



GRYPHON ASSET MANAGEMENT

INTERNAL COMPLAINTS HANDLING POLICY

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EXECUTIVE SUMMARY

1. PURPOSE

The purpose of this document is to lay down the Internal Complaints Handling Policy (Annexure A) for Gryphon asset Management.

2. BACKGROUND

During August 2003 the LOA Board of Directors endorsed a Code of Good Practice on Complaints Resolution that was effective from January 2004.

FAIS and its General Code of Conduct require the establishment of a similar function and prescribe specific conditions with which a complaints handling process should comply, e.g.

- Maintaining of a comprehensive complaints handling policy;
- Ensuring that clients have full knowledge of the complaints handling procedures;
- Ensuring easy access to such procedures at any office or branch;
- Ensuring fair treatment of all the parties involved in a complaint, e.g. the client, financial services provider, representative and product provider; and
- Maintaining an administrative process that must be followed; and
- Keeping a complaints register for reporting on complaints.

Therefore, the Gryphon Complaints Handling Policy is aimed at ensuring that Gryphon:

- Complies with the requirements of the LOA Code;
- Complies with the requirements of the Financial Advisory and Intermediary Services Act's (FAIS);
- Support Gryphon's strategy to become a leader via client relationships. Our strategy is simply leadership via client relationships. We recognise that financial intermediaries play a vital part in ensuring that investors are satisfied clients, and we consider these intermediaries to be our business partners.
- Treats complainants fairly;
- Resolves complaints as quickly as possible;
- Maintains consistent resolutions;
- Ensures client knowledge of the complaints procedures; and
- Enhances the image of Gryphon with its clients, the Ombudsman for Long-term Insurance, the Pension Funds Adjudicator and the FAIS Ombud.

3. COMPLAINTS HANDLING PROCESS

The purpose of the complaints handling policy, process and system is to:

- Ensure fair dealing with complainants;
- Speedy resolution of complaints; and
- Consistency in decision-making.

❖ The policy as described in Annexure A is endorsed by Gryphon's Exco.

GRYPHON ASSET MANAGEMENT

INTERNAL COMPLAINTS HANDLING POLICY

1. PURPOSE OF THE POLICY

The purpose of this policy is to ensure the effective functioning of Gryphon's complaints handling processes and systems to:

- Support Gryphon's strategy to become a Leader via Client Relationships. Our strategy is simply leadership via client relationships. We recognise that financial intermediaries play a vital part in ensuring that investors are satisfied clients, and we consider these intermediaries to be our business partners.
- Ensure that complainants are treated fairly;
- Resolve complaints as quickly as possible;
- Ensure consistent resolutions;
- Enhance the image of Gryphon with its clients;
- Build a positive relationship with the Ombudsman for Long-term Insurance, Pension Funds Adjudicator and the FAIS ombud;
- Comply with FAIS; and
- Comply with the LOA Code of Good Practice on Complaints Handling.

2. COMPLAINT

It is important to make a clear distinction between complaints and enquiries as the service level agreements (SLA'S) will differ.

2.1 Definition of a complaint

A complaint arises when a client expresses his or her dissatisfaction with Gryphon's procedures, products, costs, employees, advisors, or quality of service or brings to Gryphon's attention any matter, that could prejudice or potentially prejudice a client (e.g. cause financial loss, material distress, material inconvenience) and may damage Gryphon's image in the market place.

2.2 Definition of an enquiry

An enquiry is when a client requires information regarding a transaction between him or her and Gryphon (e.g. when a client needs information regarding investment values, product information, transaction times, change of address, debitorder information, rectification of errors, investment details, etc.)

All complaints addressed successfully at the entry-level processes (an assistant and a first line manager) will not be regarded as complaints. If not addressed successfully, an escalation process will be followed.

3. JURISDICTION

All personnel must be aware of the complaints handling policy and LOA Code of Good Practise on Complaints Handling and must act in accordance with its prescribed procedures. All complaints received by Gryphon will be subject to the policy.

4. COMPLAINTS HANDLING PRINCIPLES

4.1 General principles

The complaints process is based on the escalation of complaints until they are solved or a final determination is given by the CRC or the Gryphon Arbitrator.

The escalation process is as follows:

Complaints not solved at the entry level process, will be escalated to the Operational Manager (Middle Manager) of that process. If it still cannot be solved it will be escalated to the Business Communication team who will finalise it by involving the Gryphon Arbitrator, CRC, Legal or the adjustment committee.

Complaints are logged on the workflow system in order to maintain an updated complaints register. All complaints referred to Business Communication must be logged on the workflow system.

Appropriate management controls must be implemented and reasonable steps taken to ensure that complaints are handled promptly and complainants treated fairly.

Complaints will be addressed objectively, by competent people, within the ambit of the law.

Responses to clients will address the subject matter of the complaint adequately.

The potential reputational damage or market risks will be considered to ensure that Gryphon's interest is appropriately served.

Complaints handling staff will ensure that the necessary changes to system, processes and procedures are affected, in order to prevent the recurrence of similar events, which led to complaints.

The complaints handling policy will be available for internal use of the complaints handling departments.

4.2 Acceptance of complaints

A complaint will only be considered if it is lodged within:

- Three years from the date when the client became aware (or ought to reasonably have become aware) that he had a cause for action; but
- Limited to a period of five years from the conclusion date of the transaction in which a complaint could have been lodged.

Complaints outside these timelines might be addressed as decided by the Client Service senior management team.

