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Complaints Management Policy

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SUMMARY

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Contacts	Head of Compliance & AML: Francesco Martiniello francesco.martiniello@illimity.com	
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VERSIONS

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Complaints Policy V.1	Drafting of the document.	Board of Directors of Banca Interprovinciale S.p.A., 21 April 2008
Complaints Policy V.2	Revision of the process following significant changes on the subject (Consob Chamber of Conciliation and Arbitration; mediation pursuant to Legislative Decree no. 28/2010, etc.).	Board of Directors of Banca Interprovinciale S.p.A., 29 December 2010
Complaints Policy V.3	Revision of the process following significant changes on the subject following the amendments made by the Supervisory Authority.	Board of Directors of Banca Interprovinciale S.p.A., 17 January 2012
Complaints Policy V.4	Revision of the process following significant changes made by the Supervisory Authority (discontinuance of the Ombudsman, creation of the ACF (Financial Disputes Ombudsman) and the New Area Panels of the ABF (Banking and Financial Ombudsman)).	Board of Directors of Banca Interprovinciale S.p.A., 26 January 2017
Complaints Policy V.5	Adaptation of the internal regulation following organisational and regulatory changes.	Board of Directors of illimity Bank S.p.A., 18 April 2019
Complaints Policy V.6	Update of the Policy to reflect the new Group perimeter.	Chief Executive Officer, 15 November 2019
Complaints Management Policy V.7	Update of the Policy regarding the management of complaints about the distribution of insurance products and regarding payment services.	Board of Directors of illimity Bank S.p.A., 22 April 2020

Contents

1	PURPOSE AND SCOPE OF APPLICATION	5
2	GLOSSARY	5
3	INTRODUCTION	6
4	RELATIONS BETWEEN THE VARIOUS PROCEDURES	6
4.1	DISPUTES CONCERNING INVESTMENT SERVICES AND ACTIVITIES	6
4.2	DISPUTES CONCERNING BANKING-FINANCIAL TRANSACTIONS FALLING UNDER TITLE VI OF THE CONSOLIDATED LAW ON BANKING (TUB)	7
4.3	DISPUTES CONCERNING THE DISTRIBUTION OF INSURANCE PRODUCTS	7
5	INTERNAL ORGANISATION AND PROCEDURES FOR MANAGING COMPLAINTS	8
5.1	MEANS OF DEALING WITH GRIEVANCES	8
5.2	DEFINITION OF COMPLAINT	8
5.3	RESPONSIBILITIES AND MEANS OF FILING COMPLAINTS	8
5.4	INABILITY TO IDENTIFY THE CUSTOMER.....	9
5.5	DEALING WITH THE COMPLAINT.....	10
6	ANNUAL COMPLAINTS REPORT.....	11
7	ANNEXES.....	13
7.1	ANNEX 1: RELATED LEGISLATION AND REGULATIONS.....	13
7.2	ANNEX 2: ATTACHED LEGISLATION AND REGULATIONS FOR THE MANAGEMENT OF COMPLAINTS AND GRIEVANCES	14
7.3	ANNEX 3: MEANS OF SUBMITTING A COMPLAINT	22

1 PURPOSE AND SCOPE OF APPLICATION

The purpose of this document is to establish the means by which the Bank receives and manages complaints received from its customers by analysing the currently applicable legislative framework of reference and identifying the related activities, the information flows and the Areas involved in this process.

The guidelines set out in this document are applicable to all the entities of the illimity Banking Group that are under the management and coordination of the Parent Company illimity Bank S.p.A., to the extent relevant to those entities and on the basis of the nature of the activity performed by the individual subsidiary. Group entities are accordingly required to incorporate such guidelines and, as applicable, amend their internal regulations in accordance with the Parent Company's indications.

This Policy is adopted in compliance with the principles of transparency, objectivity and traceability of the activities set forth in Legislative Decree no. 231/01 and contained in the Organisation, Management and Control Model adopted by the Bank.

References to the customer as "he"/"his" in the text include by extension "she"/"her" and "it"/"its".

2 GLOSSARY

Definitions	
BANK	illimity Bank S.p.A. with registered office at Via Soperga 9, 20127 Milan, Italy.
COMPLAINT	Any action by which a clearly identifiable customer disputes in writing (e.g. by email) the conduct of the intermediary, also by way of omission.
GRIEVANCE	An informal report (usually verbal) concerning an anomaly that is made by a customer who is not requesting compensation or reimbursement for damages.
GROUP	The Bank and the subsidiaries forming part of the illimity Banking Group registered in the Roll of Banking Groups.
MEDIATION	The activity, however it may be called, carried out by an impartial third party with the aim of assisting two or more other parties to seek an agreement to resolve a dispute, also by drawing up an arrangement for the settlement of such.
MEDIATOR(S)	The person/people who either individually or as a group perform mediation but do not have the power to issue opinions or decisions that are binding for the beneficiaries of the service involved.
ORGANISATIONAL STRUCTURES (OR STRUCTURES)	The types of organisational structure of which illimity's Organisation Chart is composed in which the detailed responsibilities are assigned as described in the "Organisational Structure Regulation".
POLICY	Establishes and governs the model as a whole and the macro-processes and operating mechanisms underlying certain business functions, determining the guidelines, the methodologies/models and the scope of application, in accordance with the strategies and direction defined by the Bank as well as laws and external regulations.

Abbreviations	
ABF	Banking and Financial Ombudsman
ACF	Financial Disputes Ombudsman
BoD	Board of Directors

Consob	Italian Companies and Stock Exchange Commission
IVASS	Institute for the Supervision of Insurance
PEC	Certified Electronic Mail
RUI	Register of Insurance and Reinsurance Intermediaries
TUB	Consolidated Law on Banking
TUF	Consolidated Law on Finance

3 INTRODUCTION

The Provisions of the Bank of Italy of 18 June 2009, as amended, on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services, and the subsequent Provisions on the transparency of banking and financial transactions and services and the propriety of relations between intermediaries issued on 29 July 2009, as amended, put emphasis on the importance of the fact that banks should take the utmost care when dealing with complaints, in order to prevent disputes arising and to resolve situations involving the potential dissatisfaction of customers at an early stage, with the aim of maintaining a proper and transparent relationship with such customers.

In addition, since the Bank also operates as an insurance intermediary registered in “Section D” of the Register of Insurance and Reinsurance Intermediaries (RUI) maintained by IVASS and as a provider of investment services, the provisions contained in ISVAP Regulation no. 24 of 19 May 2008¹ and in Commission Delegated Regulation (EU) 2017/565 of 25 April 2016 are respectively applicable.

In order to enable the Bank to comply with current provisions on complaints the decision was taken to approve this Policy, which is designed to foster company awareness and facilitate the management of complaints by encouraging the collaboration of all the structures concerned. In addition to satisfying the specific requirements of law, the proper management of complaints by the Bank also enables it to become aware of the reasons for a lack of customer satisfaction and to take immediate and effective remedial action by introducing initiatives addressed to the individual claimant and by drawing up suitable organisational and procedural measures.

