

Principles for Complaint Management of the IKB Deutsche Industriebank AG

1. Objective

The objective of Complaint Management at IKB Deutsche Industriebank AG (hereinafter: “IKB AG”) is to meet regulatory obligations, work towards compliant conduct within IKB AG, recognise legal and operating risks and foster IKB’s client relationships.

This document describes the principles of Complaint Management at IKB AG (hereinafter: “Complaint Management Principles”).

The Board of Managing Directors is responsible for determining, implementing and monitoring compliance with the principles and for complaint processing procedures.

The Compliance Function is in charge of preparing and publishing the principles and complaint processing procedures.

Questions about the complaint process and IKB AG’s Complaint Management Principles should be addressed to IKB AG’s Compliance Function: compliance@ikb.de

2. General information

In the Complaint Management, complaints are defined as statements of dissatisfaction made by a natural or legal person (complainant) to IKB AG in connection with a (regulated) service.

The term “complaint” does not necessarily have to be used. A complaint does not require any particular form, so it can be made verbally, in writing or electronically, and it does not matter to whom it is made. The complainant can be either an existing client or a potential client.

In Complaint Management, a distinction is made between the following types of complaint on the basis of differing legal requirements:

- Complaints in accordance with the German Securities Trading Act (hereinafter: “WpHG”) (including complaints in connection with investment advice)
- Other complaints

The term “complaint” is not restricted to material claims. The stated “dissatisfaction” is decisive.

If a (potential) client merely asks a question or an error is rectified on the Bank’s initiative, however, this does not constitute a complaint.

When IKB AG classifies a (potential) client’s statement as a complaint, the following limitations are not permitted:

- Restriction to material claims
- Exclusion of “unwarranted” complaints, because whether a complaint is actually unwarranted often does not become apparent until after processing
- Exclusion of certain topics
- Definition of minimum limits

2.1. Types of complaints

2.1.1. Complaints in connection with the provision of (ancillary) investments services („WpHG-complaints“)

As an investment services company, IKB AG must (amongst others) define and permanently implement effective and transparent principles and procedures for Complaint Management so that complaints from clients or potential clients can be processed without delay.

- **Definition**

A complaint in accordance with WpHG (“WpHG complaint”) is any statement of dissatisfaction by a (potential) client (complainant) to the investment services company in connection with the provision of an investment service or an ancillary investment service.

The term “WpHG complaint” is broad and is not restricted to the provisions of WpHG. It also covers provisions in other legislative acts such as the MiFID II framework (especially Directive 2014/65/EU; Delegated Regulations) or the PRIIPs Regulation (Regulation 1286/2014/EU), which set out rights and obligations in connection with the provision of (ancillary) investment services. Designation as a “complaint” is not required.

- **Complaints in connection with investment advice**

Complaints in connection with investment advice are a subset of WpHG complaint.

As an investment services company, IKB AG must notify the Federal Financial Supervisory Authority of complaints by retail clients against an employee charged with providing investment advice that are made to the company as a result of the employee’s actions.

2.1.2. Other complaints

All complaints as defined by section 2 of these Complaint Management principles that are not WpHG complaints constitute Other complaints in accordance with these Complaint Management principles. Such complaints can be made, for example, by (potential) clients in the deposit-taking or lending business.

Statements of dissatisfaction made by (potential) clients that include the accusation of a violation of the Code of Conduct are also complaints in accordance with these principles.

2.1.3. Distinction

If in doubt, it must be assumed that a complaint has been made.

If it is difficult to distinguish whether a complaint falls under the category of “Other complaint” or “WpHG complaint”, the complaint must be assumed to be a WpHG complaint.

If it is difficult to distinguish whether a complaint is a general WpHG complaint or a complaint in connection with investment advice, the complaint must be assumed to be a complaint in connection with investment advice.

2.2. Central complaints office

A Central complaints office has been set up at IKB AG. All complaints, their processing, the measures taken and final decisions must be immediately and systematically documented in line with the relevant internal procedures by the unit to which the complaint is addressed and forwarded to the Central complaints office for inclusion and systematic documentation in the Central complaints register. In cooperation with the Compliance Function, the Central complaints office collects and analyses information about the content and number of complaints. These analyses are intended to help generate higher client satisfaction and better client retention, improve work processes (increase efficiency) and highlight weaknesses in business processes.

The Central complaint database is to be maintained electronically so that it allows systematic analysis, is protected against improper changes, highlights subsequent changes and guarantees unhindered access for the Compliance Function, external and internal auditors and the supervisory authorities.