4.3 Performance level

Complaints must be resolved as soon as possible. If it cannot be resolved or attended to within 4 days from the date of receipt:

- A letter of acknowledgement, including a copy of Gryphon's internal complaint procedures and the name and direct contact details of the contact person handling the complaint within Gryphon, as well as the expected feedback date must be sent to the complainant within 8 hours after the initial receipt of the complaint.
- All complaints must preferably be made in writing. Whenever a complaint is lodged verbally the complaints referral form must be completed containing the client's details and a summary of our understanding of the complaint. All advice related and Gryphon Arbitrator complaints must be put in writing by the client. The following procedure for these complaints can be followed:
 - Client must be requested to put the complaint in writing and fax, post or email it to Gryphon.
 - Make mention to client that we cannot deal with the complaint before we have it in writing.
 - Complaints referral form to be completed.
 - Send complaints referral form for scanning.
 - No follow-up required.

Gryphon must, within a maximum of four weeks (20 working days) from the date of receipt of a complaint:

- Furnish the complainant with a final response in which Innofin accepts responsibility for the complaint. (Whenever Gryphon accepts responsibility and decides that the payment of compensation is appropriate, the compensation should be fair and reasonable and include interest where applicable and effect payment of compensation without delay in accordance with any offer of redress accepted by the complainant.)

or

- Reject the complaint substantiated with reference to the relevant facts;

or

- Explain to the client the reason(s) for any delay and provide a date by when the complainant will be provided with a final response, which date will not be later than eight weeks from the receipt of the complaint.

Gryphon must, in its final response, inform the client that he or she is entitled to refer the matter, if not satisfied, to the Ombudsman for Long-term Insurance, FAIS Ombud or the Gryphon Arbitrator depending on the applicable jurisdiction.

4.4 Retention of records

Gryphon must maintain adequate records about a complaint for a minimum period of six years from the date of the complaint. These records should contain matters such as:

- Name of the complainant;
- The substance of the complaint;
- Any correspondence between Gryphon and the complainant; and
- Details of any redress offered by Gryphon.

5. HANDLING OF COMPLAINTS

5.1 General approach

Complaints should be dealt with as far as possible at the entry point of the complaint.

Should it not be possible to handle a complaint at point of entry due to the complexity or the nature thereof, it should be escalated via the correct complaints escalation process as described previously to the Business Communications team.

5.2 High profile complaints

High profile (Individual) complaints are complaints lodged with:

Gryphon's CEO
Gryphon's CE
Exco members
The FAIS Ombud
The Gryphon Arbitrator/Compliance Officer
Complaints from the media

These complaints needs specialised expertise and will be handled by Business Communications. Legal Services will be involved where and when necessary. Gryphon Client Relations will be

responsible for the advice related complaints and Innofin will deal with the product, process and service complaints.

5.3 Complaints Resolution Committee (CRC)

Advice Related Complaints referred to Gryphon

A CRC established in accordance with this policy handles all complaints exceeding a specific monetary value or which might set a precedent for future resolutions, or might unduly damage Gryphon's reputation, or where a straightforward solution is not evident.

The contact details of the CRC as prescribed by the LOA Complaints Handling Procedure will be that of Client Relations.

Client Relations may after due consideration refer specific complaints to the CRC for final resolution. This can include Gryphon clients who have complained about advice given by the Financial Advisor, as Gryphon Client Relations deals with these complaints.

Constitution of the CRC:

- The Head of the Compliance Function acts as the Chairperson.
- The consultant at Client Relations who did the investigation keeps the minutes and prepares the documentation for the CRC meeting.
- A representative of Legal Services ensures that legal principles are applied.
- The Manager of Client Relations acts independently, keeping the needs of all the parties involved in mind. A representative of the business unit(s) looks after the interest of the business unit, especially to accept responsibility for compensation to be paid when applicable.
- A representative of Distribution will be involved when advice related complaints are determined to ensure that future training address the rectification of the cause of the complaint.
- A Specialist in the specific area, (e.g. actuarial, underwriters) attends on invitation if and when necessary.
- If the nature or complexity of a complaint necessitates the involvement of Gryphon Exco members, they will be invited.
- All past and (and especially most recent) rulings made by the different Ombudsman, Adjudicators and Gryphon Arbitrator must be taken into account when making a decision.
- The risk of setting a precedent, when ruling in favour of the client, must be taken into account.
- Gryphon's Head of Client Services represents Gryphon on the CRC

5.4 Legal Services (litigation)

When complaints are referred to Legal Services it must be considered in terms of paragraphs 5.2 and 5.3 above.

5.5 Resolutions

Complaints must be resolved in accordance with the powers as stipulated in paragraph 6.

6. DELEGATION OF POWER

6.1 Head of Client Services

The head of Client Services has the authority to take final decisions in the majority of the complaints handled by his/her personnel.

6.2 Business Communications

Business Communication will have the authority to settle the majority of complaints referred to them, including the offering of redress where appropriate but subject to conditions below.

All complaints with an estimated compensation value of between R5000 – R20 000 and less will be dealt with by Business Communication, but decided by the head of the department.

6.3 Adjustment Committee

All other product or service related complaints with a value between R 20 000 and R150 000 will be referred to the adjustment committee or authorised by process heads involved.

Legal Services will be consulted where and when necessary.

7. REPORTING

7.1 On an annual basis Gryphon must provide the FSB with a report containing (for the relevant period) information about:

- The total number of complaints received by Gryphon for the relevant reporting period.
- The number of complaints completed by Gryphon within the prescribed period.
- The number of complaints that were accepted as valid/not valid by Gryphon.
- Detailed info with regards to complaints (including feedback received).
- Number of complaints of a specific broker.
- Number of complaints as valid against broker.

7.2 On an annual basis Gryphon must provide the FSB with a report containing (for the relevant period) information about:

- The total number of complaints received by Gryphon for the relevant reporting period.
- The number of complaints completed by Gryphon within the prescribed period.
- The number of complaints that were accepted as valid by Gryphon (Gryphon)