The Bank encourages the systematic inclusion of the information obtainable from complaints amongst that used to measure the degree of customer satisfaction; this approach contributes to the timely identification of any issues there may be connected with business operations and encourages the search for suitable solutions.

4 RELATIONS BETWEEN THE VARIOUS PROCEDURES

In detailing the bodies listed in Annex 2 of this Policy, characterised by the common objective to resolve disputes between the Bank and its customers before they arrive in court, the following problems may arise:

- identification of the subject of the complaint, namely whether it regards investment services and activities pursuant to ex. Legislative Decree no. 58/1998 (TUF) or whether, on the other hand, it falls within the scope of ex. Legislative Decree no. 385/1993 (TUB);
- identification of the “competent” body in the sense that it has knowledge of and is able to take decisions on the complaint in question;
- identification of the type of “verdict” that the body before which the procedure is held can issue;
- whether the verdict is binding or not for the parties and, finally, the possibility of using other legal means for protecting one’s rights.

The following paragraphs provide suggestions that may be useful in resolving the above points.

4.1 DISPUTES CONCERNING INVESTMENT SERVICES AND ACTIVITIES

1. Banking Conciliation Body – Banking-Financial Conciliator (*Organismo Conciliazione Bancaria - Conciliatore Bancario Finanziario*)
2. Financial Disputes Ombudsman (*Arbitro per le Controversie Finanziarie*)

¹ See Paragraph 5.5.2 of this Policy.

A customer who wishes to resolve a dispute regarding investment services and/or activities without taking the matter to court after previously filing a complaint with the Bank's Compliance & AML structure but failing to obtain a satisfactory reply and/or response may appeal to one of the above bodies.

This appeal does not remove the customer's right to appeal at any time, even after the decision, to the judicial authorities, to a mediation body or, where envisaged, to an arbitration panel.

If, on the other hand, a customer – again with respect to a dispute concerning investment services and/or activities – would like to come to an agreement with the counterparty (the Bank), he may:

- file an application for mediation with the Banking Conciliation Body – Banking-Financial Conciliator (it is not necessary to have filed a complaint with the Bank beforehand); or
- if it is the intermediary (the Bank) that wishes to file an application for mediation with a customer, such application may be filed with the Banking Conciliation Body – Banking-Financial Conciliator but not with the Financial Disputes Ombudsman since – as stated earlier – this may only be done by the customer.

4.2 DISPUTES CONCERNING BANKING-FINANCIAL TRANSACTIONS FALLING UNDER TITLE VI OF THE CONSOLIDATED LAW ON BANKING (TUB)

1. Banking Conciliation Body – Banking-Financial Conciliator
2. Financial Disputes Ombudsman

In this case too, if a customer wishes to resolve a dispute regarding banking transactions and/or services without taking the matter to court - after previously filing a complaint with the Bank's Compliance & AML structure without obtaining satisfaction – he may appeal to Financial Disputes Ombudsman to obtain a decision on the matter in question.

If, additionally, during the course of the proceeding initiated before the Financial Disputes Ombudsman, the dispute is taken to court or to arbitration, the competent Technical Secretary shall request the claimant (the customer) whether he is interested in continuing with the proceeding before the Financial Disputes Ombudsman.

If the customer does not express such interest within 30 days of the request, the Area will declare the proceeding dismissed. In the opposite case, the proceeding will continue despite the fact that the matter has been taken to court or arbitration. Furthermore, the proceeding will also be dismissed if the claimant expressly waives the appeal. Finally, should the parties reach an agreement before the decision on the appeal or complaint of the claimant (the customer) is fully satisfied by the intermediary, the Area shall declare the discontinuance of the matter in dispute, also as a matter of course.

If, on the other hand, the customer or the intermediary (the Bank) – again regarding a dispute on banking transactions and/or services – would like to reach an agreement with the counterparty, he may directly file an application for mediation with the Banking Conciliation Body – Banking-Financial Conciliator (in situations where the customer “takes action” there is no need to have filed a prior complaint with the intermediary Bank).

4.3 DISPUTES CONCERNING THE DISTRIBUTION OF INSURANCE PRODUCTS

1. The IVASS

A customer who has previously filed a complaint concerning the distribution of insurance products with the Bank's Compliance & AML structure without obtaining a satisfactory reply and/or response, may petition to file a complaint with the IVASS. This complaint may contain an evidenced grievance of conduct by the Bank acting as intermediary that is considered to be non-compliant or improper.

The IVASS has prepared a specific form for filing this complaint which can be downloaded from its website (www.ivass.it). The form is also available on the Bank's website.

The matter for which the complaint has been raised may regard the failure by the intermediary to comply with the provisions of the Insurance Code, the relative implementation regulations or the regulations on the remote selling of insurance products.

It is additionally noted that that a complaint cannot be filed with the IVASS if a proceeding has already been initiated before the courts. If a complaint is filed with the IVASS without having been sent previously to the Bank, the IVASS must forward the complaint to the Bank.

If a complaint has been properly sent to the IVASS, on receipt the body shall initiate preparatory activities, obtaining information, if necessary, from other parties it supervises, including companies, and report back to the claimant within 90 days. At the end of these preliminary activities and in any case no later than 120 days after receiving the complaint, the IVASS shall provide a reply to the claimant.

5 INTERNAL ORGANISATION AND PROCEDURES FOR MANAGING COMPLAINTS

5.1 MEANS OF DEALING WITH GRIEVANCES

At the preliminary stage of dealing with a complaint, and as the procedure progresses, any members of the Bank's staff who receive information about the emergence or existence of grievances connected with their daily work, received from customers or from other parties, however expressed, must report this to the Head of the structure to which they belong².

After assessing its validity and/or objective and potential importance, the Head of the business structure involved reports the grievance (by formal means, by way of a suitable communication – cf. attached facsimile form or equivalent – also via email), with his assessments and all the information required to enable the Compliance & AML structure to obtain an adequate understanding.

The Compliance & AML structure, with the support of the structures concerned, makes its assessments and as necessary takes action to introduce all the steps required to resolve any critical matters that may have been identified.

5.2 DEFINITION OF COMPLAINT

Pursuant to the Provisions of the Bank of Italy on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services, "complaint" shall mean – in accordance with a particularly wide acceptance of the meaning of the word – «any means by which a clearly identifiable customer disputes the conduct of an intermediary, also by omission, in writing (e.g. by letter or email)».

Given this broad definition, in order to avoid the material impossibility for the Compliance & AML structure to manage all complaints, such Policy shall exclude from its scope of application – as they do not form part of the above-described notion of "complaint" – all those cases that can be attributed to the ordinary management of the Bank-customer relationship which can be resolved through the mere intervention of the competent Functions or branch manager/deputy manager.

