

CLIENT PROTECTION REGULATION

TRADITION FINANCIAL SERVICES ESPAÑA, S.V., S.A.U.
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TRADITION FINANCIAL SERVICES ESPAÑA, S.V.,S.A.U.
REGULATIONS FOR THE DEFENCE OF THE CLIENT

PRELIMINARY PROVISION

1. INTRODUCTION

- 1.1 Law 44/2002, of 22 November, on measures to reform the financial system, establishes the obligation for credit institutions, insurance companies and investment services companies to attend to and resolve complaints and claims submitted by their customers in relation to their legally recognised interests and rights.
- 1.2 Order ECO 734/2004, of 11 March, on customer service departments and services and the customer ombudsman of financial institutions:
- (a) on the one hand, it provides for investment firms to be subject to such an order; and
 - (b) on the other hand, it regulates the requirements and procedures to be fulfilled by customer service departments and services, including the obligation to approve a regulation for the defence of the customer that regulates the activity of the customer service department or service.
- 1.3 Pursuant to the provisions of the aforementioned regulations, and in its capacity as an investment services company, the board of directors of Tradition Financial Services España, S.V., S.A.U. (hereinafter the "**Company**") has resolved to create a Customer Service department (hereinafter the "**Customer Service**" or the "**Service**") and to adopt these Customer Ombudsman Regulations (the "**Regulations**").

CHAPTER ONE
PURPOSE, FUNCTIONS AND CHARACTERISTICS OF THE SERVICE

2. PURPOSE OF THE REGULATION AND THE SERVICE

- 2.1 The purpose of these Regulations is to regulate the structure, activity, procedures and system of action of the Company's Customer Service department.
- 2.2 The purpose of the Company's Customer Service is to attend to and resolve complaints and claims submitted by the Company's customers, in accordance with the provisions of Order ECO 734/2004, of 11 March.

3. FUNCTIONS OF THE SERVICE

- 3.1 The function of the Service is to safeguard and protect the rights and interests of the Company's customers arising from their relations with the Company, and to ensure that such relations are conducted at all times in accordance with the principles of good faith, fairness and mutual trust.
- 3.2 In fulfilling its role, it is incumbent on the Service:
- (a) to know, study and resolve the complaints and claims that the Company's customers submit to it with respect to operations, contracts, financial services and, in general, their relations with the Company;
 - (b) to know, study and resolve questions submitted to it by the Company itself regarding its relations with its clients when the Company itself deems it appropriate; and

- (c) submit, formulate and make reports, recommendations and proposals to the Company on all those aspects that fall within its competence and which, in its opinion, may favour the good relations and signs of trust that should exist between the Company and its clients.

3.3 In any case, they are excluded from the competence of the Service:

- (a) relations between the Company and its employees, unless the latter are themselves clients to whom the Company provides financial services;
- (b) relations between the Company and the companies of the group to which it belongs ("**Tradition Group**");
- (c) matters relating to the Company's decisions whether or not to enter into a contract, or a particular transaction or service with particular persons, and the terms and conditions thereof; and
- (d) those that refer to matters that are being processed or have already been resolved in administrative, judicial or arbitration proceedings, or that are intended to prevent, delay or hinder the exercise of any right of the Company against its customers.

3.4 Since the Company does not have a Customer Ombudsman, the Service shall be responsible for hearing and resolving all complaints and claims submitted by users of the Company's financial services, regardless of the amount and the merits of the matter, and provided that such complaints and claims refer to their legally recognised interests and rights, whether arising from contracts, transparency and customer protection regulations or good financial practices and customs, in particular the principle of fairness.

4. **AUTONOMY AND MEANS**

4.1 The Service is characterised by autonomy in its decision making in relation to the scope of its activity, and to this end the Company shall take the necessary measures to separate the Service from the other commercial or operational departments of the Company, so as to ensure that the Service takes autonomous decisions in relation to the scope of its activity and to avoid conflicts of interest.

4.2 The Company shall ensure that the Service is provided with adequate human, material, technical and organisational resources to fulfil its functions.

4.3 It is the responsibility of the Company and all its departments and services:

- (a) to collaborate with the Service in all matters that favour the better exercise of its functions and, especially, to provide it with all the information it may request on matters within its competence and in relation to the issues submitted for its consideration;
- (b) comply with the reporting duties specified in Chapter Four of this Regulation
- (c) to receive and assess any complaints that may be made regarding the performance of the Service and to adopt, where appropriate, the decision to dismiss the persons in charge of the Service.

