



**REGULATION OF EURIZON CAPITAL S.A. FOR
THE MANAGEMENT OF COMPLAINTS, PETITIONS
TO SUPERVISORY AUTHORITIES AND CLAIMS
TO ALTERNATIVE DISPUTE RESOLUTION
BODIES**

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1. FOREWORD

Eurizon Capital S.A. (hereinafter also referred to as “Eurizon Capital S.A. places or “the “Company”) a company belonging to the Intesa Sanpaolo Group, puts its customers first and engages in constant dialogue with them in order to maintain the relationship at excellent levels. Therefore, complaints or other claims made by customers to show their lack of satisfaction are taken very seriously, and they are promptly assessed and managed:

- the reasons behind the dissatisfaction may be addressed and the relationship saved;
- they can represent a useful indicator of service levels to give ideas on how improve the products offered and the commercial processes and perfect the characteristics of specific products/services;
- they can represent an element which contributes to the assess and manage operational and reputational risks, and more especially, risks of non-compliance or conduct.

In accordance with the “Group Guidelines for the management of complaints, credit disputes, petitions to Supervisory Authorities and claims to alternative dispute settlement bodies” (hereinafter also referred to as the “Group Guidelines”) adopted by the Ultimate Parent Company Intesa Sanpaolo (hereinafter also referred to as the “Ultimate Parent Company”), this Regulation aims to set out the guiding principles, roles and responsibilities of the Company units involved in carrying out the activities and related macro-processes for the assessment and management of complaints, claims or petitions to Supervisory Authorities.

2. SCOPE OF APPLICATION

The scope of application includes all the products and services provided by Eurizon Capital S.A. to its customers. The following do not fall within the scope of application of this Regulation:

- exercise by customers of their right to access personal data, managed by a specific company function in accordance with the respective legal and regulatory provisions;
- civil, criminal, administrative, labour or tax disputes which are managed by the competent legal affairs function.

3. REGULATORY FRAMEWORK

The regulatory framework applicable to the Company on the matters described in this Regulation is represented by the following main sources:

- at EU level:
 - Directive (EU) 2013/11 of 21 May 2013 (ADR) on alternative dispute resolution for consumer disputes and Regulations (EU) No 524/2013 and No 1051/2015;
 - Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive;
- at national level:
 - Law of 17 December 2010 relating to undertakings for collective investment transposing Directive 2009/65/EC of the European Parliament and of the Council of 13 July 2009 on the coordination of laws, regulations and administrative provisions relating to undertakings for collective investment in transferable securities (UCITS);
 - CSSF Regulation 16-07 relating to out-of-court complaint resolution;
 - CSSF Regulation 10-4 transposing commission directive 2010/43/EU of 1st July 2010 implementing directive 2009/65/EC of the European Parliament and of the council as regards organizational requirements, conflicts of interest, conduct of business, risk management and content of the agreement between a depositary and a management company;
 - CSSF Circular 14/589 details concerning Regulation CSSF N° 13-02 of 15 October 2013 relating to the out-of-court resolution of complaints;
 - CSSF Circular 12/546 (as amended by Circular CSSF 15/633) Authorization and organization of the Luxembourg management companies subject to Chapter 15 of the Law of 17 December

2010 relating to undertakings for collective investment as well as to investment companies which have not designated a management company within the meaning of Article 27 of the Law of 17 December 2010 relating to undertakings for collective investment;

- Circular 18/698: Authorisation and organisation of investment fund managers incorporated under Luxembourg law.

The following complete the framework of applicable regulatory sources:

- the Code of Ethics of the Intesa Sanpaolo Group.

4. GUIDING PRINCIPLES

Eurizon Capital SA managed customer complaint according to the principles of transparency and fairness aims to essentially resolve disputes in compliance with applicable regulations.

The management of claims, firstly, assumes the circumstances reported by the customer and the behaviour of the Company's staff or any external operating or business entities (such as outsourcers or distributors); the resulting assessment and decisions are based on internal and external regulatory provisions, and the applicable contractual provisions and standards expressed in the Code of Ethics of the Intesa Sanpaolo Group adopted by the Company. The management of petitions also contributes towards consolidating the dialogue between the Intesa Sanpaolo Group, the Company and the Supervisory Authorities through an examination of the factual circumstances reported by the customer and their assessment in light of applicable regulations.