The proper management and reporting of grievances received from customers and any errors detected in current operations enables the Bank to improve its standard of efficiency and its ability to satisfy customers' expectations. Grievances differ from complaints essentially in the fact that in the former case customers report an anomaly by informal means (usually verbally) and do not make any claims for compensation or reimbursement.

5.3 RESPONSIBILITIES AND MEANS OF FILING COMPLAINTS

Complaints management is based within the Bank's Compliance & AML structure and it is to this that customers should turn for any questions resulting from relations with the Bank regarding matters concerning the means by which the Bank has managed transactions or services provided to such customers.

Without prejudice to the matters discussed in Paragraph 5.2 "Definition of complaint", in order to ensure that the Bank deals with complaints on a complete and timely basis, customers can find information about the way in which a complaint should be filed on the Bank's website or at its Modena branch (see Annex 3 "Means of submitting a complaint"), together with the other information that the Bank is required to make available to its customers:

² If similar situations exist, the Bank of Italy notes the opportunity of establishing forms of relationship between them to ensure consistent treatment in the case of similar issues, as well as introducing specific information flows to ensure that it is possible to obtain useful items from customer grievances – including those not formalised – in order to identify any malfunctioning in the company or any legal or reputational risks for the intermediary; reference should be made to the Bank of Italy's 2016 Guidelines on the Organisation of the Complaints Department.

- information identifying the Bank and its registration in Public Registers³;
- its registered office and any operating offices;
- its postal address, its email address and, where envisaged, its certified email address;
- the communication concerning the fact that it is subject to control by the Supervisory Authorities and the means by which the customer can file complaints with such or other bodies for dealing with disputes out-of-court⁴;
- the coordinates for filing complaints and the possibility for the customer to avail himself of any other means for settling disputes out of court that are provided by applicable law.

5.3.1 Receipt of a complaint at a branch

For complaints submitted in writing at a branch, the recipient (the counter clerk, the branch manager, his deputy) must issue a receipt to the customer, filling this out on the basis of a specific facsimile (available in the set of forms held by the branch and in the set of forms to be found in the Complaint Section of the Bank's website).

The complaint, together with a copy of the receipt issued to the customer, must be sent the same day to the Compliance & AML structure by internal mail. The Compliance & AML structure must be provided with information by email that the complaint has been submitted, so that it can establish the time this was actually received, even if it has not yet received details of the "materiality".

5.3.2 Receipt of a complaint by post

A complaint received by post must be sent, where possible, on the day of receipt directly to the Compliance & AML structure, which has the responsibility to store the envelope containing evidence of the date of receipt together with the claim itself.

The Compliance & AML structure must be provided with information by email that the complaint has been submitted, so that it can establish the time this was actually received, even if it has not yet received details of the "materiality".

5.3.3 Receipt of a complaint sent by email/certified email

A complaint received by email/certified email (PEC) arrives directly at the Compliance & AML structure, this managing the cited email addresses. In this case, the complaint must be immediately printed and the relative complaints file updated in order to "crystallise" the time that the complaint was actually received.

5.4 INABILITY TO IDENTIFY THE CUSTOMER

If a complaint is submitted via email and even if identified as "complaint" by simply reading the contents it is impossible to identify the sender/signatory (because for example the complaint is sent from an email address of an info@xxxx.it type or is in any case incomprehensible), or if it does not bear a signature in full, the following must be performed:

- if the complaint is received by one of the branch operators, reply via email asking the sender to identify himself in a "clear" manner;
- once the sender has been identified, the operator must – after informing the branch manager – send the complaint to Compliance & AML by the means and in accordance with the timing described in Paragraph 5.3 above;
- if the complaint is sent directly to Compliance & AML, the latter must reply to the email by the means described in Paragraph 5.5.

³ See for example the Bank's entry in the Register of Insurance Intermediaries.

⁴ See Paragraph 4 of this Policy.

5.5 DEALING WITH THE COMPLAINT

On receiving a complaint, Compliance & AML carries out the following steps:

- it prepares an interlocutory response to the customer designed to inform him that the complaint has been received and that it is being dealt with;
- it informs the Head of the structure concerned (or branch manager/deputy manager) of the subject of the complaint, asking him to provide all the pertinent documentation relating to the transactions and/or services to which the complaint refers (whether these concern banking activity or investment services/activities).

More specifically, Compliance & AML asks for the following to be provided:

1. a copy of all the documentation relating to the transaction/service to which the complaint refers;
2. a written summarised report discussing the circumstances to which the complaint refers, accompanied by the resulting assessments of the merits (available in the set of forms held by the branch and in the set of forms to be found in the Complaints Section of the Bank's website).

All the documentation must be sent to Compliance & AML within 5 working days of the request (an unconditional deadline).

5.5.1 Examination by Compliance & AML staff

On receiving the documentation, the staff of the Compliance & AML structure examine the subject of the complaint and reconstruct the affair in full in order to assess its validity. Following this, they draw up a response accepting or not accepting the complaint for despatch to the customer.

At the end of the examination, if appropriate or necessary, the staff of the Compliance & AML structure discuss the conclusions they have reached on the merits of the complaint with General Counsel and involve the Chief Financial Officer in order to obtain the widest possible assessment of the complaint.

As part of this assessment, particular emphasis is placed on examining previous decisions made by the ABF area panels in order to identify items that may enable the Bank's conduct to be motivated or supported.

5.5.2 Despatch of communication to the customer

Following any discussions with General Counsel and the Chief Financial Officer and after completing the assessment as to whether the complaint will be accepted or not, Compliance & AML notify the customer by way of a communication sent by registered letter with return receipt or by certified email, in which:

- if the claim is considered valid, this states the initiatives that the Bank undertakes to carry out and also the required time within which it undertakes to resolve the subject of the complaint;
- if, on the other hand, the decision has been taken not to accept the complaint, the communication informs the customer that – should he not be satisfied with the reasons for the non-acceptance – he may initiate a process for arriving at an arrangement for the out-of-court resolution of the dispute or ultimately apply to the court,

within the following respective latest dates:

1. 15 working days in the case of complaints regarding payment services pursuant to Directive (EU) 2015/2366 (PSD2), such as for example credit transfers and charges to debit and credit cards⁵;
2. 30 days in the case of complaints regarding banking transactions/services and investment services;

⁵ In "exceptional situations", if it is unable to reply within the 15 working days provided, the Bank shall send an interlocutory response to the customer stating the reasons for the delay and specifying the period of time by which he will obtain a final response. In any event, the period for receiving the final response shall not be exceeded 35 working days. The Bank has accordingly identified possible "exceptional cases" that could hinder the despatch of a response to the customer within the standard 15 working days, namely: 1) if a complaint regards two or more different aspects connected with payment services; 2) if a complaint concerns matters connected with payment services or other matters that regard banking products that must be dealt with together; 3) if a complaint is particularly complicated and calls for a detailed examination and a search for data, information and documents that is especially burdensome for the Bank; 4) if a complaint requires a search for data and information in historical archives and/or in different databases, including those outsourced.

