

# **CLIENT COMPLAINT POLICY & PROCEDURES**

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### A) Introduction

A complaint is the way a client uses to express his dissatisfaction. A complaint has one of the following characteristics (not exhaustive list):

- It can concern the level of service received by the client in relation to any service provided by Audi capital (AC) or by a third party employed or recommended by AC;
- it can result from a difference in opinion between the client and his Account Manager or any representative of AC;
- it may lead to financial impact and/or risk.

It is important when dealing with complaints from clients that we maintain a positive attitude towards resolution. Our complaints handling policy & procedures is based on the premises that:

1. A client has a right to complain and have his complaint handled efficiently and effectively;
2. Complaints provide feedback on our products and services which is necessary from a quality assurance point of view; and
3. A complaint received gives the organization the opportunity to maintain confidence in our products and services.

### B) Complaint Handling

Complaint Handling is an important responsibility for AC. We are required to have an appropriate and effective procedure in that regard.

Whether verbal or written, justified or not, from or on behalf of an eligible complainant, our clients must have adequate means of lodging a complaint about the business unit's failure to provide a specific service.

It is critical that a client who makes a complaint is made aware of his right to take his complaint to the Resolution of Securities Disputes of the CMA "CRSD" (Arbitration body) and that, by signing the "Terms of Business agreement", he has agreed to waive the right to proceed before regular courts. This, of course will only apply if the matter can not be solved internally.

Handling a client's complaint efficiently needs patience and skill to avoid an initial "negative" situation becoming even more negative and degenerating into a dispute.

Communication with the client in a manner that acknowledges and sympathizes with the client's feelings is a key element in minimizing potential dispute.

The following are general guidelines for processing written or verbal/telephone complaints:

### C) Verbal Complaints

The steps are:

- ❖ identify yourself, listen, record details and determine what the client wants exactly;
- ❖ confirm the details received;
- ❖ acknowledge the client's feelings and sympathize with him in a courteous manner;

- ❖ explain the courses of action available (i.e. that the complaint will be sent to the Head of department and to the compliance department);
- ❖ do not attempt to lay blame or alternatively do not be too defensive at this stage;
- ❖ ensure that the client is informed that the complaint is receiving attention, and about the likely response time for the client to receive an update on the progress of the complaint;
- ❖ set a timetable and take necessary action to gain a resolution within the timetable; and
- ❖ report the complaint to the Corporate Governance and Head of Department.

If the client is not satisfied with the outcome, the employee shall advise the client to put his complaint in writing. If the client refuses to write his complaint on paper, the staff in contact with him should write a report as clear as possible describing the complaint and explain to the client that he will be contacted later by the compliance department. This report shall be forwarded to the governance team who then initiates the further steps to solve the issue.

## **D) Written Complaints**

The same procedures as for verbal complaints outlined in (C) shall be followed and a written response, saying, at the minimum, that we are investigating the complaint, shall be issued immediately.

When a written complaint is received from a client, the staff member responsible for the client's account must give the letter promptly to his supervisor and to the governance department. The governance department will require the Account Manager and/or any other appropriate person to make a report to him on the subject of the complaint.

In order to prioritize and classify client complaints, each one shall be classified and treated according to their importance.

### **Reply to Client**

At the latest five (5) working days after receipt of the complaint, the governance department will send a reply to the client detailing the action taken and the eventual compensation, if any.

In the event that the governance department needs more time for the investigation process (due to the nature and complexity of the investigation), a letter should be sent to the client explaining that the investigation is still in progress at the latest three days after receipt of the complaint. It shall also include an approximate date at which the client may expect a full reply.

## **E) Complaints Log**

The corporate governance department maintains the 'Complaints Log' for all client related complaints, giving details of the name of the complainant, the substance of the complaint and any correspondence between the business unit and the complainant, including details of any redress offered.

Records of complaints shall be kept with the governance department.

## **F) Dispute Resolution**

All complaints shall be handled in a fair and equitable way in order to reach a fast and fair resolution. A non resolved complaint leading to client's dissatisfaction becomes a dispute between the client and the company.

Any remedial action involving a reversal of a trade or any kind of corrective market action needs to have the approval of the compliance department and the Head of department.

The Chief Executive Officer (CEO) must approve other remedies involving significant financial compensations and a complete file must be sent to the legal counsel for review and processing if deemed necessary.

Limit and authority for any action requiring financial disbursement from AC:

- < SAR 5,000 or its equivalent, need Head of Finance approval
- > SAR 5,000 or its equivalent, need CEO approval
- > SAR 50,000 or its equivalent, the CEO shall ask for the Board's approval.

## **G) Litigation**

The governance department will alert legal counsel on all complaints not internally solved which may lead to litigation.

In addition, the governance department with coordination of compliance will submit to the Audit Committee on need basis a full report about Complaints, Disputes, Errors and their settlements outcome.

## **H) Clients Disputes Log**

The governance department maintains the 'Disputes Log' for all client related legal cases, giving details of the plaintiff, description of the legal case, type, materiality, department concerned, business owners, action taken, date of resolution and impact.

Records of disputes shall be kept with the governance department.

## **I) Third Party Complaint**

In case the client has raised a complaint against any third party employed or recommended by AC, the governance department shall intercede on behalf of the client to solve the complaint.