



**FRANKLIN
TEMPLETON**

**Franklin Templeton International Services S.a.r.l.
Luxembourg
Bucharest Branch**

Complaints Handling Policy and Procedure

December 2020

Overview

Complaints Handling Policy & Procedures (the “Policy”) Franklin Templeton Investments (“FT”) is committed to delivering exceptional client service including resolution of clients’ complaints in a fair and equitable manner. The handling of complaints is a high priority in every instance with prompt resolution the ultimate aim. Complaints are opportunities to continuously improve the quality of FT services and achieve a higher level of client satisfaction.

Purpose and Scope of the Policy The Policy applies to all employees of Franklin Templeton International Services S.a.r.l. Luxembourg Bucharest Branch (“FTIS RO”) (collectively “Employee”) and intends to act as a guidance to:

- ensure that any “complaint” is properly investigated by all relevant departments, and reviewed internally by the local compliance officer.
- ensure clear and consistent communication is provided to the client.
- allow management to identify whether complaints are properly addressed and any recurring problems, which may indicate an internal issue, are addressed.

Definition of Complaint Any request or notification that bring to the attention of the company any deeds that may affect the rights or interests of the petitioner, in writing and filed at the headquarters of the company, at its secondary offices or at the offices of the distributors, as appropriate, or sent by mail or e-mail or by electronic online system or any other means of communication that can be recorded on a physical or optical medium (eg telephone) through which a complainant or his legal empowered, who acts exclusive on behalf of the petitioner, without any own commercial interest, expresses dissatisfaction with regard to the investment services and activities provided based on the capital market legislation, the service of portfolio management for undertaking for collective investments or the information provided by the company to the requests for information received from the complainant.

A complaint may include any expression of dissatisfaction, whether oral or written, and whether justified or not, from or on behalf of a client about FT’s provision of, or failure to provide, a satisfactory financial service, including without limitation, in connection with the solicitation or execution of any transaction; the disposition of securities or funds; or the management activities of FT in Bucharest office.

Instructions to research or clarify an issue where the customer merely requires information and does not express any dissatisfaction are not deemed to be complaints.

Definition of Serious Complaint A verbal or written grievance expressed by or on behalf of an investor that is either financial or non-financial in nature and alleges one or more of the following. It may require regulatory action and notification by the Compliance Officer of the respective jurisdiction to the respective regulator.

- FT has breached the terms of any agreement or contract with an investor, or
- FT has shown bad faith, malpractice or improper conduct towards an investor, or
- FT has materially breached any regulatory laws or regulations
- Creates financial exposure to FT (> USD 15,000 or equivalent)
- The client has lodged an official complaint regarding FT with a regulator in any of the countries in which we operate.

Roles and Responsibilities (R&R)

R&R of FT Staff Member

Complaints may be received within any part of FTIS RO and it is every Employee's responsibility to ensure that any complaint he / she received is promptly reported to local Compliance Officer and his / her manager. No complaint should be resolved on the spot unless a resolution is absolutely clear. Compliance department is in charge with supervisory of complaints investigation process and managing the complaints received.

R&R of Business Unit Manager

The role of department managers should to ensure that complaint is brought to rectification and closure as soon as practical, and to local compliance officer on a timely manner by completing the Complaint Form attached in the Policy. The relevant department manager should assess each complaint received to determine the seriousness of the complaint.

For complaint that is deemed to be serious, it should also be reported via the Serious Incident Reporting ("SIR") at the Intranet [<http://sp.frk.com/teams/SIR/default.aspx>].

For the details of the SIR, please refer to the "*Procedure for Reporting Incidents to Regulatory Compliance*".

R&R of Compliance Officer

Compliance Officer is responsible for:

- acting as a contact point and advisor for Employee
- providing advice to Departments Managers on the seriousness of a complaint
- undertaking analysis of the complaints to determine whether there are any systematic issues or trends present within the current business practices
- ensuring complaints are handled objectively
- maintaining a central Complaint Register that includes the details as those are requested by the relevant FSA regulation and filing of completed Complaint Form together with any supporting documents
- keeping senior business and compliance management current about serious complaints
- providing update of the complaints at the relevant functional committees and Board meetings so that trends or areas of weakness can be identified
- filing reports to the regulator
- on-going review of the Policy to measure its effectiveness and efficiency, and implement any change where required.

The Compliance Officer acts as a central contact person to get in touch with the regulator, if required, and to ensure that customers' complaints are addressed in a proper and timely manner

Guidelines

Complaint Handling Procedures

1. Employee who receives a client complaint (verbal or written) will alert his/her manager to the complaint immediately. The manager will first determine whether the issue raised within the complaint concerns his/ her department or another department in which case he / she will notify local compliance officer immediately.
 2. The local compliance officer will determine the appropriate department which should respond to the complainant, review the proposed written response, and liaise with Legal if necessary (e.g. where the complaint involves the threat of litigation or any impropriety of Employee).
 3. If the complaint can be resolved on the spot, the respective manager will advise the client on the options. The manager will report the complaint and complaint resolution to local compliance officer within 1 business day by completing the Complaint Form attaching all relevant documents, if any.
 4. If the complaint cannot be resolved on the spot and if the complaint cannot be fully addressed within 5 business days (from the complaint received date), the department manager or his/her designate should contact in writing the complainant and advise that:
 - the complaint is being investigated and a response will be provided within regulated time frame;
 - why a full response cannot be given at this time;
 - provide details (name and job title) of who is looking into the matter; and
 - details of the internal complaint handling procedures.
 5. Upon receipt of the complaint, the respective manager will conduct the investigation and complete the Complaint Form as a record of the complaint. The completed Complaint Form and the relevant information will be submitted to the local compliance officer within 1 business day. The complaint should not be handled by any member of staff to whom it directly relates in order to ensure that it is dealt with impartially by an independent party.