3. 45 days in the case of complaints regarding the distribution of insurance products^{6 7};
4. 60 days in the case of disputes regarding a breach of the envisaged obligations of diligence, propriety, information and transparency towards investors in performing the activities governed by Part II of the TUF, including cross-border disputes and disputes falling under Regulation (EU) No 524/2013.

On the other hand, the means of processing complaints will be communicated to the customer at his request, or in any event on confirmation of receipt of the complaint.

Furthermore, if the customer is requesting reimbursement for a payment transaction, the Bank is required to refund the full amount of the payment transaction within 10 days or else provide justification for refusing to do so⁸.

5.5.3 Training for the staff of the Compliance & AML structure

The Compliance & AML structure is responsible for a constant update on the legislation on complaints management, also taking into account the complexity and large number of bodies that have been created in recent years.

6 ANNUAL COMPLAINTS REPORT

In its annual report to the Board of Directors, Compliance & AML discusses the work it has performed on complaints received by the Bank, this discussing:

- the overall situation concerning the complaints received, together with the relative outcomes, regarding:
 - the provision of services and investment activities;
 - banking transactions and services;
 - the distribution of insurance products;
- the verdicts of the Banking-Financial Conciliator and the courts that have concluded on questions relating to a previous complaint, considered unfounded, in favour of the customer;
- the main critical matters arising from the complaints received;
- the suitability of the procedures and organisational solutions adopted by the Bank⁹.

After approval by the Board of Directors, this report is sent to Consob. In addition, on an annual basis, the Compliance & AML structure publishes a notice on the Bank's website concerning the complaints received during the year, together with a report on the work performed to deal with these containing the relative data¹⁰.

In the specific case of complaints regarding the distribution of insurance products, the Bank is required by the IVASS to provide the following information:

- the number of complaints received, response times, the subject of the complaint and its outcome;
- the results of the analyses performed on the common causes of the types of complaint received¹¹;
- the latest available statistical tables prepared pursuant to article 10-sexies, paragraph 1 of ISVAP Regulation no. 24 of 19 May 2008.

The aim of an effective management of complaints is, in addition to providing "responses" to claimants, also to obtain information about the Bank's internal operations and, in particular, to identify matters useful for identifying the areas where corrective measures or action must be taken. An adequate information flow towards

⁶ See article 10-sexies of ISVAP Regulation no. 24 of 19 May 2008.

⁷ If a customer mistakenly sends a complaint relating to an insurance product distributed by the Bank on behalf of an insurance company, which regards the conduct of the latter, the Complaints Department must immediately send the communication to the company, at the same time notifying the customer that this has been done.

⁸ See article 14 of Legislative Decree no. 11 of 27 January 2010.

⁹ Legislation transposing Directive (EU) 2015/2366 (PSD2) and other measures of 19 March 2019 which updated the Provisions on the "Transparency of banking and financial transactions and services. Propriety of relations between intermediaries and customers" adopted on 29 July 2009.

¹⁰ This report also contains, separately highlighted, information on how complaints concerning the distribution of insurance products were dealt with, pursuant to article 10-sexies, paragraph 3 of ISVAP Regulation no. 24 of 19 May 2008.

¹¹ See article 10-undecies, paragraph 1 of ISVAP Regulation no. 24 of 19 May 2008.

corporate management is therefore necessary, together with assessments on the adequacy of the procedures and organisational solutions adopted in good time.

By way of the structured system of information flows with corporate management for the management and processing of complaints, the Compliance & AML structure ensures that items useful for detecting the phenomena underlying such and the related critical matters are identified. This system of communication also guarantees the existence of a system of management control that enables the Compliance & AML structure to systematically monitor the status of the processing of the procedures, ensuring regular and adequate summarised information flows towards any other structures that may be involved.

7 ANNEXES

7.1 ANNEX 1: RELATED LEGISLATION AND REGULATIONS

INTERNAL RELATED REGULATIONS

illimity Way
Organisation, Management and Control Model pursuant to ex. Legislative Decree no. 231/2001
Transparency Policy for Banking and Financial Transactions and Services – Proper Relations with Customers

EXTERNAL RELATED LEGISLATION AND REGULATIONS

<u>Provisions of the Bank of Italy of 18 June 2009 on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services as amended and/or supplemented (latest revision 3 November 2016)</u>
<u>CICR (Interministerial Committee for Credit and Savings) Resolution no. 275 of 29 July 2008</u>
<u>Consob Resolution no. 19602 of 4 May 2016</u>
<u>Consob Resolution no. 19700 of 3 August 2016</u>
<u>Procedural Regulation for Mediation pursuant to Ministerial Decree no. 180 of 18 October 2010</u>
<u>Commission Delegated Regulation (EU) 2017/565 of 25 April 2016</u>
<u>ISVAP Regulation no. 24 of 19 May 2008</u>
<u>Legislative Decree no. 209 of 7 September 2005 – Insurance Code</u>

7.2 ANNEX 2: ATTACHED LEGISLATION AND REGULATIONS FOR THE MANAGEMENT OF COMPLAINTS AND GRIEVANCES

1 MANAGEMENT OF COMPLAINTS AND GRIEVANCES

1.1 Introduction

The Provisions of the Bank of Italy of 18 June 2009, as amended, on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services and the subsequent Provisions on the transparency of banking and financial transactions and services and the propriety of relations between intermediaries issued on 29 July 2009, as amended/updated, put emphasis on the importance of the fact that banks should take the utmost care when dealing with complaints, in order to prevent disputes arising and to resolve situations involving the potential dissatisfaction of customers at an early stage, with the aim of maintaining a proper and transparent relationship with such customers.

This Policy has been drawn up to enable the Bank to comply with current supervisory provisions. The Policy may also be found on the Bank's website under the section "Complaints".

More specifically, the implementation of a Complaints Management Policy agreed by the Bank's senior bodies is a practice that it believes necessary for ensuring that customers' arguments are effectively safeguarded.; the drafting of a policy based on this approach increases corporate sensitivity and facilitates dealing with reports. In particular it encourages collaboration by structures other than those directly responsible for dealing with complaints. Proper management of complaints enables the profiles of customer dissatisfaction to be known and allows swift and effective remedies to be carried out, both by way of initiatives taken with respect to the individual claimant and through the preparation of generalised solutions.

The Bank encourages the systematic inclusion of the information obtainable from complaints amongst that used to measure the degree of customer satisfaction; this approach contributes to the timely identification of any issues there may be connected with business operations and encourages the search for suitable solutions.

