

# ***CUSTOMER PROTECTION REGULATION***

## **GRUPO CIMD**

*March 2005*

## PRELIMINARY PROVISION

### **Article 1. Introduction**

This provision regulates the Customer Service (hereinafter, “the Service”) of the CIMD Group (hereinafter, “the Entity”), whose purpose will be to address and resolve the claims filed by its clients, in accordance with the provisions of Order ECO 734/2004 of March 11 for the Customer Services and Consumer Protection areas pertaining to Financial Institutions, published in the official Spanish journal BOE No. 72 of March 24, 2004.

## CHAPTER I

### SERVICE HOLDER

#### **Article 2. Appointment**

The Service Holder shall be appointed by the Board of Directors of the Entity and must be a person of renown commercial and professional integrity with a proven knowledge and experience in order to be able to carry out the required functions.

The appointee shall be communicated to the Consumer Protection Commissioner for Financial Services annexed to the National Securities Market Commission (CNMV) and to both the Institutions Directorate and the Registrations and Authorisations department of the CNMV.

#### **Article 3. Term of the mandate**

The mandate of the Service Holder shall last for three years, although it may be renewed for equal periods of time as often as deemed appropriate by the Entity.

**Article 4. Incompatibility and Ineligibility**

Any role or participation in the commercial and operational areas of the Entity shall be considered incompatible, rendering the appointee as ineligible for the position.

**Article 5. Termination of the mandate**

The Service Holder shall cease his/her duties for any of the following reasons:

- a. Natural expiration of the term of the appointment, unless the Entity agrees to renew the mandate in the form as set out in Article 3 above.
- b. Interactions within the Entity that may raise concerns over incompatibility with the position.
- c. Sudden incapacity.
- d. Criminal conviction.
- e. Waiver.
- f. Gross negligence in the performance of duties as determined by the Entity.

Once the position becomes vacant, the Entity will proceed to the appointment of a new Holder within one natural month following the day after role has been vacated.

**CHAPTER II**

**FUNCTIONS OF THE SERVICE**

**Article 6. Role of the Service Holder**

It is the function of the Service to protect the rights and interests of the clients of the Entity arising from any interactions, as well as to ensure that such relationships develop in accordance with the principles of good faith, fairness and mutual trust, at all times.

In fulfillment of the role, the Service must commit to the following responsibilities:

- a. The reception of, investigation and resolution where possible of all complaints and claims that a customer may raise with respect to financial transactions, contracts or services and, in general, with respect to their relation with the Entity. It also is the Holders responsibility to receive, investigate and resolve any issues that the Entity itself may submit regarding its relations with its clients where the Entity so deems appropriate. In either case, the Holder may intervene as a mediator between the clients and the Entity in order to facilitate an amicable arrangement between the two parties.
- b. To formulate and submit reports to the Entity, in consideration of recommendations and proposals in all those aspects that lie within the designated capacity, and that following an intrinsic assessment, may improve upon existing relations and trust between the Entity and its clients.

#### **Article 7. Exclusions**

In all cases, the Service shall have no part in the following:

- a. The relationships between the Entity and its employees.
- b. The relationships between the Entity and its shareholders.
- c. Issues relating to the Entity's decisions concerning the actions or conclusion, whatever the case may be, of a specific contract, operation or service with a specific person, as well as the agreement or conditions bestowed upon that person.
- d. Any involvement leading to prevention, delay or hindrance in any open process, or one that has already been resolved either administratively, conciliatorily or judicially, which may affect the rights of the Entity against its clients.

## CHAPTER III

### OBLIGATIONS OF THE ENTITY WITH THE SERVICE.

#### **Article 8. Independence and Measures**

The Entity shall commit to the necessary measures to ensure the separation of the Service from the commercial or operational offer of the Entity, so as to guarantee the Service may undertake its decisions independently of the scope of the Entity's activity activity in order to avoid any conflicts of interest.

The Entity shall ensure that the Service is equipped with the appropriate human, material, technical and organisational resources for the competent performance of its functions.