The department manager will also determine the seriousness of the complaint.
 6. The compliance officer will analyse the causes which generated the complaints if there is any systematic issue or trend present within the current business practice, and advise the appropriate action by the next 5 business days (from the date the complaint is reported to local compliance officer).
 7. The compliance officer will record all the complaints in a centralised electronic Complaint Register which can be used as the basis for ad-hoc or regular complaint reporting purposes (to regulators, Board and/or senior management) to track and monitor the progress of the investigation.
 8. Within 30 days of receipt of the complaint, we must send the customer either:
 - a final response which must inform the customer that he can refer the matter to the FSA if he is dissatisfied; or
 - a response stating we have not yet resolved the complaint giving reasons for the delay and indicating when it expects to be able to provide a final response (must be within 45 days of receipt of the complaint);
 9. The final response should be provided in writing, using a plain language and understandable. The following points should be included:
 - a summary of the facts;
 - an explanation for any fault on our part, if applicable;
 - a proposed remedies, if applicable

The final response letter must adequately address the subject matter of the complaint, and where we find that the complaint is justified, offer appropriate
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redress. Note that we should 'offer' appropriate redress, and not just send the customer what we believe to be appropriate redress, e.g. a cheque, with the final response letter.

Where we decide redress is appropriate, we must provide fair compensation and

comply with any offer of redress which is accepted by the customer. The department manager should be able to make a decision on what he believes to be appropriate redress. The local compliance office will provide advice on what may be considered appropriate redress, if necessary.

10. If the Complainant does not accept the final response, the department manager should consult compliance officer on what action should be taken. The local compliance officer shall inform the complainant on the right to address the complaint to the regulator and other state competent authorities and to use the ways of amicable settlement of dispute provided by the existing legislation.
11. When the complainant accepts the resolution, the department manager shall update the compliance officer.
12. The compliance officer will update the Complaint Register, and file all the Complaint Forms and supporting documents. All documentations should be retained for a period of 5 years from the closure of the complaint.
13. We must take reasonable steps to ensure relevant employees are aware of the internal procedure, and take steps to ensure they act in accordance with it. This means that all FTIS RO staff should keep themselves up to date with the procedure, and the local compliance officer should provide regular reminder training.
14. A complaint is deemed to be closed where a final response has been sent, and the customer has positively accepted our response, or has failed to come back to us for 30 days after most recent letter.
15. The department managers should take the necessary remedial actions to help prevent complaints of a similar nature reoccurring. Depending on the nature of the complaint this may involve amending an existing procedure or form, notifying staff about the corrective action or providing staff training on this issue etc.
16. The Complaints Handling Policy and Procedure shall be published on the FTIS RO website together with the contact for providing details on the process of complaints handling and alternative dispute resolution processes provided by the relevant legislation.

Record Keeping

The minimum period of retention of records of complaint is 5 years from the closure of the complaint. Records should include (i) number of the complaint, (ii) date, (iii) the complainant name and contact, (iv) employee against the complaint is made (v) subject of the complaint, (vi) the status of the complaint, (vii) data and the result of internal investigation, (viii) the reason for rejecting the complaint, (ix) the amount claimed by the complainant, (x) other comments and (xi) copy correspondence.

Reporting

The local compliance officer must provide the FSA:

- a hard and electronic copy of the Complaint Log on quarterly basis by the end of the next month for the previous quarter
 - a Report on the status of all complaints received (total number of complaints, number of complaints settled in favor of clients, number of complaints settled not in favor of clients, ongoing complaints) on annual and quarterly basis by the end of the next month for the previous quarter or year
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Outside of the scope This policy doesn't apply to complaints which not refer the regulated services as those are listed in the FTIS RO passport.

Complaint Form

(A) Complainant Record

Date	Complainant Name	Complainant Address

Complainant Contact	Regulated activities referred within complaint	Employee against the complaint is made

(B) Complaint Recipient Record

Recipient Name	Department

Summary of Complaint and Facts of the Case

Initial Response Given to Complainant

Complaint Form

(C) Department Handling the Complaint

Department Manager Name	Departments

Summary of Investigation (Include how the investigations are carried out, and the conclusions are arrived at)

Correspondence Dates	Summary of Correspondences	Actions Taken to Rectify Problem

Explanatory Letter (if any) Reviewed By (Legal Counsel Name)	Complaint Closed Date

Detail of any Preventive Measures

Complaint Form

(D) Compliance Department Investigation

Compliance Officer Name	Review Date

Interview with Complaint Recipient

Interview with Department Manager

Documentary Evidence of the Alleged Misconduct

Systemic Issues or Trends Identified (if any)

Compliance Assessment and Recommendation