Eurizon Capital adheres to the alternative dispute resolution systems between customers and intermediaries, recognising their importance and usefulness of contributing to the overall strengthening of public trust in the system. Being a member of these systems also encourages compliance with the applicable standards and regulations and promotes the dissemination and sharing of best practices and customers' knowledge of them.

The following standards are applied to the activities covered by this Regulation:

- Customer relations:
 - how to submit complaints, related rights and maximum response times are defined and explained to customers in easily accessible ways; including the option of using Alternative Dispute Resolution bodies is specified;
 - the submission of complaints and the subsequent interaction between the customer and the Company is not subject to costs or charges.
- Organisational setup:
 - complaints and petitions submitted by customers to the Supervisory Authorities, are managed by a specific function which is separate from the sales and marketing company functions (hereinafter "Responsible Function");
 - if a customer submits a complaint to a different unit, it will have to be promptly forwarded to the Responsible Unit and must not be subject of treatments inconsistent with the principles outlined with the standards set out and the processes described in this Regulation;
 - the Responsible Function shall be equipped with qualitative and quantitative skilled staff; the people who work in the Responsible Unit must be guaranteed adequate training on their duties which also includes by: i) mechanisms that encourage actual utilisation, and ii) an incentive system that, within the scope of the variable Group remuneration system, takes account of the contribution provided to improve relations with customers;
 - any necessary delegation of authority mechanisms for specific people to manage the complaints must allow adequate supervision of the activities by the Head of the Responsible Function;
 - if management of the complaints is outsourced¹, it may only be handled by another Group company; the relative contracts must comply with regulations governing the outsourcing of Critical and Important Functions (CEI), specifically governing service levels and the exchange

¹ In accordance with the Circular 18/698 the Company must communicate a list of third parties authorised to handle complaints to the CSSF annually.

of information necessary in order to promptly identify any critical signals obtainable from the customer complaints;

- the Responsible Function defines specific information flows with other company functions to allow for the effective use of information that can be obtained from the complaints. The purpose is to understand area of customer dissatisfaction, and evaluate whether to review any of the products offered or service models used. In this regard, the examination of complaints is a fundamental part of the monitoring activities envisaged by the Product Governance processes, formalised in the "Regulation on Product Governance of new products, services, activities and markets of Eurizon Capital S.A."
- Processes and procedures:
 - the Responsible Function must establish adequate IT procedures integrated as far as possible with the company IT systems and accessible, with the necessary limitations, by different functions from the responsible function, including for control purposes;
 - the Responsible Function develops and maintains a suitable registry containing the essential elements of the complaints, and to trace the relevant management processes in order to facilitate the reporting and help the staff deal in a similar way with similar cases and make the entire process traceable for the purpose of both control and processing requested by the Supervisory Authorities;
 - each complaint must be adequately dealt with to take account of the various reasons behind the customer dissatisfaction, be drawn up in language that is as simple, clear and understandable as possible, and sent promptly, and in any case within the terms established by law. Additionally, when registration is being made, a communication should be sent to the customer to the effect that the complaint is being "handled", using traceable methods (including email and PEC) . If further investigation is necessary to reply to the complaint which is not legally compliant, the party filing the complaint must be promptly informed of this situation in a specific notice;
 - any consolidated guidelines expressed by Alternative Dispute Resolution bodies are considered when assessing the complaints relating to those situations and where necessary, for review of the products on sale and the strengthening of the related processes.
- Controls:
 - the Compliance & AML Function carries out second level controls to ensure that the internal procedures can guarantee the correct management of the complaints, also through an adequate first level control system;
 - the Compliance & AML Function systematically examines the complaints from customers - submitting the relevant reports to the Conducting Officers - to analyse the causes and identify any shortcomings in Company processes or commercial behaviour that requires corrective action to ensure that any risks of non-compliance are monitored; this analysis takes account of the occurring elements subject to dispute by customers regarding products and services;
 - the Internal Audit Function carried out its activities take account of the risks that can result from an inadequate complaint management process and/or its incorrect implementation by the units/entities in charge.

5. ROLES AND RESPONSIBILITIES

The management of customer complaints involves different company units/entities whose duties are described in the relevant organisation and function charts.