#### **Article 9. Obligations of the Entity**

It shall be the responsibility of the Entity to ensure the following:

- a. Collaborate with the Service in any way that may favour the best execution of its functions and, in particular, to comply with any petition for any related information for the resolution of any matters, within its capacity.
- b. Guarantee transparency of the following information to customers, in each and every one of its offices open to the public and on its website:
  1. Existence, role and postal and electronic addresses of the Service.
  2. Obligation of the Entity to address and resolve complaints within two months of filing.
  3. Content of present Regulation.
  4. Contact details for the Commissioner for Consumer Protection annexed to the CNMV, as well as regulations on transparency and customer protection.
- c. Receive and assess any complaints that may be made with respect to the performance of the Service and, where appropriate, execute any decision as referred to in Article 5(f) of this Regulation.

## CHAPTER IV

### REQUIREMENTS AND PROCEDURE OF COMPLAINTS AND CLAIMS

#### **Article 10. Motivation of Complaints and Claims**

Customers and clients, natural or legal persons or entities (of either Spanish or foreign domicile or nationality) of the Entity, may contact the Service directly or by appointed representative where they believe that as a user of financial services, their legal interests and rights, whether related to contracts, regulations over transparency and consumer protection, or good practices and financial use, in particular, of the principle of fairness, have been subject to negligent treatment, whether derived from legal injustice or not, as the case may be, except in the cases excluded by Article 7 of this Regulation.

#### **Article 11. Procedure**

Complaints and claims may be presented in person or by appointed representative, on paper or by computer, electronic or telematic means, provided that they allow the reading, printing and preservation of documents.

The procedure shall be initiated by submitting a document with the following information:

- a. Full name and address of the interested party and, where appropriate, of the duly accredited appointed representative; legal number or registration for natural persons, public registration in the case of companies.
- b. Reason for the complaint or claim, clearly specifying the issues on which a response is sought.
- c. Office or offices, department or service location of origin of the complaint or claim.
- d. Acknowledgement made by the claimant that he/she is unaware of whether the dispute is currently in due process through an administrative, conciliatory or judicial procedure.
- e. Place and date.

The claimant shall provide, together with the above information, all documentary evidence within his/her possession in support of the complaint or claim.

Claims may be filed with the Service, at any office of the Entity, as well as at the email address that has been provided for this purpose and appearing on the website of the Entity, and that will also be available at the CNMV.

The filing and process of claims to the Service is completely free of charge.

#### **Article 12. Liability period**

The filing of a complaint or claim by a customer with the Service must be made within two years from the date on which the customer initially became aware of the dispute deriving into the claim.

Claims filed outside this period will be inadmissible. In all cases, the Service will communicate any claim to the Entity.

#### **Article 13. Admission**

1. Once the claim has been received by the Entity, in the event that it has not been resolved successfully in favour of the client by the department in question, it will be forwarded to the Service which it will acknowledge receipt in writing to the claimant, stating the date of the presentation of the claim for the purposes of establishing the start date of the two-month period as established in Article 16 of the present Regulation.

Upon receipt of the claim by the Service, a corresponding file will be opened for investigation.

The claim will be filed only once by the interested party, without any duplicate submission being necessary for different bodies within the Entity.

2. If the identity of the claimant has not clearly established, or if the circumstances supporting the claim could not be clearly identified, the Service will require the claimant to correctly submit the necessary documentation within ten calendar days, in the absence of which, the complaint or claim would be duly filed without any further action being taken.

The time limit used by the claimant to amend the errors referred to in the preceding paragraph shall not be taken into consideration as part of the two-month period as described in Article 17 of this Regulation.

3. Complaints and claims will not be admitted in the following circumstances:
  - a. Where the relevant information has been omitted.
  - b. Where the claimant knowingly seeks a resolution exclusive of the jurisdiction of either of an administrative, conciliatory, or judicial organ, or is pending a resolution, or has already been resolved in either of those organs.
  - c. Where the issues surrounding the claim bear no relation to the interests and rights as legally set out to individuals as clients of the Entity.
  - d. Where complaints or claims are submitted by the same claimant in relation to the same dispute and have already been previously filed and resolved.
  - e. Where the two-year period for filing complaints or claims has elapsed.

Where the Service is aware of a parallel due process for a complaint or claim within an administrative, conciliatory, or judicial organ on the same dispute, it shall refrain from any intervention.