Documents relating to the complaints and their processing must be retained for at least five years, unless legal provisions require otherwise. Data are deleted in consultation with the Compliance Function.

3. Receipt of complaints

A complaint can reach IKB AG in several ways.

All complaints addressed to IKB AG via the online contact form, the contact e-mail addresses and the “Beschwerdemanagement@ikb.de” e-mail address or by post (IKB Deutsche Industriebank AG, Wilhelm-Bötzkens-Straße 1, 40474 Düsseldorf) are forwarded by the employee who received the complaint to the Central complaints office, where they are recorded.

Complaints made verbally to IKB AG employees are documented in writing by the employee who received the complaint and transmitted to the Central complaints office.

Every IKB AG employee who has received a complaint or to whom a complaint has been made is obliged to forward the complaint to the Central complaints office (on the same day – within normal business hours).

Complaints received in the IKB retail client business (“IKB Privatkunden”) are initially recorded without delay by those responsible within the IKB retail clients business. Telephone complaints in the retail deposit-taking business that can be answered directly by the IKB retail client business call center or settled by mutual agreement with the client are clearly documented and transmitted to the relevant units at IKB AG for documentation purposes. It is possible to answer complaints verbally if the complainant agrees or explicitly requests a verbal response. Complaints in the IKB retail client business are transmitted to the Central complaints office in a procedure coordinated with the Compliance function and the Central complaints office.

All WpHG complaints are forwarded by the recipient to the Compliance Function and the Central complaints office. Besides information about these complaints, the Compliance Function and the Central complaints office are also provided with information about their processing and settlement.

For all other complaints received, regardless of where they were addressed, the original must be forwarded without delay to the central complaints office for inclusion in the Central complaint database. In the case of complaints addressed directly to the Compliance Function (e.g. complaints on the basis of the Code of Conduct), the Compliance Function can choose not to forward them to protect legitimate interests.

Adjustments to the procedure for transmitting complaints to the Central complaints office may be made only with the express permission of the Compliance Function and the Central complaints office.

4. Processing of complaints

The processing of complaints is based on the following general principles:

- Fair treatment of the client/complainant
- Inspection of all relevant evidence and information regarding the complaint
- Comprehensive response to all the complainant's questions
- Communication in clear, understandable language
- No charge for submitting the complaint
- Processing without unnecessary delays: If no answer can be provided within the time period internally provided for the specific case, the unit processing the complaint informs the complainant about the reasons for the delay and indicates when the review is expected to be complete.
- When a final decision is issued that does not fully meet the complainant (client/potential client's) demands (i.e. neither a mutual understanding (agreement) has been reached with the complainant nor has the complaint been entirely redressed): detailed explanation of IKB AG's point of view and description of possibilities for upholding the complaint.
- Any final answer to the complainant that does not fully meet the (client/potential client)'s demands (i.e. neither a mutual understanding (agreement) has been reached with the complainant nor has the complaint been entirely redressed) must at least be provided in textform (i.e. at least by e-mail).
- If the complaint was entirely redressed, the answer to the complainant can also be provided verbally – provided the complainant agrees or explicitly requests a verbal response. In any case, the answer must be clearly documented following the conversation with the complainant (including the client's agreement to a verbal response or request for verbal processing).
- Queries regarding the complaint processing procedure at IKB AG must be answered in consultation with the Compliance Function.
- Data on complaint processing must be analysed at IKB AG, in particular by the Compliance Function, in order to guarantee or facilitate the identification and remedy of recurring or systematic defects and potential legal and operating risks.
- WpHG complaints must be processed in consultation with the Compliance Function.
- IKB AG participates in the conciliation proceedings of the Consumer Conciliation Office "German Private Banks' Ombudsman Scheme" (www.bankenombudsmann.de), a consumer dispute resolution entity. Here, consumers have the opportunity to call the private banks' ombudsman to settle a dispute with the Bank. Further details are provided by the "Rules of procedure for the settlement of customer complaints in the German private commercial banking sector", which can be provided on request and are also available online at www.bankenverband.de. The complaint must be addressed in writing in textform (e.g. by letter, fax or e-mail) to the client complaints office at Bundesverband deutscher Banken e. V., Postfach 040307, 10062 Berlin, Germany; fax: (030) 1663-3169; e-mail: ombudsmann@bdb.de. Clients may also pursue ordinary court proceedings.