The central functions and operating units of the company play an active role in fulfilling the requirements with respect to managing customer complaints as provided under this Regulation and set out in the following paragraphs.

5.1 Corporate Bodies

The Corporate Bodies of the Company:

- upon proposal by the Head of Compliance & AML Function, approve this Regulation and any updates;
- implement the statements and the Risk Appetite Framework (RAF) limits with respect to customer complaints upon proposal by the Chief Compliance Officer of the Ultimate Parent Company and examine the periodic reporting on the evidence emerging from the monitoring of compliance with the thresholds defined;
- examines the reports provided, at least on a six-monthly basis, by the Compliance & AML Function with respect to the overall situation regarding complaints, claims and petitions, and to the adequacy of the organisational procedures and solutions adopted.

5.2 Management Committee

In line with the requirements of CSSF Circular 19/698, the Company's Management Committee is responsible for the establishment and application of a complaint management policy in accordance with Article 15 of CSSF Regulation 16-07.

5.3 Compliance & AML Function

The Company has assigned the Compliance & AML Function the task of managing the complaints and petitions filed by customers with Supervisory Authorities. The Responsible Function opens complaints cases and manages them based on procedures which effectively and promptly ensure the processing of the complaints, acting independently from the sales and marketing functions.

The activities assigned to the Compliance & AML Function are described in the Company's "Organisational Chart". With regard to managing customer complaints, the Compliance & AML Function Manager:

- proposes to the Corporate Bodies to adopt the "Regulation for the management of complaints and petitions to Supervisory Authorities and claims to alternative dispute resolution bodies" and updates it as needed;
- submits a Report, at least on a six-monthly basis, on the overall situation of the complaints and petitions submitted to the Supervisory Authorities and claims submitted to Alternative Dispute Resolution bodies and on the adequacy of the organisational procedures and solutions adopted.

The Compliance & AML Function conducts independent assessments of the adequacy of the checks made during complaints management and the consistency of the decisions taken and the responses provided to clients with the findings.

In particular, the Compliance & AML Function:

- oversees the handling of complaints submitted by clients or potential clients and the protests submitted by them to the Supervisory Authorities, proposing appropriate measures for the removal of the anomalies detected, and verifying their implementation, through:
- registration and management of complaints and objections in compliance with the relevant regulations and this Regulation, in coordination, for the most significant cases, with the Legal & Corporate Affairs Function and the Internal Audit Function;
- analysis of the contents of the complaints and objections, identifying the recurrent problems, submitting them to the competent units of the Company for the necessary improvement measures, assessing any risks of non-compliance and providing information, in cases where operational critical issues or economic impacts are found for the relevant activities, to the Operational Risk Management office of the Function;
- feedback on any complaint or objection, except in cases where the management of the case is taken on - in accordance with the principles set out in this Regulation - by the Legal & Corporate Affairs Function;
- management of any reconveyances (reimbursement or compensation) to the customers, facilitating the units with authority in the assessment procedure;
- the body of control systems that permit the systematic monitoring of the state of progress of the files;

- analysis of the processes to use the information relating to the complaints in order to improve customer awareness and commercial development, in collaboration with the Organisation & Outsourcing Control;
- training update of staff in charge of managing complaints and objections, with the support of the Human Resources Department;
- monitoring the development of complaint and petition management tools and updating of IT and procedural tools dedicated to the management of complaints, involving the relevant ICT Function;
- supporting the Parent Company's Chief Compliance Officer Governance Area in the process of defining the Risk Appetite Framework (RAF) statements and limits for the complaints in the area of competence ;
- management of the information flows needed for the preparation of the reports to the Corporate Bodies and Supervisory Authorities;
- support of the Operational Risk Management unit in gathering the data on losses connected to managing the complaints;
- performance of the first level and second level controls on the correct management of the complaint processing process;
- manages the complaints² register set up by the Company in compliance with the Regulation in force from time to time.

5.4 Investment Function

The units of the Investment Department provide assistance in preparing feedback to claims and enquiries from customers, third parties or other offices of the Company concerning the management aspects of products and/or services.