CHAPTER TWO HOLDER OF THE SERVICE

5. **DESIGNATION**

- 5.1 The head of the Customer Service Department (the "**Service Holder**") shall be appointed by the board of directors of the Company and shall be a person of good commercial and professional repute and with adequate knowledge and experience to perform his duties. The board of directors of the Company shall decide on the appointment, renewal, replacement or termination of the Service Holder.
- 5.2 The appointment, renewal, replacement or dismissal of the Head of the Service shall be notified to the Complaints Service of the National Securities Market Commission and to the Directorate General for Institutions, Authorisation and Registers of the National Securities Market Commission.

6. **TERM OF OFFICE**

The term of office of the Head of Service shall be indefinite.

7. **REQUIREMENTS**

- 7.1 The Service Holder shall be a person assigned to the staff of the Company or the Tradition Group, provided that he/she meets the requirements set out in these Rules.
- 7.2 The Service Holder must comply with the following requirements:
- (a) commercial and professional integrity by having a personal record of respect for commercial or other laws regulating economic activity and business life, as well as good commercial and financial practices; and
 - (b) knowledge and experience appropriate to the performance of their duties, having performed duties related to the Company's or the Tradition Group's own financial activity.

8. **GROUND FOR INCOMPATIBILITY AND TERMINATION**

- 8.1 The performance of any duties in the commercial or operational departments of the Company shall be grounds for incompatibility for the position of Head of the Service.
- 8.2 When the Service Holder finds himself/herself in a situation of conflict of interest in relation to a complaint and grievance, he/she shall refrain from handling it and shall immediately inform the general manager of the Company, who shall designate another person to handle and resolve the complaint or grievance in question.
- 8.3 The Head of Service shall cease to hold office for any of the following reasons:
- (a) performance of duties in the Company that imply a cause of incompatibility for the position;
 - (b) supervening incapacity;
 - (c) the termination of their employment or, as the case may be, business relationship with the Company or the Tradition Group; or
 - (d) serious failure to comply with their obligations and duties.
- 8.4 If the office of the Head of Service becomes vacant, the Board of Directors of the Company shall appoint a new Head of Service within two weeks of the day on which the vacancy occurs.

CHAPTER THREE COMPLAINTS AND GRIEVANCE PROCEDURE

9. TIME LIMIT, FORM, CONTENT AND PLACE OF SUBMISSION OF COMPLAINTS AND GRIEVANCES

- 9.1 The submission of a complaint or claim by a customer to the Service must be made within two years from the date on which the customer became aware of the facts giving rise to the complaint or claim. Complaints or claims submitted after the deadline will be rejected. In any case, the Service shall inform the Company of any complaint or claim affecting it.
- 9.2 Complaints or claims shall be submitted in writing in accordance with section 9.5
- 9.3 The procedure shall be initiated by the submission of a document stating:
- (a) name, surname, first name and address of the person concerned and, where appropriate, of the duly accredited representative;
 - (b) ID card number for natural persons and public register data for legal persons;
 - (c) the subject of the complaint or claim, clearly specifying the issues on which a decision is sought;
 - (d) office or offices, department or service where the facts that are the subject of the complaint or claim have occurred;
 - (e) that the complainant is not aware that the subject matter of the complaint or claim is being pursued through administrative, arbitral or judicial proceedings; and
 - (f) place, date and signature.
- 9.4 The complainant shall provide, together with the above document, the documentary evidence in his/her possession on which his/her complaint or claim is based.
- 9.5 Complaints and claims may be submitted to the Service, at any of the Company's offices open to the public, or at the e-mail address provided for this purpose. The Company's offices shall have the precise information on the Company's address and the e-mail address that may be used for this purpose from time to time.

10. ADMISSIBILITY

- 10.1 Once the complaint or claim has been received by the Service, the corresponding receipt will be acknowledged and the date of presentation will be recorded, for the purposes of calculating the resolution period, and the corresponding file will be opened.
- 10.2 The complaint or claim shall be submitted only once by the interested party, and may not be required to be repeated before different bodies of the Company.
- 10.3 If the identity of the claimant is not sufficiently accredited, or if the facts that are the object of the complaint or claim cannot be clearly established, the Service will require the claimant to complete the documentation submitted within ten (10) calendar days, with the warning that if this is not done, the complaint or claim will be filed without further processing. The period used by the complainant to rectify the errors referred to in the previous paragraph shall not be included in the calculation of the two (2) month period provided for in section 13 of this Regulation.
- 10.4 Complaints and claims may only be rejected as inadmissible in the following cases:

- (a) where essential information essential for the processing of the application which cannot be remedied is omitted;
- (b) when they are intended to be dealt with as a complaint or claim, appeals or actions other than those which fall within the competence of administrative, arbitration or judicial bodies, or the same are pending resolution or litigation or the matter has already been resolved in those instances;
- (c) where the matters complained of do not relate to specific transactions or do not comply with the provisions of paragraph 3.4 of this Regulation;
- (d) when complaints or claims are submitted that are a reiteration of previous complaints or claims already resolved, submitted by the same customer in relation to the same facts;
- (e) when the period of two (2) years specified in these Regulations for the submission of complaints or grievances has elapsed; or
- (f) where the Service becomes aware of the simultaneous handling of a complaint or claim and an administrative, arbitration or judicial procedure on the same matter, it shall refrain from handling the former.

