

## **Quantum's Charter of Principles:**

- 1) The customer is the reason for our very existence. The Customers are not to be taken advantage of or exploited, but to be provided relevant and necessary range of products and solutions;
- 2) Any rewards or benefits that people who work in Quantum receive must be for providing fair advice and exceptional service to the customers – and these rewards shall be back-ended so that there is adequate incentive to provide long-term workable solutions for the customers which match the payout period of the rewards to the team members of Quantum;
- 3) Quantum shall work in unison as a team and not be reliant on the perceived star status of any single individual; teams led by well-trained, ethical individuals overseeing well-defined and constantly-monitored processes have a greater prospect of lasting success as a guiding light to customers seeking financial advice rather than a single star which could flame out and lose its shine at any point in time;
- 4) The teams should be rewarded in a manner which is both fair and equitable and which recognizes the exceptional contributions of staff working across the levels of the organization - marching in step to a single beat tuned to the needs of the customer. The current ESOP and Compensation guidelines have been in place since 2012. They are fair and equitable as they recognize and reward merit and nurture the philosophy of partnership between shareholders and team members;
- 5) Since there can be long periods of time when advice given for the benefit of a customer may have the potential impact of subduing current revenue streams of Quantum, the balance sheet of Quantum should always be strong and stable. Quantum should endeavor it's very best to have sufficient cash and investments on hand to pay for 36 months of expenses on a zero revenue basis. As such, the Dividend Policy adopted by the Board and the shareholders should aim to build the reserves of Quantum to this level in a transparent, methodical and measured manner. This will ensure that there is no need ever to compromise the main principle of focusing on what is best for the customer. There will never be any

pressure to earn an immediate revenue to pay for Quantum's known and predictable monthly costs by selling products and solutions unsuitable for our customers;

- 6) In the spirit of free enterprise and capitalism, Quantum should also engage in activities that support the efforts of society to evolve and give its team members and members of its communities the opportunities to further their progress. Following on the government-ordained rule of CSR which limits contributions to a specified list of activities, the benevolent capitalism adopted by Quantum should aim to give 10% of Profits Before Tax for such specified activities;
- 7) Those in senior positions at Quantum should plan their succession well in advance and, as they pass on the baton to the next generation of leaders, they should recognize the principle of Pay It Forward: the good that was done to them by their predecessors should in turn be passed on to those entrusted to carry the torch of Quantum into the future years;
- 8) Being in an industry that will inevitably see more regulations over time, Quantum must continue to follow the spirit of the law with unwavering focus on ethical practices and transparency; never deviating from the letter of the law.

## **1. ADOPTION BY THE BOARD.**

WHAT THE BOARD CAN DO TO ENSURE THE CHARTER OF PRINCIPLES ARE FOLLOWED

- a) Select the Managing Director and CEO with utmost care and after due thought and deliberation;
- b) Performance evaluation of the Managing Director and CEO should be on a semi-annual basis at the minimum to ensure that the Charter of Principles is deeply ingrained into the organization under his/her leadership
- c) The ESOP and Compensation Committee should ensure that the rewards and compensation structure initiated in 2012 continues to be purely based on merit and continues to be improved to ensure that the incentives to staff are based on providing long-term solutions to customers
- d) To ensure that the Company's Dividend and Reserves policy is constantly aligned to provide a solid balance sheet which eliminates the temptation to capture near-term revenues at the potential costs of customers' interests;
- e) Board's CSR Committee shall act suitably to ensure fulfillment of not only the Company's mandatory regulatory responsibility but also the desire to give 10% of pre-tax profits to fund and sponsor community efforts;
- f) Establish a mechanism for the Managing Director and CEO to provide the Board a succession plan of the various divisions at Quantum and an assessment of persons considered as potential worthy successors to senior management positions, including a succession plan for the current Managing Director and CEO
- g) Establish a mechanism to ensure Director orientation and familiarization with senior management and the products and operations of the Company
- h) Regular meeting of and amongst independent directors.

- i) Address effectively Whistle Blower concerns, if any, about unethical and/or non-transparent practices.
  
- j) Annual self-evaluation by the Members of the Board and Committees of the Board, including each Member of the Board recommending a successor for themselves for the collectively evaluation by the Board, to ensure the smooth transition of the crucial oversight of the Charter of Principles and the various laws and regulations applicable to Quantum.

## **2. ADOPTION BY LEADERSHIP: MD/CEO, CIO, COO, CCO, CFO, CRO, HODS,**

- a) We shall nurture a partnership culture with our customers and employees to spread the wholesomeness of investing.
- b) We recognize that we exist to serve the community of investors at large and that we should never make a decision which ensures us a revenue stream and puts our customers at risk;
- c) We commit to providing customers with :
  - Dependable standards of quality and excellence in service.
  - Viable investment options to convert savings to wealth.
  - Simple products which are easy to understand.
  - The ability to invest easily at a low cost.
  - Sensible, risk-adjusted returns over the long term through a disciplined research and investment process.
  - Services delivered through a team based process that is not reliant on the star status of any one employee.
- d) We shall ensure that every team has a clear succession plan in place with the next in line clearly identified and a proper training plan in place as regards both skill sets and the right ethical foundation;
- e) We shall pass on the baton to the next generation of leaders recognizing the principle of "Pay It Forward".
- f) We shall comply with both the letter of the law laid out in the Compliance Manuals, and the spirit of the law and the ethical and transparent practices laid out in the Charter of Principles.

### **3. ADOPTION BY TEAM MEMBERS**

As a member of Quantum, I commit to:

act with due care and diligence when dealing with the people we serve – whether they are the customers outside the organization or colleagues within our organization;

never provide false and/or misleading information to our customers or colleagues;

behave always with integrity and transparency and uphold the Quantum values and the principles of Simplicity, Transparency and Honesty at all times;

make timely disclosure of any personal interest to avoid conflicts of interest;

treat colleagues at work invariable with respect and courtesy;

endeavor to find ways to contribute to the overall growth of the organization and the community in which we live and work;

comply with the letter of the law laid out in the Compliance Manuals and the spirit of the law laid out in the Charter of Principles.