5.5 Sales & Client Management function

5.5.1 Client Management function

The Client Management function:

- manages and develops the relationship with the units of the subjects appointed to the distribution of the Company's products, with regard to the development of commercial activity;
- monitors, at least once a year, the quality of the service provided by distributors (product after-sales), noting, among other information, the number of complaints received, in order to identify critical situations and set out mitigation actions;
- ensures relations, including operational, with the Company's customers for the management of the instructions received from them at the company headquarters, taking care of the related administrative and regulatory requirements;
- manages dealings with customers that contact the Company directly or through the local sales of Company's branches.

5.6 Legal & Corporate Affairs Function

The Legal & Corporate Affairs Function:

- provides assistance and collaborate with the Compliance & AML Function, taking action, on its own initiative or upon request thereof, in the assessment of specific files or general matters, providing guidance and interpretations regarding the relevant regulations;
- upon notification by the Internal Audit or the Compliance & AML Function, directly manages the complaints that are particularly complex , or that show breach of trust by the persons who took action, ensuring that the final response given to the complaining customer is in line with the principles set

² The *Compliance & AML* Function of the Parent Company Eurizon Capital SGR ("hereinafter ECSGR) promptly informs the Compliance & AML function about the complaints received concerning UCIs for which the Parent Company has taken on the role of Primary Distributor - i.e., as exclusive Distributor in Italy of the UCIs of the Product Company with which the ECSGR has signed distribution agreements - and provides all useful support for the management thereof and the preparation of the response to the issues falling under its competence.

out under this Regulation and providing documented confirmation to the Compliance & AML Function;

- manages the claims made by customers before Alternative Dispute Resolution bodies with the Consumer associations;
- identifies the consolidation of specific guidelines of the Alternative Dispute Resolution and make a legal assessment of them, providing timely reports to the Compliance & AML Function;
- informs the Compliance & AML Function about any matters or issues emerged during legal disputes or with the Alternative Dispute Resolution bodies with customers that could generate risks of non-compliance;
- ensures the information flows necessary for the Compliance & AML Function to prepare reporting for Corporate Bodies and the Supervisory Authority;
- prepare periodic reports to the Company Corporate Bodies on the legal disputes and related risks with regard to both general matters and specific positions subject to dispute.
- provide assistance in the preparation of the replies to complaints and requests for information from clients, third parties or other offices of the Company regarding product-related matters.

5.7 Operations & Finance Department

The Operations & Finance Department supports the Compliance & AML Function in collecting the information necessary to complete the investigation phase of customer complaints.

More specifically, supports the Compliance & AML Function in the management of customer claims concerning cyber risk and IT security risk, in coordination with the competent corporate control functions.

5.7.1 Organisation & Outsourcing Control unit

The Outsourcing Control unit supports the function in charge of the design of the management process employing simple, efficient and effective logic and:

- monitors the performance of outsourcers by analysing the indicators established in the service contracts (KPIs) – taking care of their periodic revision – as well as the related exchanges of periodic information flows;
- acts as the point of reference, for the company, for the collection and management of all reports of anomalies related to the level of service provided;
- receives the necessary information from the internal operational structures on level of service of the outsourcer monitored by them,
- in consultation with the Human Resources Department, defines and checks the correct quantitative sizing of the workforce of the function set up to manage the claims;
- supports the functions in charge of the definition of the process rules and Regulation and publishes them.
- provides for the analysis, design and optimisation of the corporate processes, also upon request of the process owners and Control Functions.

5.8 Internal Audit Function

The Internal Audit Function:

- carried out on its own initiative or upon notification by the Compliance & AML Function or the Legal & Corporate Affairs Function, carries out investigations and controls to reconstruct the facts or events considered to be of specific relevance emerged from the analysis of the specific customer complaints, also in order to ascertain any responsibility by the employees;
- carries out controls to assess the efficiency and effectiveness of the operating processes adopted to manage customer complaints, compliance with applicable internal and external regulations, the reliability of the operating unit and systems to assign and, more in general, assesses whether the Internal Control System in place is adequate.