2 LEGISLATIVE FRAMEWORK

2.1 Banking Conciliation Body – Banking-Financial Conciliator (*Organismo Conciliazione Bancaria - Conciliatore Bancario Finanziario*)

Following the introduction of Legislative Decree no. 28 of 20 March 2010 on "Mediation designed to resolve civil and commercial disputes"¹², which was subsequently followed by Decree no. 180 of the Ministry of Justice of 18 October 2010¹³ as amended, the provisions of article 5, paragraph 1-bis of said decree became operational, requiring that *"anyone intending to take legal action for a dispute on matters regarding condominium affairs, property rights, division of inheritance, hereditary succession, family business agreements, leasing, bailment, leasing of businesses, compensation for damages incurred as the result of medical and healthcare responsibilities or libel in the press or other means of communication or insurance, banking and financial contracts is initially required, represented by a lawyer, to endeavour to reach a settlement by way of mediation pursuant to this decree or the proceedings set forth in Legislative Decree no. 179 of 8 October 2007 and the respective implementing regulations or the procedure introduced in implementation of article 128-bis of the consolidated law on banking and credit matters as per Legislative Decree no. 385 of 1 September 1993, as amended, or the procedure introduced in implementation of article 187-ter of the Private Insurance Code as per Legislative Decree no. 209 of 7 September 2005, for the matters governed therein. It is further noted that performance of the mediation procedure is a condition for entertaining the application in court"*¹⁴.

"On the other hand, the following are expressly excluded from the scope of application of paragraph 4 of said article 5: "a) injunction proceedings, including opposition, up to the decision on the application for the granting

¹² The Legislative Decree became effective on 20 March 2011.

¹³ Published in the Official Journal, General Series, no. 258 of 4 November 2010.

¹⁴ It is further stated that *"preclusion must be pleaded by the claimant, under penalty of expiration, or raised by the court of its own motion, no later than the first hearing. Where the court ascertains that the mediation has already begun, but has not been completed, it sets the date for the next hearing after the deadline pursuant to article 6. The court acts in the same way if mediation has not been attempted, assigning the parties at the same time a deadline of 15 days to file an application for mediation. This paragraph is not applicable to the measures set forth in articles 37, 140 and 140-bis of the consumer code as per Legislative Decree no. 206 of 6 September 2005 as amended"*.

and suspension of provisional enforcement; b) proceedings for the validation of dismissal or eviction up to the change of procedure pursuant to article 667 of the Italian Code of Civil Procedure; c) proceedings for preliminary technical expertise for the settlement of the dispute, pursuant to article 696-bis of the Italian Code of Civil Procedure; d) ownership proceedings, up to the delivery of the judgement pursuant to article 703, third paragraph of the Italian Code of Civil Procedure; e) opposition or cognisance interlocutory procedures relating to enforcement of judgement; f) proceedings in judges' chambers; g) civil action brought during a criminal trial".

The attempt to reach a settlement by mediation accordingly assumes significant importance, given that this step has become a condition for entertaining an action in court.

Mediation – the positive result of conciliation – is a means for settling a dispute that arises between two or more parties by assigning the duty to an independent third party (identifiable for the purpose of this Policy as the “Mediator”) to facilitate the parties in reaching an agreement.

The Mediator is an expert but not a judge, meaning that he is not required to come down on the side of one party or the other. He is designated by the Banking Conciliation Body – Banking-Financial Conciliator, given that the Bank is a member of the Banking-Financial Conciliator body – the association for the out-of-court resolution of banking, financial and corporate disputes - ADR”, with offices at Via delle Botteghe Oscure 54, 00186 Rome, Italy (telephone: 06/974821, telefax: +39 06/67482250, email: associazione@conciliatorebancario.it) and has designated such as the mediating body for any disputes that may arise in contractual relationships with its customers.

2.1.1 Objective scope of application

Pursuant to article 2, paragraph 1 of the Regulation on the Procedure for Mediation issued pursuant to Ministerial Decree no. 180 of 18 October 2010, as per the revision of May 2016, the Banking Conciliation Body – Banking-Financial Conciliator has jurisdiction on all matters regarding the work performed by banking intermediaries (the Consolidated Law on Banking – TUB), financial intermediaries (the Consolidated Law on Finance – TUF) and the operations of the specific companies involved.

2.1.2 Subjective scope of application

On the other hand, the subjective scope of application regards all customers as well as the Bank itself.

2.1.3 Outcome of the mediation procedure

A request for mediation is made by completing the form prepared by the Banking Conciliation Body and may be drawn up by the party/parties involved or by a delegated party, in the latter case the form must be signed in any case by the applicant. The duration of the mediation procedure may not exceed 90 days, starting from the day on which the request for mediation is filed¹⁵.

The parties (customer(s), Bank) have no obligation to reach an agreement, nevertheless, in the case of a positive outcome the procedure is concluded pursuant to article 8 of the above-mentioned Procedural Regulation for Mediation and the mediator draws up a formal report that must be signed by the parties and the mediator, who certifies the parties' signatures or their impossibility to sign. If, by way of the agreement, the parties conclude one of the contracts or perform one of the actions set forth in article 2643 of the Italian Civil Code to proceed with the transcription of such, the signatures on the report must be authenticated by a public official authorised to do so. The agreement reached may envisage the payment of a sum of money for every breach or non-fulfilment of the established obligations or delay in their performance.

Pursuant to article 12 of Legislative Decree no. 28/2010, as amended by article 84, paragraph 1m) of Decree Law no. 69 of 21 June 2013, if all the parties adhering to the mediation are represented by a lawyer, the agreement that has been signed by the parties and such lawyers acts as an executive instrument for compulsory enforcement, execution of delivery and release, execution of the obligations to act or abstain from acting, as well as for the registration of a lien. The lawyers attest and certify that the agreement complies with binding regulations and public policy. The agreement as per the previous sentence must be fully transcribed in the demand for compliance pursuant to article 480, second paragraph of the Code of Civil Procedure. In all the other cases the agreement attached to the report is ratified, upon application of one of the parties, by way of a decree of the presiding judge of the court, after ensuring compliance with all formal aspects and binding regulations and public policy. In cross-border disputes, as per article 2 of Directive 2008/52/EC of the European Parliament and of the Council of 21 May 2008, the report is ratified by the presiding judge of the court in whose

¹⁵ Pursuant to article 6 of Legislative Decree no. 28 of 4 March 2010. This deadline was amended to such by article 84, paragraph 1f) of Decree Law no. 69 of 21 June 2013, converted, with modifications, by Law no. 98 of 9 August 2013; see paragraph 2 of article 84 of Decree Law no. 69 of 21 June 2013 for the applicability of this provision.

administrative district the agreement must be executed. The report referred to in paragraph 1 acts as an executive instrument for compulsory enforcement, for specific performance and for the registration of a lien.

On the other hand, if the attempt at mediation is unsuccessful, the mediator only prepares a written conciliation proposal of his own if all the parties request this. The parties shall accept or reject this proposal within the binding term of seven days. If the proposal is accepted by all the parties, the mediator draws up a report pursuant to article 8, paragraph 1 of the Procedural Regulation for Mediation.