10.5 If the complaint or claim is deemed inadmissible for any of the aforementioned reasons, it shall be notified to the interested party by means of a reasoned decision, giving him/her a period of ten (10) calendar days in which to present his/her allegations. When the interested party replies, and the reasons for non-admission are maintained, the final decision adopted shall be communicated to him/her.

10.6 Once a complaint or claim has been rejected as inadmissible, it may not be brought before the Service again.

11. **PROCESSING**

11.1 During the processing of the file, the Service may request, both from the claimant and from the Company, any data, clarifications, reports or evidence it deems necessary for the resolution of the case. In each case, the Service may set reasonable periods of time to comply with these requests but, except for justified reasons, the period set may not exceed fifteen (15) calendar days.

11.2 In the event that during the processing of the file the complainant initiates any administrative action or brings any legal action concerning the same subject matter of the complaint or claim, the Service will close the file without further action.

12. **AMICABLE SETTLEMENT, SETTLEMENT AND WITHDRAWAL**

12.1 Before issuing its decision, the Service may take the necessary steps and make the appropriate proposals to the complainant in order to reach an amicable settlement. Once an amicable settlement has been reached, the agreement of the parties will be binding for both parties and the Service will close the file, proceeding to file the complaint or claim.

12.2 Likewise, the file shall be closed in the event of the Company's acceptance to the satisfaction of the claimant and in the event of withdrawal by the claimant.

13. TIME LIMIT FOR ISSUING THE DECISION

The Service shall have a period of two (2) months from the filing of the complaint or claim to issue its ruling, and the claimant may, after the expiry of this period, refer the matter to the Complaints Service of the National Securities Market Commission (CNMV).

14. CONTENT AND NOTIFICATION OF THE DECISION

- 14.1 The decisions of the Service deciding on complaints or claims submitted to it shall always be reasoned, containing clear conclusions on the request made. These decisions shall be based on the legal rules applicable to the case, the contractual clauses, the rules on transparency and customer protection, as well as good financial practices and usages. Where the decision departs from the criteria expressed in previous similar cases, the reasons for the change of criterion shall be stated.
- 14.2 The decisions of the Service shall contain an express reference to the complainant's right, in the event of disagreement with the result of the decision, to appeal to the Complaints Service of the National Securities Market Commission.
- 14.3 Once the resolution has been issued, it shall be notified to the parties within a maximum period of ten (10) calendar days from its date, by the same means in which the complaint or claim was submitted, unless the claimant expressly designates another method.

**CHAPTER FOUR
INFORMATION DUTIES**

15. RELATIONSHIP WITH THE CNMV COMPLAINTS SERVICE

The Company, through the Head of the Service, shall respond to the requests that the Complaints Service of the National Securities Market Commission may make to it in the exercise of its functions.

16. INFORMATION DUTIES

- 16.1 The Company shall make the following information available to its customers at all its offices open to the public and on its website:
- (a) the existence of the Service, indicating its postal and e-mail address;
 - (b) the Company's obligation to address and resolve customer complaints and claims within two (2) months of their submission;
 - (c) the content of this Regulation;
 - (d) reference to the Complaints Service of the Comisión Nacional del Mercado de Valores, specifying its postal and e-mail address and the need to exhaust the Customer Service channel in order to be able to file complaints and claims with this service; and
 - (e) references to transparency and customer protection regulations for financial services.

17. ANNUAL REPORT

- 17.1 Within the first quarter of each year, the Department shall submit to the Board of Directors of the Company a report on the performance of its duties during the preceding financial year. The annual report shall have the following minimum content:

- (a) statistical summary of complaints and claims handled, with information on their number, admissibility and reasons for non-admissibility, reasons and issues raised in complaints and claims, and amounts and amounts involved;
- (b) a summary of the decisions rendered, indicating whether they are favourable or unfavourable to the complainant;
- (c) general criteria contained in the decisions; and
- (d) recommendations or suggestions derived from its experience, with a view to better achieving the aims that inform its actions.

17.2 A summary of the Service's annual report shall be included in the annual report.

CHAPTER FIVE AMENDMENT OF THE REGULATION

18. ON THE AMENDMENT OF THE REGULATION

18.1 These Regulations may be amended by a decision of the Board of Directors of the Company after verification by the *Comisión Nacional del Mercado de Valores* (Spanish Securities and Exchange Commission).