

## Our Commitment to Treating You Fairly

The Financial Services Authority (FSA) have a core strategy which is aimed at the individual investor and they call this "Treating Customers Fairly". As we advise corporate clients almost exclusively, rather than individuals, we have adapted this important strategy for you and our business and we call it "Treating Clients Fairly" or TCF for short.

### What does TCF mean for you?

The FSA have identified 6 key outcomes which we are required to reflect in respect of TCF and these are:

**Outcome 1:** our clients can be confident that they are dealing with a business where their fair treatment is central to the corporate culture;

**Outcome 2:** our solutions, strategies and products marketed and sold are designed to meet the needs of our clients;

**Outcome 3:** our clients are provided with clear information and are kept appropriately informed before, during and after they contract with us;

**Outcome 4:** where our clients receive advice, the advice is suitable and takes account of their circumstances;

**Outcome 5:** our clients are provided with solutions, strategies and products that perform as we have led them to expect and are of a sufficiently high standard;

**Outcome 6:** our clients will not face unreasonable post-contract barriers imposed by us if they want to change solution, strategy, product or switch provider or submit a claim or make a complaint.

### These are our core principles:

At Thomsons we recognise our responsibilities to ensure that all our clients are treated fairly and, as such, we have crafted some key principles which support our commitment to TCF and we would like to share them with you:

- **We will always strive to live and deliver on our company values with and to our clients. These are: "Being Brilliant Together", "Challenging Everything - Delivering Excellence" and "Maximising Potential".**

We undertook two significant projects in 2008 to craft new values that underpin TCF, our people, our clients, both sets of aspirations and the Thomsons' culture. This involved full consultation with both our clients and our employees in order to assess what they thought Thomsons stood for today and what they wanted Thomsons to stand for in the future. Our core values were born from this and they drive our commitment to our clients and each other. Employee commitment to embracing these values is assessed during the annual appraisal process.

- **We regularly assess and record our clients' view of whether they think we treat them fairly and we call this core Thomsons' strategy "The Ultimate Question" or TUQ for short.**

Measuring how we treat our clients, and what our clients feel about how we deliver to them, is core to our culture and to TCF being effective. There is no good in having a philosophy if you just talk the talk and do not walk the walk. We have been measuring what our clients feel about us using TUQ for nearly two years and this assessment is carried out on a rolling quarterly basis, across all our clients, and across a range of employees in our clients, from decision makers to administrators. Our TUQ score is reported at the micro level to each client pod when it changes and to the Board of Thomsons each month as a key performance indicator. This key measurement drives both our employees' behaviour and their reward package and we take it very seriously.

- **We will always act honestly and with integrity and seek to ensure that commercial decisions are aligned to our customers' needs.**

We pride ourselves in putting our clients first and in building long lasting relationships with clients, who often become friends. More often than not, when a HR Director or Manager move on in their career, they take Thomsons with them, which we believe, is a testament to how we have behaved towards them. As all of our employees are eligible for share options in our business after 12 months service, many are now option holders and they fully understand the importance of long-term business relationships built on trust.

- **We will always ensure that our people are properly trained and are competent and diligent.**

We have a committed and dedicated internal training department that trains both our people and our clients. We make training engaging and clear based on each employee's needs and we encourage our employees to take relevant exams to improve their abilities and skills for their and our clients' ultimate benefit. Where training is mandatory, such as on money laundering and data protection issues, we make it interesting and fun but still compulsory.

- **We will provide appropriate rewards and incentives to our people to meet our customers' needs and demands – these will be driven by your TUQ score.**

We have already mentioned above that the TUQ score drives the reward package of all our employees from senior directors to the most junior administrator. Individual client scores are highly visible each time they are assessed and employee bonuses are affected directly by the target TUQ score achieved. Base salaries are set at competitive levels and the possibility of share options after 12 months employment, all combine to promote a culture and behaviour where looking after our clients will lead to long term happy clients with a high TUQ score.

- **We will always seek to meet our clients' needs by creating new solutions, services and products where appropriate.**

Thomsons is the very epitome of innovation and our core value of "Challenge Everything – Deliver Excellence" tells you all you need to know about how we operate. We are at the cutting edge with our Intelligent Reward™ methodology and our Perquisite™ software and we continue to drive forward employing some of the most insightful, pioneering and experienced reward minds available in the world.

- **We will make our marketing collateral, and all communications, as clear and free of jargon as possible for all our customers.**

We are totally committed to jargon busting and to ensuring that our clients fully understand the services and products that we deliver. All our services are transparently laid out in our clear and simple client contracts.

- **We will take any corrective action to protect the interests of our clients as quickly as possible and behave in an impartial and reasonable manner and we will treat all forms of client feedback, including complaints, as opportunities to improve our clients' experience of us.**

Sometimes, despite our best endeavours, things may go wrong. If they do we will act quickly, impartially and with tenacity to sort out whatever issue has arisen. We always learn from our feedback and use the experiences we share to deliver even better next time. We use a phrase in Thomsons, which is "get it right first time", and the 21 awards we have won over the last five years indicate that we deliver on this mantra. All of our employees are fully aware of how to refer up a client who complains, and the speed, openness and decisiveness with which we act is always in the clients' best interests.