It is further noted that in the event of failure to participate in the mediation procedure without justified reason, the court will order the claimant who, in the cases set forth in article 5, did not participate in the proceeding without justified reason, to make the payment in favour of the State of an amount corresponding to the court fee due for the judgement¹⁶. This “penalty” is added to the provision previously in force under which: «(...) from the failure to participate in the mediation procedure without justified reason, the court may deduce matters of proof in the subsequent judgement pursuant to article 116, paragraph 2 of the Code of Civil Procedure». For matters of a strictly operational nature in the mediation procedure reference should be made to the regulation to be found on the Banking-Financial Conciliator’s website (<http://www.conciliatorebancario.it>).

2.2 Banking and Financial Ombudsman (*Arbitro Bancario Finanziario - ABF*)

The Banking and Financial Ombudsman (ABF) is a new, alternative system for the out-of-court resolution of disputes, set up pursuant to article 128-bis of the Consolidated Law on Banking (introduced by Law no. 262 of 28 December 2005) which became operative on 15 October 2009. Resolution no. 275 of the Interministerial Committee for Credit and Savings (CICR) of 29 July 2008 sets forth the discipline of out-of-court systems, determining their field of application and their structure and the basic operating rules of the procedure, entrusting the Bank of Italy with the duty to establish the detailed rules on “Provisions on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services” in a document which was issued by the Bank of Italy on 2 November 2016.

The ABF is organised into seven geographical Areas across Italy: Bari, Bologna, Milan, Naples, Palermo, Rome and Turin. The composition of each Area Panel ensures that the interests of the various parties involved are represented, supported by the respective Secretariats.

The territorial jurisdiction of each Area is established by way of the above-mentioned provision in the following way:

- Milan Area: has jurisdiction for petitions filed by customers with domicile in the regions of Lombardy, Veneto, Friuli – Venezia Giulia and Trentino-Alto Adige;
- Turin Area: has jurisdiction for petitions filed by customers with domicile in the regions of Piedmont, Liguria and the Aosta Valley;
- Bologna Area: has jurisdiction for petitions filed by customers with domicile in the regions of Emilia-Romagna and Tuscany;
- Rome Area: has jurisdiction for petitions filed by customers with domicile in the regions of Lazio, Umbria, the Marches and Abruzzo and those with domicile abroad;
- Naples Area: has jurisdiction for petitions filed by customers with domicile in the regions of Campania and Molise;
- Bari Area: has jurisdiction for petitions filed by customers with domicile in the regions of Puglia, Basilicata and Calabria;
- Palermo Area: has jurisdiction for petitions filed by customers with domicile in the regions of Sicily and Sardinia.

Each Area Panel consists of 5 members: the Chairman and two members are chosen by the Bank of Italy, one member is designated by the intermediaries’ associations and one member is designated by the customers’ associations. An extra Area has been created, the Coordination Area, consisting of three Chairmen of the territorial Areas, one member designated by the intermediaries’ associations and one member designated by the customers’ associations, to which the Area with territorial jurisdiction remits questions of greater importance. The decisions taken by the Coordination Area, therefore, enable uniform guidelines to be provided

¹⁶ A provision added by article 84, paragraph 1i) of Decree Law no. 69 of 21 June 2013, converted, with modifications, by Law no. 98 of 9 August 2013; see paragraph 2 of article 84 of Decree Law no. 69 of 21 June 2013 for the applicability of this provision.

on more complicated matters. In turn, the Board of Directors of Illimity Bank S.p.A. has approved adherence to the Banking and Financial Ombudsman scheme, and on 15 September 2009 authorised the Banking-Financial Conciliator to notify the Bank of Italy that the company has adhered to the Banking and Financial Ombudsman scheme.

2.2.1 Objective scope of application¹⁷

Pursuant to paragraph 4 of the “Provisions of the Bank of Italy on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services” of 18 June 2009, disputes relating to banking and financial transactions and services may be submitted to the Banking and Financial Ombudsman (*Arbitro Bancario Finanziario - ABF*). Expressly excluded from its jurisdiction are disputes regarding investment services and activities and other cases subject to Title VI of the Consolidated Law on Finance, pursuant to article 23, paragraph 4 of Legislative Decree no. 58/1998.

The ABF can determine the outcome of all disputes regarding banking and financial transactions and services, such as, by way of mere example, current account relationships, mortgages and personal loans, as follows:

- up to 100,000 euro, if the customer requests a sum of money;
- with no monetary limit, if the customer only requests the ascertainment of rights, obligations and options (for example when the customer complains that he has not received transparency documentation or that a charge has not been released after a mortgage has been extinguished);
- confirming a practice already consolidated in the Areas, in accordance with the new Provisions of the Bank of Italy on systems for the out-of-court resolution of disputes, requests for the compensation of damages made for the first time on petition to the ABF are admissible if the damage in question is the immediate and direct consequence of the same conduct reported in the complaint (submitted to the intermediary).

The ABF cannot:

- decide the outcome of disputes for compensation for damages that are not the immediate and direct consequence of the intermediary’s non-fulfilment or breach;
- decide the outcome of disputes relating to tangible assets or services other than those of a banking and financial nature that are the object of a contract between the customer and the intermediary or contracts associated with it¹⁸;
- hear disputes for which a compulsory enforcement proceeding or injunction proceeding is pending.

In addition, in particular:

- disputes regarding transactions or conduct prior to 1 January 2009 cannot be submitted to the ABF;
- petitions relating to disputes already submitted to the courts may not be filed, except in the case of petitions filed by the deadline set by the courts pursuant to article 5, paragraph 1-bis of Legislative Decree no. 28 of 4 March 2010¹⁹;
- petitions relating to disputes submitted for arbitration or for which an attempt at conciliation or mediation pursuant to law is pending (for example Legislative Decree no. 28 of 4 March 2010), initiated by the claimant or to which the claimant has adhered, may not be filed²⁰;

¹⁷ Article 23, paragraph 4 of the Consolidated Law on Finance (TUF) excludes the applicability of Title VI of the Consolidated Law on Banking (TUB). The provisions of Title VI of the TUB are applicable: a) to investment services and activities; b) to the placement of financial products; c) to transactions and services that are components of financial products subject to the discipline of articles 25-bis and 25-ter or Part IV, Title II, Chapter I. In any case, the relevant provisions of Title VI of the TUB are applicable to all credit transactions as well as the services and payment accounts disciplined by Chapters I-bis, II, II-bis and II-ter of the TUB. As regards the definition of the scope of application of the provisions in question, reference should also be made to Consob Regulation no. 16763 of 29 December 2008 governing conciliation and arbitration procedures concerning investment and collective asset management services set forth in Legislative Decree no. 179 of 2007 that remits in turn to a memorandum of understanding between the Chamber of Conciliation and Arbitration in Consob and the system for the out-of-court resolution of disputes pursuant to article 128-bis of the TUB.

