members and beneficiaries and shall not be conducted by consultants and intermediaries to avoid conflict of interest.

2.3 Outcome 3

Members are given clear information and are kept appropriately informed before, during and after the time of contracting - Members and Beneficiaries receive clear and appropriate information regarding the Funds, retirement benefits and the operations of the Funds when joining and regularly during their membership of the Funds which includes at least the following – when joining the Funds, Members are provided with appropriate information regarding the Funds:

- A. sufficient information and if necessary, advice to ensure that Members and Beneficiaries understand the type of fund, e.g., DB, DC, pension or provident fund, and how the benefits relating to the type of fund will influence their ultimate benefits;
- B. timeous and appropriate information as and when important events or changes take place;
- C. the Funds ensure that Members and Beneficiaries receive –
 - i. annual benefit statements.
 - ii. information regarding the process that must be followed in terms of the rules and the PFA (the Pension Funds Adjudicator) to lodge an enquiry or complaint.
 - iii. information provided is current and appropriate;
 - iv. information is clear and understandable;
 - v. the risks of the relevant investment products invested into;
 - vi. fees, costs and charges in respect of Members Funds savings;
 - vii. the long-term impact for not preserving and the income tax impact where a member intends to withdraw from the Funds;
 - viii. the late or non-payment of contributions; and
 - ix. any change in policy or legislation that might have an impact on their retirementsavings.

2.4 Outcome 4

Where Members receive advice, the advice is suitable and takes account of their circumstances - Where the Board and/ or Members of the Funds receive advice, the advice is suitable and takes account of their respective circumstances. The Boards must -

- A. ensure that the intermediaries appointed are, where applicable, appropriately licensed, understand the products and have sufficient expertise;
- B. ensure that they understand the risks of products and receive sufficient information on the possible risks involved before taking a decision;
- C. request and verify whether the advisor receives any incentives from the service provider for selling a specific product and whether there are similar products in the market to be compared to; and
- D. ensure that the product is suitable for the needs of the Funds and its Members.



2.5 Outcome 5

Members are provided with products that perform as firms have led them to expect, and the associated service is both of an acceptable standard and what they have been led to expect. The Funds provide products and benefits which perform in a manner that meets the needs and reasonable expectations of Members. The Board ensures that -

- A. current products and services are regularly reviewed for suitability and obtains information about new products and service providers;
- B. Members know what the costs, fees and expenses relating to the Funds are and how it impacts their ultimate benefits; and
- C. products and benefits offered to Members and Beneficiaries are meeting the objectives of the Funds in providing benefits that meets Member's needs.

2.6 Outcome 6

Members do not face unreasonable post-sale barriers to change product, switch provider, submit a claim or make a complaint -

- A. Funds and Members do not face unreasonable barriers to submit a claim or make a complaint.
- B. The Board has developed and implemented an appropriate complaints management process.
- C. The complaints management process endeavours not to frustrate complainants due to insufficient resources or ineffective processes.



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ANNEXURE 1 – STANDARDS OF CUSTOMER SERVICE

The Funds aim to offer a level of service that is efficient and effective, always keeping the needs of our Members at the heart of our service provision. As a Retirement Fund, we recognise that Members appreciate:

- Timeliness
- Accurate and Detailed Information
- Development Updates
- Effective Problem Resolution
- Professionalism
- Good Staff Attitude

To this end, the Funds are committed to working together to provide the required level of service to not only our Members, but to any who make use of our services at any time.

CORE COMMITMENTS

Throughout the Funds contact with Members, the Funds staff are committed to:

- Treating Members with respect and courtesy.
- Personalise services to the Member's needs and circumstances when practical to do so.
- Offer a timely and professional service, keeping Members up to date with developments and changes.
- Respond and deal with queries efficiently and promptly.
- Consult with Members concerning their service needs.

CORRESPONDENCE

All correspondence sent to the Funds will be addressed appropriately and responded to within 3 (three) working days. If a response requires more time, the enquirer will be informed of this and kept up to date with all developments regarding their query.

CONFIDENTIALITY

All information related to Members in the providing of services is kept strictly confidential in line with the POPI Act.

COMPLAINTS

If any of the Group and/ or its Associated Members have a complaint concerning the Standard of Service, they may make such complaints via:

011 339 2312 ecifund@nbcei.co.za @ECIRegionAandB 068 210 6783