5.9 Human Resources Department

The Human Resources Function:

- defines and checks the workforce of the function set up to manage the complaints from a qualitative standpoint;
- within the scope of the incentive system, defines the performance indicators:
 - for the staff in charge of managing the complaints, that can, inter alia, prevent any conflicts of interest;
 - for Risk Takers not belonging to the corporate control functions, aimed at monitoring the so-called "conduct risk" (e.g., by means of indicators relating to the number of complaints received, appropriately calibrated gauged to the Department of belonging).
- evaluate and manage the complaints that could indicate a breach of trust by the staff in charge for the areas of its responsibility.
- works with the Compliance & AML Function in defining and implementing an annual training plan and programmes to update the personnel involved in the management of cases

5.10 External Third parties

In carrying out the activities set out by the process of managing customer claims, the Company's structures make use of the support of external third parties, such as mainly the administrative outsourcer and the persons in charge of placement, in order to ensure the correct handling of reports.

5.10.1 Administrative Outsourcer

The Company has outsourced some administrative processes to State Street Bank International GmbH – Luxembourg Branch (hereinafter referred to as administrative outsourcer).

With regard to the management of customer claims, the administrative outsourcer, upon request of the Responsible Function, provides all administrative information instrumental to their correct handling.

5.10.2 Parties in charge of distribution

As part of the process of handling claims from customers, the Parties in charge of the placement of the Company's products (hereinafter also "the Distributors") – included the Paris, Frankfurt and Madrid branches - support the Responsible Function:

- managing contacts with customers in order to collect useful information and documentation required to find the most appropriate solutions;
- through the corresponding units responsible for managing with customer requests, sharing and/or giving opinions on the solutions formulated by the Company.

6. MACRO-PROCESSES

The macro-processes to manage the customer complaints are described below. These macro-processes are duly formalised in the company procedures implementing these procedures.

6.1 Information to customers

The Compliance & AML Function collaborates with the Legal & Corporate Affairs Function and the Product Development unit in preparing, in compliance with applicable regulations, adequate reporting to customers concerning:

- the option of submitting a direct complaint about the work or behaviour of the intermediary or its staff, and the commitment by the Company to provide a timely response to each complaint within the terms defined by the law;
- how to send the complaint;
- noting that the relationship with the Responsible Function is free;
- other ways to interest the applicable Supervisory Authorities and use Alternative Dispute Resolution Bodies;

This information is available to customers through the Internet website or documents offering available on products.

6.2 Preliminary assessment, definition of and complaints outcome

6.2.1 Registration

The Compliance & AML Department Function records each complaint in a specific register, organised and regularly updated in accordance with criteria that allow the applicable units to acquire the necessary information, both in reference to the specific file and in accordance with overall reporting, regarding to:

- identification of the complainant customer;
- date the letter of complaint was submitted and received, or any other written communication;
- reason of the complaint;
- placement network in charge of the relationship or otherwise concerned by the complaint;
- product/service/process subject to complaint and reasons behind it;
- capital invested by the customer at the date of receipt of the complaint;
- claimed or estimated economic damage;
- summary assessments of the complaint;
- outcome of complaint and any repeated complaints.

Upon registration of the complaint, the Compliance & AML Function notifies the customer that the complaint is being “handled” using traceable methods (including email and PEC).

If deemed necessary for handling the case, receipt of a complaint is communicated to the reporting unit that is in charge of managing relations with the customer.

The Compliance & AML Function has a specific digital archive in which the documentation regarding the following is held and kept available:

- correspondence exchanged with the complainant, with specific reference to the letter of complaint and the final response formulated by the Company;
- performance and results of the controls on the factual circumstances subject to complaint, and any documentation collected to that purpose;
- decision-making process and reasons behind the decisions made;
- authorisation for any potential disbursement by the Functions or Bodies with the relevant authority.

All staff must immediately send the Compliance & AML Function any communications that could be a complaint or petition in accordance with the definitions provided in this Regulation.