¹⁸ By way of example, disputes regarding any defects in assets granted in leasing or provided through consumer credit transactions; those relating to the provision of assets connected with trade receivables sold as part of factoring transactions.

¹⁹ The cognition scope of the ABF determined by these provisions remains unaltered in these cases too.

²⁰ More specifically, petitioning the ABF is however possible if a conciliation procedure, already begun, fails; in this case – without prejudice to the requirements of article 5, paragraph 1 of Legislative Decree no. 28 of 4 March 2010 – the petition may also be submitted if the deadline of 12 months pursuant to section VI, paragraph 1 has not been complied with.

- in the case of collective compensatory action pursuant to article 140-bis of the Consumer Code, the dispute is considered submitted to the courts from the time the consumer or user adheres to the collective action.

All petitions to the ABF, which must be filed by using the specific form to be found on the ABF's website (<http://www.arbitrobancariofinanziario.it>) as well as on the Bank's website, must be preceded by a written complaint to the Bank and no more than 12 months may have passed from the filing of the complaint, without prejudice to the possibility of filing a new complaint also after the expiry of this period. The complaint is processed by the means set forth in the discipline on the transparency of banking and financial services.

2.2.2 Subjective scope of application

The scope of application from a subjective standpoint, on the other hand, regards all of the Bank's customers.

2.2.3 Stages of the procedure

Customers remaining unsatisfied or whose complaint has not achieved a result within 30 days or 15 days (a period applicable only to complaints about the provision of payment services) of being received by the intermediary may file a petition with the ABF, also without representation by a lawyer. The petition must concern the same disputed matter as the complaint and must be signed by the customer.

The petition may be filed, on the customer's behalf, by a trade association of which the customer is a member or by another representative authorised to do so; in such cases the petition is also signed by the customer or accompanied by a power of attorney. Petitions filed in the absence of a complaint made to the intermediary that relate to disputes pending before the courts for which the judge has noted the failure to satisfy the condition for entertaining the application in court pursuant to article 5, paragraph 1-bis of Legislative Decree no. 28/2010, shall also be considered admissible.

The petition may either be:

- sent directly, by the means stated on the forms published on the ABF's website, to the Technical Secretariat of the competent Area Panel or to any branch of the Bank of Italy, which will forward it without delay to the competent Technical Secretariat; or
- handed in at any of the branches of the Bank of Italy open to the public, which will then take the same action as above.

Customers filing a petition pursuant to the present discipline must provide timely notice of this to the intermediary by sending the latter a copy of the petition by registered letter with return receipt or by certified email.

Within 30 days of receipt, the Bank must send its counter-deductions on the complaint to the competent Technical Secretariat of the ABF together with all the documentation needed to assess the complaint, including that relating to the stage of the complaint.

If a delay or lack of documentation due to the intermediary makes it impossible for the Area to come to a decision on the merits of the dispute, the Area shall assess the intermediary's conduct from the standpoint of failure to cooperate.

2.2.4 Outcome of the procedure

Within 60 days of receiving the Bank's counter-deductions, the territorially competent Area of the ABF issues its decision. This deadline may be suspended once or more, although the total period may not exceed 60 days, by the Technical Secretariat during the preliminary investigation or by the Area in order to request further information from the parties. The suspension is communicated to both parties, together with the setting of a latest date for producing any requested additions.

The Area, of its own accord or at the request of a party, may declare the procedure interrupted if the claimant (the customer), in relation to the dispute in question, communicates that he has initiated or adhered to an attempt at conciliation or mediation. In this case, if the conciliation is successful, the petition may be re-submitted without the need to file a new complaint with the intermediary. In addition, if during the proceeding the intermediary has submitted the dispute to the courts or for arbitration, the competent Technical Secretariat shall ask the claimant (the customer) whether he is interested in continuing the proceeding before the ABF.

If such interest is not manifested within 30 days of the request, the Area shall declare the proceeding dismissed. In the opposite case, the proceeding will continue despite the fact that legal or arbitration proceedings have been initiated. Further, the proceeding will also be dismissed if the claimant withdraws the petition.

Lastly, in the further situation in which the parties reach agreement before the decision on the petition or the request of the claimant (the customer) has been fully satisfied by the intermediary, the Area shall declare, also of its own accord, the discontinuance of the matter in issue.

2.2.5 Decisions

The decisions issued by the ABF's Area Panels are binding for the intermediaries and must be executed within the time periods established by the Area Panel. In the absence of a set period, the intermediary must abide within 30 days of the notification of the decision. If the Bank fails to comply with the adopted decisions, such non-compliance will be sanctioned through the publication on the ABF's website and on the Bank of Italy's website under the responsibility of and at the expense of the intermediary, and in two national daily newspapers (the high reputational risk to the Bank is clear). Nevertheless, the possibility still remains for either party to appeal to the courts or use any other means available under law to protect their rights and interests.

With the recent changes made by the Bank of Italy to the provisions on the systems of dispute resolution, it should be pointed out that within 30 days of the communication of the complete decision, the party concerned may only request correction in the cases in which it is flawed as the result of omissions or material errors or calculation errors. In the case in which such is declared admissible, the period of time required to be followed by the intermediary is interrupted to enable the decision to be fulfilled.

Reference should be made to the ABF's website (<http://www.arbitrobancariofinanziario.it>) for any matters not expressly referred to.

2.2.6 Suspension of the deadlines

The deadlines set forth in the Bank of Italy's Provisions on systems for the out-of-court resolution of disputes regarding banking and financial transactions and services shall be expressly suspended during the following periods: from 1 to 31 August and from 23 December to 6 January of each year.

Pursuant to article 5 of Legislative Decree no. 28/2010, the act of petitioning the ABF – proceeded by filing a complaint with the intermediary – is sufficient to meet the above-mentioned condition for entertaining the matter in court, and accordingly the customer may subsequently apply to the courts to defend his rights without having to appeal to a mediation body specialising in disputes in banking, financial and insurance matters.

2.3 Financial Disputes Ombudsman (*Arbitro per le Controversie Finanziarie - ACF*)

By way of Consob Resolution no. 19602 of 4 May 2016, a new body, the Financial Disputes Ombudsman (*Arbitro per le Controversie Finanziarie - ACF*²¹), has been set up within Consob, replacing the Chamber of Conciliation and Arbitration (*Camera di Conciliazione ed Arbitrato*), whose operating procedures are contained in Consob Resolution no. 19700 of 3 August 2016 – Organisational and Operating Procedures of the Financial Disputes Ombudsman.

