

NEWTON INTERNATIONAL INVESTMENT MANAGEMENT CLIENT COMPLAINTS PROCEDURE

Policy/Purpose

This procedure is designed to set out the procedures for the internal handling of complaints to ensure they are handled fairly, effectively and promptly. It is designed to cover receiving complaints, responding to complaints, the appropriate investigation of complaints and notifying complainants of their right to go to the Jersey Financial Service Commission if they remain dissatisfied with the handling of the complaint.

1. Who is eligible to complain?

We must consider all material complaints received from a NIIM Client or an Eligible Complainant:

1. who is or has been a customer of the firm and;
2. the complaint arises out of matters relevant to being or having been a customer;
3. the complaint arises out of our actions or failure to act where the complainant is a potential customer of the firm.

2. What is a Complaint?

A complaint is any expression of dissatisfaction, whether oral or written and whether justified or not, provided it is from an eligible complainant and relates to the firm's provision of a financial service. All complaints must be addressed, however, the full procedure (observing time limits etc) need only be followed in the case of a "relevant new complaint".

A relevant new complaint is one that involves an allegation that the client has suffered or may suffer financial loss, material distress or material inconvenience as a result of wrongful act or omission or poor administration or where a service has not been provided; and is not resolved by the close of business on the next business day. For such complaints the formal complaints procedure must be followed. If you have any doubt as to whether a complaint is a "relevant new complaint" please discuss it with Compliance.

Procedures

Rules applying to All Complaints

All eligible complaints must be investigated by an employee of sufficient competence (which will generally be the manager/team leader) who, was not directly involved in the subject of the complaint.

Offshore complaints should be dealt with by a NIIM director and all offshore complaints should be copied to a NIIM director.

- The person responsible for handling the complaint should have the authority to settle complaints (including the offering of redress where appropriate) or to have ready access to someone who has the necessary authority.
- In investigating the complaint we must retrieve all the necessary documentation relevant to the client's account, from our files and systems. These documents must be read and considered, by the person handling the complaint.
- There must be procedures in place to ensure that a firm has appropriate management controls and that it takes reasonable steps to identify and remedy any recurring or systemic problems as well as any specific problems identified by a complaint.
 - We must refer to our complaints procedure at the point of sale, i.e. in the client agreement.

Persons handling complaints should comply with the following practical steps:

Anyone receiving a complaint should inform his/her manager or team co-ordinator and the compliance department as soon as possible. If the complaint alleges mismanagement of the Portfolio, the legal department should be informed immediately.

All communications (including e-mail) discussing any claim (or its merits) should be clearly marked "privileged and confidential" and sent to both the legal and compliance departments. Most importantly, no communications relating to claims should be issued externally without prior referral to the legal/compliance department. No admission of liability or fault is to be made without the written consent of the legal department.

All offers of settlement/compensation must be made (and accepted by the client) in writing.

For all relevant new complaints the business area handling the complaint must ensure that a Loss event report is completed and sent to Newton Risk team.

Responsibilities

Keeping the Complainant informed

We should endeavour to respond to and resolve the complaint straight away, which is considered to be at least one business day after receipt of the complaint.

However, if further internal investigations are required the firm should:

- (1) Send the complainant a prompt written acknowledgement providing reassurance that it has received the complaint and is dealing with it
- (2) Ensure that the complainant is kept informed of the progress of measures being undertaken to resolve the complaint

This notice should include:

- an explanation of why a different person is responding if it is not the person the complaint was addressed to;
- the name and job title of the individual handling the complaint;
- a timescale for when we will correspond further
- A copy of our complaints handling procedures.

It is expected that within 8 weeks of receipt, almost all complaints to a respondent will have been substantively addressed by the following means:

- (1) The firm offers redress or remedial action (whether or not it accepts the complaint) and gives reason for doing so.
- (2) The firm does not accept the terms of the complaint and gives reason for doing so. The firm must inform the complainant how to pursue his complaint if he remains dissatisfied and refer to the ultimate availability of the Jersey Financial Services Commission.
- (3) Indicates it will regard the complaint as closed if it does not receive a reply within 8 weeks of the complainant's receipt of the response.
- (4) In the unlikely event that our investigations require longer than 4 weeks to complete, we must write to the client to explain why we are not yet in a position to respond to the complaint and indicate when we will make further contact (this must be within 8 weeks of the receipt of the complaint).

The final response or other response within 8 weeks

We must, within 8 weeks, and once our investigations are complete, write to the client with our response, fully addressing the complaint; this response must:

EITHER:

Indicate IF the complaint is accepted

Offer redress, where appropriate. Appropriate redress will not always involve financial redress; it may, for example, simply involve an apology.

- We consider that the client is entitled to some redress and believe that we have fully addressed the complaint. This will include a page for the client to state their acceptance and return to us. We will then forward the agreed redress in a Final Response letter.

OR

- Indicate that the complaint has not been accepted
- Inform the complainant how to pursue his complaint if he remains dissatisfied by contacting the Jersey Financial Services Commission
- Indicate that the complaint will be considered closed if no response is remitted within 8 weeks.

The firm is not required to write to the complainant again unless the complainant indicates that he remains dissatisfied. Where we do not hear again from the client after 8 weeks from the date of the letter the complaint may be treated as closed.

If the complainant does reply we are required to send a further response or any offer letter.

This letter is required to:

- Reiterate that the complainant may refer the complaint to the JFSC if he is dissatisfied with the final response;
- Or reiterate the offer

We will consider a complaint closed when;

- the client has been sent a Final Response; or
- the client has indicated in writing that they accept our offer or response; or
- the client fails to respond to our correspondence within 8 weeks from the date of our written response.

If a NIIM complaint is not resolved after three months then there is a requirement to inform the Jersey regulator. This should be done initially by Newton Compliance informing the offshore Compliance function who will inform the Commission.

Any complaint must be referred to the Jersey regulator immediately when and if any of the following circumstances arise:

- 1) the nature of the complaint indicates that there may have been a breach of applicable legislation or codes of practice;
- 2) if litigation commences;
- 3) if a Professional Indemnity Insurance claim is considered;
- 4) in any other circumstances where it is considered to be in the interests of the client or the public.

This should be done initially by Newton Compliance informing the offshore Compliance function who will inform the Commission.

Currently Compliance maintains the complaints log and all correspondence relating to complaints must be copied to Compliance. Data recorded on the log includes:

details of the date that NIIM have acknowledged a complaint

Details of the date Complaint considered closed

Details of the portfolio manager/NIIM Director that may be referred to

If the potential loss/ compensation claim is significant (over £10,000) the complaint will be referred to NIIM professional indemnity insurance provider