6.2.2 Preliminary assessment of the complaints

The assessment of complaints from customers begins from the check of the reported circumstances noted by the interested party and of any behaviour of the staff who took action and is carried out by the Compliance & AML Function, involving, where necessary, other company units and/or Distributors. In particular, the Compliance & AML Function:

- for the purposes of the preliminary assessment, acquires specific information and any documentation needed from the administrative outsourcer and in the internal or external units involved in the complaints in question, keeping documentary proof of the results of the checks carried out;
- the Administrative Outsourcer, the Company’s internal structures and the distribution/ placement networks involved provide it with effective and timely manner, providing any available element useful to the assessment of the request;
- evaluates the results of the preliminary assessment in the light of applicable regulatory and legal provisions, the Group Guidelines, this Regulation, internal rules and regulations, and the general standards in the Code of Ethics of the Intesa Sanpaolo Group adopted by the Company, in order to check compliance, in this case, of products, processes and behaviour found. Any critical operational

aspects and economic impacts are also examined by the Operational Risk Management unit of Risk Management Function;

- involves, if considered appropriate in the light of initial evidence, the Internal Audit Function to check and assess the circumstances reported by the complaining party;
- if the checks show any breaches of trust by the staff, the Internal Audit Function independently involves the competent units of the Human Resources Department and of the Legal & Corporate Affairs Function;
- involves, if deemed appropriate in the light of initial evidence the Company's Legal & Corporate Affairs and Data Protection Officer, supported by the Cybersecurity structure of parent company, in order to directly manage the files that are particularly complex from a legal point of view, or related to the right to access personal data in accordance with specific provisions of the law and the orders by the competent Authorities. In these cases, the Legal & Corporate Affairs Function take over responsibility for replying to the complainant, giving documented communication of the final result of the evaluation to Compliance & AML Function.

As a general rule, the Legal & Corporate Affairs unit and the Data Protection Officer, who is supported by the Cybersecurity unit of the parent company, may intervene, on their own initiative or at the request of the Responsible Unit, in the process of assessing specific practices or generalised issues, providing in particular indications and interpretations concerning the Regulation to be taken into account for this purpose.

6.2.3 Definition of the complaint outcome and authorisation process for any disbursement

Based on the results of the checks carried, and their assessment in accordance with the standards set out above, the Compliance & AML Function makes the decisions regarding the results of the complaint. Internal operating rules define the roles and responsibilities of the Company's internal decision-making process in order to ensure the adequacy and compliance with the general standards regarding the delegation of authority and company representation. The relevant regulations are based on the principles of adequate separation of duties and hierarchical control which have been tailored to the type of claims and their significance, and also include a codification of the methods used to deal with the most common types of complaint, to be periodically updated.

If these decisions provide for reimbursement or compensation to the complaining party, the company Functions or Corporate Bodies who have the relative authorisation to manage these aspects on an independent basis issue the relative authorisations and notify the Operational Risk Management unit for the relevant activities.

During the handling of the complaint, the Complaints Register is fed with the following information:

- outcome of the complaint;
- date on which the investor was notified of the outcome;
- amount of the reimbursement, if any;
- summary assessments of the complaint.

6.2.4 Preparation and submission of the response to the complainant

Upon closing the dossier, the Compliance & AML Function sends the complaining party a written response to his/her complaints, drawn up in accordance with the standards set out in this Regulation. This response contain:

- if the claim has been considered to be unjustified, a clear and exhaustive illustration of why it was rejected;
- if the claim was considered to be justified or partially justified, an illustration of the initiatives that were therefore taken as a result in favour of the customer, and - if necessary - an indication of the methods and time needed to make any reimbursement or compensation. If these initiatives involve action by other company units, the Compliance & AML Function has to check the subsequent implementation of these or, alternatively, ascertains that these units have taken charge of the activity and the related planning.

The contractual rules, the fund offering documentation and the internal operating rules expressly define the timeframe within which Compliance & AML Function - or in the cases indicated, Legal & Corporate Affairs Function- provide a response to the customer's complaints, which may not be longer than the time established by the respective applicable rules.

The response to the customer must contain explicit information on the option by the customer to file an appeal with out-of-court dispute resolution bodies.

6.3 PRELIMINARY ASSESSMENT, DEFINITION AND RESPONSE OF PETITIONS TO THE SUPERVISORY AUTHORITIES

The Compliance & AML Function ensures the registration and management of the petitions and replies to the Supervisory Authorities, using the instruments and applying the macro-processes described in this Regulation.

The Compliance & AML Function conducts independent assessments of the adequacy of the controls made during the management of complaint and the consistency of decisions taken and the reply provided to clients with respect to the emerged results.

If the petition relates to a complaint forwarded by the Compliance & AML Function to the Legal & Corporate Affairs and/or the Data Protection Officer, the function in charge informs of the request received from the authority and acquires the necessary information and documentation for the preliminary investigation.