4. Where the complaint or claim for any of the reasons indicated is found to be inadmissible, the claimant shall be informed of the decision, and shall be permitted a period of ten calendar days for the submission of an appeal. Where the previous causes of inadmissibility are upheld against the claimant's appeal, they shall be informed of the final decision taken by the Service.

Once an appeal has been rejected, it may not be resubmitted before the Service.

#### **Article 14. Due Process**

1. During the ongoing investigation, the Service may request, both from the claimant and the Entity, any data, clarifications, reports or evidence it deems necessary for the resolution of the case. The Service may, in each case, set reasonable periods of time up to a maximum of fifteen days for the compliance with these requests.



2. In the event that the claimant initiates an administrative procedure or any legal action concerning or relating to the same subject matter as the claim, the Service will terminate the process and file the dossier.

**Article 15. Amicable resolution. Concession and Withdrawal**

The Service may, before issuing a verdict, undertake arrangements to offer proposals to either party in view of an amicable settlement. Once agreed by all parties, this shall be binding on both sides and the Service shall terminate the claim.

The claim will be filed in case of any future concession on behalf of the Entity to the claimant, or in case of a withdrawal of the claim on behalf of the claimant.

**Article 16. Term for the resolution**

The Service shall have a period of two months from the filing of the claim to reach a final decision. At the end of that period, the claimant may refer to the Commissioner for Consumer Protection annexed to the CNMV.

**Article 17. Content and notification of the resolution**

The final resolution of the Service to a submitted claim will always present a clearly constructed conclusion on the verdict. Such decisions shall be based on the legal rules applicable to the case, contractual clauses, rules of transparency and the protection of the client, good practices and financial uses. Where the decision departs from the criteria as set out in similar previous claims, the reasons justifying the change in judgment shall be expressed.

The resolutions of the Service shall contain express reference as to the rights of the claimant, in the event of non-conformity with the outcome of the ruling, for referral to the Commissioner for Consumer Protection annexed to the CNMV.

Once the ruling has been issued, it shall be notified to each of the parties within a maximum period of ten calendar days from its ruling, through the same means by which claim was submitted, unless the claimant expressly requests another channel.

## CHAPTER V

### EFFECTS OF THE RESOLUTION.

#### **Article 18. Rights of the claimant**

The claimant shall not be obliged to accept the ruling as determined by the Service and may initiate administrative proceedings or bring any legal action it so deems appropriate.

#### **Article 19. Rights of the Entity**

The Entity shall be bound by any ruling given by the Service in favour of the claimant.

The Entity shall execute the ruling within a maximum period of one month when it is required to pay a sum of money or to execute an action in favor of the claimant, unless in the event that the decision establishes a new time limit.

The time limit for execution shall commence from the day on which the Service notifies the Entity of the claimant's acceptance of the ruling.

## CHAPTER VI

### ANNUAL REPORT

#### **Article 20. Publication with the annual report**

Within the first quarter of each year, the Service will submit to the Board of Directors of the Entity an Explanatory Report on the performance of its duties during the preceding financial year.

The Annual Report shall include the following:

- a) A statistical summary of the complaints and claims addressed, detailing information on the number, admission and reasons of inadmissibility, information regarding the nature of the tempered issues, and any sums and amounts therein.

- b) A summary of rulings, indicating any favourable or unfavourable decisions on behalf of the claimant.
- c) General criteria contained in the rulings.
- d) Recommendations or suggestions as derived from their duties with a view to improving the quality of their actions.

Recommendations or suggestions to facilitate the optimal relationships between the Entity and its clients may be included in the Annual Report. In addition, the Entity may agree to the publication of those decisions that it may so deem appropriate for general interest, while reserving the right to maintain the anonymity of the parties involved.

At least one summary of the report shall be integrated into the Entity's Annual Report.

## TRANSITIONAL PROVISION

### **Claims in due process**

Those claims currently in due process at the date of approval of this Regulation shall be settled in accordance with the procedure as set out above.

## FINAL PROVISION

### **Amendment of the Regulation**

The present Regulation may be amended on agreement of the Board of Directors of the Entity.