

Scheme Operator Complaints Procedures

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1. Introduction

The rules of the Financial Services Authority (“FSA”) require us to have in place effective and transparent procedures for the fair and prompt handling of complaints. The relevant section of the FSA Handbook is the Dispute Resolution: Complaints sourcebook (DISP)

This document sets out the complaints handling procedures we will follow if we receive a complaint from a scheme investor in relation to the services we provide to schemes in our capacity as scheme operator and/or depository.

We will ensure that a summary of these procedures is included in all appropriate project documentation.

2. Receiving and Acknowledging Complaints

Complaints can be made by any reasonable means. This may include by letter, fax, email, telephone or in person. If we receive a verbal complaint, the employee receiving the complaint should make a note of the substance of the complaint as soon as possible.

Complaints should be promptly referred to the Managing Director. In the event that the Managing Director is involved in the subject matter of the complaint, the complaint should be referred to another member of Senior Management who is not involved in the subject matter of the complaint and who holds a “governing function” (ie CF1 to CF6).

Complaints will be acknowledged in writing, providing the name and title of the person within our firm handling the complaint, and a copy of our Complaints Policy.

3. Investigating Complaints

We will investigate the complaint competently, diligently and impartially. We will promptly assess the specific circumstances surrounding a complaint by reviewing all appropriate records and speaking to the individuals involved, with a view to deciding whether the complaint should be upheld. The criteria that may be considered when determining whether or not a complaint should be upheld include:

- Whether we have breached a rule set out by the FSA;
- Whether we have acted unreasonably;
- Whether there has been an administrative error;
- Whether we have received complaints of the same nature from other complainants, perhaps indicating a systems or processes failure on our part;
- Decisions by the Financial Ombudsman Service with respect to similar complaints directed at us.

We will also consider, where appropriate, whether another firm may be solely or jointly responsible for the matter alleged in the complaint (see Section 8 on Forwarding Complaints).

We will ensure that in handling complaints we identify and remedy any recurring or systematic problems. We may do this as follows:

- Analysing the root causes of individual complaints so as to identify root causes common to types of complaint;
- Considering whether such root causes may also affect other processes or products, including those not directly complained of and,
- Removing, where reasonable to do so, such root causes.
- Consider if others have suffered any detriment, but have not complained, and ensure appropriate redress is given.

4. Resolving complaints and relevant timeframe

We will aim to resolve complaints at the earliest opportunity so as to minimise the number of unresolved complaints which need to be referred to the Financial Ombudsman Service.

At all times, we will keep the complainant informed of the progress of the measures being taken to resolve the complaint. The complainant may at any time provide a written acceptance of a response provided by us. We are permitted to close a complaint if we receive such a written acceptance, provided that we inform the complainant how to pursue the complaint with us if he remains dissatisfied, and that we set out “on the face of” our response that the complainant has the right to refer the complaint to the Financial Ombudsman Service (if he has such a right).

Once the individual investigating the complaint has fully considered the subject matter of the complaint and whether the complaint should be upheld, we will, by the end of 8 weeks after its receipt, write to the complainant with a final response which is set out in a way that is fair, clear and not misleading. In the final response, we will:

- Provide an assessment of the complaint, whether or not we accept the complaint, and where appropriate make an offer for redress or remedial action; or,
- Offer redress or remedial action without accepting the complaint; or,
- Reject the complaint, providing reasons for doing so; and,
- Enclose a copy of the Financial Ombudsman Service’s standard explanatory leaflet, if we haven’t provided one already (if applicable); and,
- Explain that if he remains dissatisfied with our response, he may now refer the complaint to the Financial Ombudsman Service (if applicable), and must do so within 6 months. We must do this “on the face of” our response.

We will comply promptly with any acceptance of an offer made by us for redress or remedial action.

If a complaint is resolved by the close of business on the business day following receipt of the complaint, the requirements set out below do not apply. A complaint is regarded as resolved in these circumstances if the complainant has indicated acceptance of a response by us, with neither the response nor the acceptance having to be in writing.

5. Financial Ombudsman Service (“FOS”)

An “eligible complainant” can refer a complaint to the FOS if they are not satisfied with the way we have handled that complaint.

In accordance with the above, an “eligible complainant” is:

- i) A private individual;
- ii) A business which has a group annual turnover of less than £1 million;
- iii) A charity which has an annual income of less than £1 million; or,
- iv) A trustee of a trust which has a net asset value of less than £ 1 million

at the time that the complainant refers the complaint to us.

The determining factor is the status of the potential complainant rather than their relationship with Citadel. Although the individual investor in a scheme is not directly a client of Citadel, if they fall within the definition of “eligible complainant” they will have the right to take any matter to the FOS.

The complainant’s rights are set out in the FOS’s leaflet “Your Complaint and the Ombudsman” which must be provided to the complainant as part of the Complaints process (copies of this leaflet can be obtained by using the order form on the FOS website – www.financial-ombudsman.org.uk). This leaflet sets out the complainant’s rights, including timeframe for referral to the FOS.

Where a complaint is referred to the FOS, we must cooperate fully with the FOS and comply promptly with any settlements or awards made by it.

6. Closing Complaints

We may regard a complaint as closed in the following circumstances:

- Once we have sent a final response to the complainant;

- Where the complainant has indicated in writing his / her acceptance of an earlier response that we have sent to them:
- For complaints referred to the FOS, when the FOS has informed us in writing that the complaint is closed.

7. Forwarding Complaints

If we believe that another firm is either solely or jointly responsible for the matter alleged in a complaint that we receive (e.g. an IFA), we may forward the complaint or the relevant part of it, in writing to the other firm, provided that we:

- Do so promptly;
- Inform the complainant in our final response why we have forwarded the complaint to another firm, and provide the contact details of that firm; and,
- Where we are jointly responsible for the fault set out in the complaint, we comply with the complaints procedures with respect to the part of the complaint that has not been forwarded.

In the event that the complainant is not satisfied with the response from the other firm, we will use our best endeavours to act as mediator and/or appoint a mediator at the request of either party.

If we receive a forwarded complaint from another firm, we must treat the complaint as though it had been made directly to us on the date that the complaint was received by us. The time limits set out in Section 5 will apply from this date.

8. Reporting to the FSA

The FSA requires us, as a firm which conducts business for eligible complainants, to provide to the FSA every 6 months in a prescribed format certain information about complaints that we have dealt with during the reporting period. The reporting period is dependant upon our accounting reference date, and our submission must reach the FSA within 30 days of the reporting period end date.

9. Record-keeping

We are required to keep a record of each complaint received and the measures taken for its resolution and retain that record for at least 3 years from the date that the complaint was received.