2.3.1 Jurisdiction of the Ombudsman²²

The Financial Disputes Ombudsman is a decision-making body similar to the Banking and Financial Ombudsman, with responsibilities for disputes between retail investors and intermediaries regarding "breaches of the obligations of information, diligence, propriety and transparency with which intermediaries are required to comply in their relationships with investors when providing the investment and collective asset management services for which they are authorised²³, with the exclusion of damages that are not the immediate and direct consequence of the non-fulfilment or breach by the intermediary of the above-mentioned conduct requirements and those that are not of a patrimonial nature".

Use of the procedure by savers is only permitted if the requested sum does not exceed EURO 500,000 and is free of charge for customers. Lastly, a complaint with reference to the same must already have been submitted to the intermediary, who has replied in an unsatisfactory manner or has not replied at all in the 60 days following the submission. Petition to the Ombudsman must be made within a year of the submission of the complaint to the intermediary, or, if the complaint was submitted before the date the Ombudsman became operative, within one year of that date²⁴.

²¹ Which became operative on 9 January 2017.

²² See the Regulation of the Financial Disputes Ombudsman (ACF), Resolution no. 19602.

²³ Activities governed by Part II of the Consolidated Law on Finance TUF, including cross-border disputes and the disputes governed by Regulation (EU) No 524/2013, with attention given to Implementing Regulation (EU) 2015/1051.

²⁴ Article 10, paragraph 3 of ACF Regulation 19602/2016.

Unlike the case of the ABF system, there are no time limits referring to the facts from which the disputes to be brought to the knowledge of the Ombudsman derive. Nevertheless, petition to the Ombudsman must be made within one year of the submission of the complaint to the intermediary, or, if the complaint was submitted before the date the Ombudsman began operations, within one year of that date.

Only investors qualifying as “retail customers” may use the procedure (and not those classified as “qualified counterparties” or “Professional customers”).

2.3.2 Composition of the Area Panel

The Area Panel consists of a Chairman and four members, selected from people of specific and proven expertise and experience, unquestionable independence and integrity, nominated by Consob, of whom two designated by the trade associations of the intermediaries most representative at a national level and by the National Council of Consumers and Users.

2.3.3 Petitions

Petitions to the Ombudsman must be submitted exclusively by the investor, in person, or by way of an association representing the interests of consumers or a power of attorney, but only if, with respect to the matters in the petition:

- no other out-of-court procedures for the resolution of the disputes, possibly raised on the intermediary’s initiative, are pending;
- a complaint has been submitted previously to the intermediary, to which an explicit reply has been provided, or else if more than sixty days have passed since its submission without the intermediary communicating its decisions to the investor.

After receiving the petition, intermediaries have 30 days to submit their counter-deductions, also by way of the trade associations of which they are a member. The possibility also exists for both parties to submit replies.

The proceeding is interrupted if, on the basis of the same facts underlying the petition, other out-of-court resolution proceedings are initiated, also on the initiative of the intermediary to which the investor has adhered; if such out-of-court resolution procedure does not succeed in settling the dispute, the proceeding may be resumed by the claimant within twelve months of the declaration of interruption.

The proceeding is extinguished for the following reasons:

- if arbitration proceedings or judicial proceedings are initiated on the basis of the same facts underlying the petition and there is no statement of preclusion and the procedure set forth in article 5, paragraph 1-bis of Legislative Decree no. 28 of 4 March 2020 is not adopted; or
- if the claimant waives the petition by specific deed.

The Panel issues its decision within 90 days of the completion of the preliminary investigation carried out by the Technical Secretariat, stating, in case the request is fully or partially upheld, the time period within which the intermediary must comply (in the absence of any indication the time period shall be 30 days from the receipt of the decision).

In case of acquiescence, intermediaries are required to communicate to the Ombudsman the measures introduced to comply with the decision and make a pecuniary contribution of EUR 400 for the disputes in which no amount is awarded or if the amount awarded to the claimant does not exceed EUR 50,000; EUR 500 if the amount awarded to the claimant exceeds EUR 50,000 but is less than or equal to EUR 100,000; and EUR 600 if the amount awarded exceeds EUR 100,000.

The decision issued by the Panel is not binding for the parties, nevertheless in case of non-fulfilment within the above-mentioned time period, the intermediary receives a reputational sanction through publication of the non-compliance on the Ombudsman’s website and in two national daily newspapers, of which one a financial daily, and on the home page of the intermediary’s website for a period of six months.

2.4 IVASS

The IVASS guidelines on the submission of complaints identify the following as possible submitting parties: the policy-holder, the insured party, the beneficiary of an insurance policy or the damaged party and the associations recognised to represent the interests of consumers.

The complaint must contain a detailed grievance of the conduct of the intermediary that is considered irregular or improper, and the proposing party may only submit this to the IVASS if he fails to receive a response from the intermediary in the stated time period or if he is not satisfied with the response provided by the intermediary.

More specifically, a complaint cannot be filed with the IVASS if legal proceedings have already been initiated.

The aim of the checks made by the IVASS is to identify any irregular or improper conduct performed by the intermediary and to take the necessary supervisory measures, including the administration of penalties, in the more general interest of the protection of consumers of insurance products.

After examining the complaint received, the IVASS sends a copy to the intermediary concerned, asking it to provide explanations about the case and to provide a full and timely reply to the claimant in simple, clear language.

If the company upholds the claimant's requests or if the response is comprehensive and detailed, and no irregularities emerge, the complaint procedure shall be considered concluded, without the need for further communications. If, on the other hand, the response is not complete or is improper, the IVASS carries out further questioning with the intermediary. On completion of its investigations, the IVASS communicates the result of its activities within a maximum of 90 days of obtaining the necessary assessment criteria.

If it identifies a breach of current laws and regulations by the supervised parties, the IVASS initiates penalty proceedings, publishing the results of these in its bulletin and on its website.

If the IVASS receives a complaint over which it has no jurisdiction, it forwards this to the competent authority, if not already involved, notifying the claimant that it has done so.

The main sources of regulations on complaints are the Insurance Code²⁵ and ISVAP Regulation no. 24 of 19 May 2008.

²⁵ See Legislative Decree no. 209 of 7 September 2005.

7.3 ANNEX 3: MEANS OF SUBMITTING A COMPLAINT

Customers may submit a complaint to the Bank for any matter regarding transactions or services provided as part of the business relationship or performed outside an ongoing business relationship by one of the following means:

- ordinary mail (illimity Bank S.P.A., Compliance & AML; Subject "Complaint", Via Soperga 9, 20127 Milan MI, Italy);
- registered letter with return receipt (illimity Bank S.P.A., Compliance & AML; Subject "Complaint", Via Soperga 9, 20127 Milan MI, Italy);
- email to the address: **reclami@illimity.com**;
- certified email to the address: **illimity@pec.illimity.com**;
- delivery of the complaint directly to the branch at which the business relationship is held.

The Complaints Department will prepare a formal reply to the customer's complaint within 15, 30, 45 or 60 days of the date of receipt, depending on the subject matter of the complaint. Further information on the various complaints procedures can be found on the Bank's website under the section "Complaints".