Upon conclusion of the above-mentioned activities, the Compliance & AML Function replies to the requests for clarification made by the Supervisory Authorities involved.

6.4 MANAGEMENT OF ALTERNATIVE DISPUTE RESOLUTION PROCEEDINGS

The Legal & Corporate Affairs Function, which manages the Alternative Dispute Resolution processes, and to that end, uses the procedural, IT and organisational instruments in use to manage ordinary disputes and pre-litigation, ensuring in any case the availability of the information and documents that the Function deems appropriate to formulate a response to a complaint received from the Authority or in any case necessary to allow for overall reporting activities.

The Legal & Corporate Affairs Function constantly evaluates the specific and significant positions that are consolidated with the most significant Bodies, promptly reporting them to the Compliance & AML Function and to the Head of Legal & Corporate Affairs, who evaluate the possible consequences from the point of view of managing of complaints relating to similar cases and any review of the products and commercial processes.

6.5 CONTROLS ON THE MANAGEMENT OF CUSTOMER COMPLAINTS

The activities related to managing the complaints are subject to first and second level controls aimed at a continuous verification of the compliance, the efficiency and effectiveness of the processes and procedures adopted, with specific reference to:

- the efficiency of the internal processes and procedures to ensure the immediate forwarding to the Compliance & AML Function of all the customer complaints that can be classified as such in accordance with this Regulation;
- the registration and traceability of the identification data of the complaint;
- compliance processing times indicated by applicable Regulation
- IT tools to mitigate the risk of any operating errors;
- the consistency between the outcome of the complaint and the reply given to the customer and the results of the preliminary assessment and decision-making process
- fairness, traceability and documentation of the decision-making process and authorisation of any reimbursements;
- quality of the responses provided to the complaining parties;
- application of the instructions provided by the Legal & Corporate Affairs Function.

The Compliance & AML Function:

- define the first and second level control objectives. The first level control objectives are communicated to the Units in charge, monitoring any corrective actions needed to lessen the specific risks of non-compliance identified in the scope of the control activities;
- continuously monitors the complaints and ex-post verification process that extend the evaluation to the quality of the answers;
- identifies and monitors any corrective actions needed to lessen the specific risks of non-compliance identified within the scope of the control activities.

The Internal Audit Function assesses the adequacy of the Internal Control System to assess the efficiency and effectiveness of the operating processes adopted to manage customer instances, compliance with the internal and external relevant regulations, the reliability of the operating organisation and the delegation mechanisms.

6.6 DISCLOSURE TO THE CORPORATE BODIES AND THE AUTHORITIES

The Compliance & AML Function Manager, on a six-monthly basis, as part of the Compliance Function report drawn up pursuant to current legislation, submits a report to the Corporate Bodies including the overall situation of complaints, petitions and claims received during the reference period, the underlying phenomena and related critical issues, as well as the adequacy of the procedures and organisational solutions adopted and any corrective measures. The report is forwarded to the national Supervisory Authority Commission de Surveillance du Secteur Financier (CSSF) in accordance with law in force³.

To prepare this Report:

- the Compliance & AML Function uses the documentation relating to the handling of complaints and reports as a support;
- the Legal & Corporate Affairs Function, with reference to the Company's customers, sends a report regarding any issues and phenomena arising from legal disputes and the Alternative Dispute Resolution bodies that could generate risks of non-compliance, along with quantitative and performance data relating to the various situations examined.

The Company's Compliance & AML Function sends the Reports prepared for the relevant Corporate Bodies and Supervisory Authority to the Parent Company's Compliance & AML Department.

7. GROUP GUIDELINES AND COORDINATION

The Ultimate Parent Company's Guidelines must be incorporated and applied by the Company, in order to adopt a process for handling complaints and petitions to the Authorities in line with the approach followed by the Ultimate Parent Company, taking account of the specific corporate aspects and local laws and sectorial applicable laws.

To this end, the Parent Company ensures that the Group Guidelines are implemented and applied, and requests alignment measures if inconsistencies are identified.

³ Article 16(3) of CSSF Regulation 16-07 and as detailed in Section 3 of Circular CSSF 17/671