



CARL KLIEM S.A.
INTERBANK AND SECURITIES BROKER

CARL KLIEM S.A. LUXEMBOURG

Complaint Handling Policy

| Version | Changes |
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| 1.0 | Introduction of a two-step handling process with Compliance acting as first reference point for initial complaints and Management assuming responsibility for escalated complaints |

1 Introduction

- 1.1 This document describes the Complaint Handling Policy of Carl Kliem S.A. (the “Policy”) which has been implemented to ensure compliance with the laws and regulations relating to complaint handling.
- 1.2 The Policy has been updated in order to include CSSF Regulation No. 16-07 relating to out-of-court complaint resolution as well as for Luxembourg’s implementation of the recast Markets in Financial Instruments Directive (“MiFID II”).

2 Application

- 2.1 This Policy applies to all employees, deputy directors and directors of Carl Kliem S.A. in order to maintain the company's reputation and contributes to the high quality of service delivered by Carl Kliem S.A.

3 Control objective

- 3.1 This Policy's objective is to minimize damage to our reputation and reduce the risk of litigation by handling complaints from our customers in a timely, effective and consistent manner.

4 Person responsible

- 4.1 The compliance function has been designated as the complaints management function and therefore are responsible overseeing the complaints process and will act as the contact person for the CSSF.

5 Definition

- 5.1 A complaint is an expression of dissatisfaction, oral or in writing, by a client or a potential client in connection with investment business, which cannot be resolved in a manner which is satisfactory to all parties in the normal course of business.
- 5.2 This may cover a diverse range of issues, from complaints about services provided, potentially breaches of regulatory rules, or general customer dissatisfaction due to Carl Kliem S.A.’s conduct.
- 5.3 To clarify, errors that Carl Kliem S.A. accepted to correct are not considered as complaints unless repetition or recurrence causes grievance to a customer.

6 Requirements

- 6.1 The following principles must be applied whenever a complaint is received:
- (a) All complaints received by Carl Kliem S.A. will be investigated competently, diligently and impartially, obtaining additional information as necessary.
 - (b) All complaints will be assessed fairly, consistently and promptly, considering the subject matter of the complaint; whether the complaint should be upheld; what remedial action or redress may be appropriate; and if appropriate whether it has reasonable grounds to be satisfied that another respondent may be solely or jointly responsible for the matter alleged in the complaint; and
 - (c) Carl Kliem S.A. will comply promptly with any offer of remedial action or redress accepted by the complainant.

- (d) The Compliance department will assess a complaint against:
 - (i) all of the evidence available and the particular circumstances of the complaint
 - (ii) similarities with other complaints received by the respondent
 - (iii) relevant guidance published by the CSSF

7 Process

7.1 Introduction of the complaint

- (a) Despite the utmost attention provided by Carl Kliem S.A. to render a high quality of service if the customer should consider necessary to alert the company on a situation judged inappropriate, Carl Kliem S.A. invites the customer to introduce a formal complaint without any charges.
- (b) In the event of a complaint, the complainant is requested to address their complaint directly to the company's Compliance department by using any of the following channels:
 - (i) by post at the following address:

Carl Kliem S.A.
Attn.: Compliance department
251, route d'Arlon
L-1150 Luxembourg
 - (ii) by fax at the following number: +352 452323 to the attention of the Compliance department
 - (iii) by email to the following address: compliance@carlkliem.lu
- (c) To ensure complaints are diligently dealt with, they should be clearly presented. The complainant should summarize the facts that form the basis for the complaint in a detailed and chronological manner and provide any additional information of relevance (such as transaction dates and correspondence with Carl Kliem S.A.). If the person lodging the complaint is acting on behalf of a customer, a document proving the authority to represent the customer must be provided.
- (d) When CARL KLIEM receives a complaint, an acknowledgement letter will be provided to the complainant within 10 business days of receipt of the complaint, unless the answer itself is provided to the complainant within this period. The acknowledgement letter must include the following elements:
 - (i) Name of the person responsible for handling the client's complaint;
 - (ii) Key elements of Carl Kliem's Complaint Handling Policy; and
 - (iii) Expected timeframe of the outcome.

7.2 Process for investigation

- (a) Once a complaint is received, an independent investigator will be appointed to investigate the complaint.

- (b) The independent investigator is a person of sufficient seniority, who is not related to the subject matter of the complaint. The independent investigator will be responsible for collecting the relevant information about the circumstances around the complaint and conducting the investigation in accordance with the principles above.
- (c) Once the independent investigator has completed their investigation, they are required to notify the person in charge of the complaint at the Compliance department on the outcome. The person in charge of the complaint at the Compliance department will communicate this outcome to the client and the Board where seen appropriate.
- (d) A response will be sent within one month from the date of receipt of the complaint. If a response cannot be provided within this period, the person in charge of the complaint at the Compliance department will send a letter explaining the reasons for the delay and a date on which the assessment of the complaint is expected to be completed.

7.3 Follow-up steps

- (a) Where the complaint handling at the level of the responsible person did not result in a satisfactory answer for the complainant, Carl Kliem S.A. shall provide the complainant with a full explanation as regards the complaint and inform the complainant in writing of the existence of the out-of-court complaint resolution procedure at the CSSF and send the complainant a copy of the CSSF regulation 16-07 or the reference to the CSSF website, as well as the different means to contact the CSSF to file a request.
- (b) Independently from the out-of-court complaint resolution procedure at the CSSF, Carl Kliem S.A., as a matter of policy, allows for the complaint to be escalated to the level of Authorised Management. This escalation process means that the Chief Executive Officer (member of the Authorised Management and in charge of complaint handling at Carl Kliem S.A.) will independently review the complaint investigation and the circumstances surrounding this complaint. In these instances, the Chief Executive Officer will respond to the complainant within 10 working days of receipt of the escalated complaint with his findings. The contact details in Section 7.1 (b) apply equally to escalated complaints, but the correspondence must instead be addressed to the attention of the Chief Executive Officer.

8 Terms and conditions applying to CSSF out-of-court complaint handling

8.1 Introduction of the request:

- (a) The referral to the CSSF is made in the context of finding an amicable solution and can't be part to any mediation. It is brought to the complainant's attention that the regulator's motivated conclusions are not constraining towards the parties.
- (b) Some prior conditions determine the eligibility of the complaints introduced at the CSSF. To be valid, the complaint has to firstly be submitted to the person in charge of the complaint handling at Carl Kliem S.A. and shall not have received a response in the delay of one month from the date the complaint has been sent to the company, or have received an unsatisfactory response in the opinion of the complainant.
- (c) The complainant can refer to the CSSF within one year after he filed his complaint with the company. The complaint shall be introduced in accordance with the terms as described further above. The request has to be motivated and accompanied by different documents with details contained in article 5(2) of the CSSF regulation 16-07. The complainant is invited to consult the CSSF website at the following address

<http://www.cssf.lu/fr/consommateur/reclamations/> which contains useful information regarding the terms of an extrajudicial complaint introduction to the CSSF.

- (d) The CSSF will inform Carl Kliem S.A. via the transmission of a copy of the complainant's complaint and will require Carl Kliem S.A. to take position within a delay of one month following the sending of the file. The CSSF will inform the applicant of this transmission.
- (e) On basis of a complete file, the CSSF will confirm in writing to the applicant and to the company, the complete reception of the request and the reception date. The CSSF informs the parties within three weeks if they accept to treat the request.

8.2 Treatment of the complaint

- (a) When the analysis of the file relating to the request is completed, the CSSF addresses a conclusion letter to both parties, including the statement of reasons for the position taken within a delay of ninety days. Where the CSSF comes to the conclusion that the positions of the parties are irreconcilable or unverifiable, it informs the parties thereof in writing.
- (b) The ninety-day period starts running where the CSSF receives a complete request. This period may be extended in the case of highly complex files. In this event, the CSSF informs the parties of the approximate necessary extension as soon as possible and at the latest before the end of the ninety-day period.
- (c) The parties are also informed that due to the fact that the reasoned conclusions of the CSSF are not binding on the parties, they are free to accept or refuse to follow them. In the conclusion letter, the parties' attention is also drawn to the possibility to seek remedies through legal proceedings.
- (d) The parties inform the CSSF in writing of their intention to accept or to refuse to follow the proposed solution by the regulator in a reasonable due time.
- (e) The closing of the CSSF procedure ends according to the terms provided for by article 5 paragraph 9 of the CSSF regulation 16-07.

9 **Governance and Record Keeping**

9.1 Record Keeping

- (a) Following the resolution of a complaint all documentation will be adequately stored and kept. Compliance will also keep a register of complaints received, complaints referred to other regulated firms and a record of how the complaint was resolved. Records of all complaints will be maintained for a minimum of 5 years from the date of receipt of the complaint. The records are required for the purposes of monitoring by the CSSF and also to ensure that Carl Kliem S.A. is able to co-operate. The record should include:
 - (i) the name of the complainant;
 - (ii) the substance of the complaint;
 - (iii) any correspondence between the firm and the complainant, including details of any redress offered by the firm; and
 - (iv) documentation relating to the referral of a complaint.

9.2 Management Oversight

- (a) Carl Kliem S.A. has put in place appropriate management controls and takes reasonable steps to ensure that in handling complaints, it identifies and remedies any recurring or systemic problems, for example, by:
 - (i) analysing the causes of individual complaints so as to identify root causes common to types of complaint;
 - (ii) considering whether such root causes may also affect other processes or products, including those not directly complained of; and
 - (iii) correcting, where reasonable to do so, such root causes.
- (b) As part of the above controls, Compliance analyses complaints and complaints handling data on a periodic basis, to ensure that any risks or issues are identified and addressed.
- (c) Carl Kliem S.A. should have regard to its customers interests when it identifies problems, root causes or compliance failures and consider whether it ought to act on its own initiative with regard to the position of customers who may have suffered detriment from, or been potentially disadvantaged by, such problems but who have not complained and, if so, take appropriate and proportionate measures to ensure that those customers are given appropriate redress or a proper opportunity to obtain it. In particular, The firm should:
 - (i) ascertain the scope and severity of the consumer detriment that might have arisen; and
 - (ii) consider whether it is fair and reasonable for the firm to undertake proactively a redress or remediation exercise, which may include contacting customers who have not complained.

9.3 Additional requirement

- (a) The Internal Audit must be informed of any customer complaint.
- (b) The responsible person for complaints at Carl Kliem S.A. is required to communicate to the CSSF, on an annual basis, a table including the number of complaints registered by the company, classified by type of complaints, as well as a summary report of the complaints and of the measures taken to handle them.