



Abalone Asset Management Limited

Complaints Handling Procedure

2018

Document History

Version	Date	Author/Editor	Changes / Modifications	Status
2.0	May 2018	Domenico Paolo Pagano	2rd Draft	Approved

This policy applies from 1st May 2018 and has been approved by the board of directors (the “Board”).

1. SCOPE

The Firm's complaints handling officer is the COO in liaison with the Compliance Officer.

The purpose of this policy is to establish a framework for handling client complaints to ensure that complaints are handled fairly and promptly. For the purpose of this policy, a complaint is defined as “an investor claim filed with a professional to recognise a right or to redress a harm”.

The Compliance Officer shall analyze complaints-handling data on an ongoing basis in order to ensure that he identifies and addresses any recurring or systemic problems and any potential legal and operational risks.

2.0 DEFINITION

For the purpose of this Policy, a *complaint* is defined as “an investor claim filed with a professional to recognise a right or to redress a harm”.

3.0 COMPLAINTS NOTIFICATION PROCEDURE

Abalone Asset Management Ltd (the “Firm”) is committed to treat clients fairly. To resolve complaints in an effective and transparent manner, complaints shall be notified in writing to Chief Operating Officer (“COO”). Complaints can either be submitted by letter or by e-mail to the following address:

- Abalone Asset Management Ltd.
To the attention of the Chief Operating Officer
Skyway Offices, Block C, Office 1
179, Marina Street - Pietà, PTA 9042 - Malta
Email: info@abalone.com.mt

The Firm will request any complainant which makes a verbal complaint to confirm same in writing.

The complaint typically consists of:

- a) a description of the acts underlying the complaint, the steps already taken by the applicant, including legal actions within or outside Malta;
- b) in the case where the person acts on behalf of an applicant or on behalf of a legal person, an original document or certified true copy of such document showing that the person is legally entitled to act so;
- c) a copy of a valid ID document of the applicant (natural person) and, where the applicant is a legal person, of the natural person representing this legal person.

The above is the minimum level of information to be provided so as to consider the request as a complaint. Requests for information or explanations are not considered as a complaint.

The COO shall acknowledge in writing the receipt of any complaint within seven working days from such receipt and shall also provide confirmation of the following:

- (a) that the Firm will investigate the complaint; and
- (b) that upon completion of the investigation and without undue delay, the Firm will write to the complainant concerning the outcome of the investigation and describing the proposed course of action.

4.0 INTERNAL PROCEDURE

1. Complaints register

The Compliance Officer is to maintain a register in which every complaint and the action taken is recorded.

2. Immediate treatment of complaints

The COO and the Compliance Officer shall start immediately after receiving a complaint with the necessary investigations.

Immediate treatment of complaints

a) Verification of identity

To avoid informing unauthorized persons about the existence of an investor account, the COO must ensure that the person submitting the claim is the investor he declares to be. In case a third party represents the investor, the COO must ensure that the third party is authorized by the investor to act on his behalf. The COO will request at least a copy of the identification documents of the persons concerned as well as, in the case of third parties, a power of attorney or equivalent signed wet-ink by the client or an authorized body.

b) Verification of the acceptance of the complaint

The COO shall verify if the complaint relates to the recognition of a right or the redress of a harm.

Examples of receivable claims may be:

- i. shareholder, who did not receive the proxies for voting,
- ii. an investor, whose redemption payments were delayed,
- iii. an applicant, whose KYC-process takes too long to be completed, etc...
- iv. complaints about fund performance, provided they relate to a potential non-respect of the fund's relevant investment policy and risk profile,
- v. complaints about fees, which in the eyes of the investors may not have been disclosed in an appropriate manner

Examples of non-acceptable complaints:

- i. Expressions of dissatisfaction about fund performance.
- ii. Complaints about persons without serious facts and reasons.

If the complaint is not accepted, the COO shall respond in writing to the applicant or its legal representative within 15 business days using customer friendly wording and will update the complaints register accordingly.

c) Complaints investigation

If the complaint is receivable, the COO will take immediate action to clarify the circumstances which have led to the refusal of a right, or the harm. He may request the support of the CRO and the Directors. Any conclusion will be validated with the persons involved in the events having caused the complaint. At all times, the Firm's staff or its delegates shall act fairly, honestly and in the best interest of the applicant.

d) Communication of the complaints response

Irrespective of the outcome of the investigation, the communication to the applicant or its representative will be done in writing in the same language as the applicant used, if possible, and without undue delay. Responses must be sent at least within 1 month but in any case, not later than two months from the receipt of the complaint. Certain types of complaints may require a longer research and resolution period. In such event, the COO shall notify the complainant of the reasons for a delay along with an indication of when he expects to be able to provide a conclusive answer.

The Firm shall ensure that if an investigation is not completed within two months of receipt of the complaint, it will inform the complainant of such fact within seven business days from the end of that period. In this regard, the Firm will communicate with the complainant indicating.

- a) the causes of the delay;
- b) when the investigation is likely to be completed; and
- c) that the complainant may, if not satisfied with the progress of the investigation, refer the matter to the Office of the Financial Arbiter.

e) Legal assistance

The COO may have recourse to legal assistance, in accordance with the Directors. The aim of the legal assistance shall be the clarification of applicable rules, regulations or laws in order to make a sound judgment.

f) Internal reporting

The Compliance Officer shall report during the Board of Directors of the respective fund. The Compliance Officer shall further report about the effectiveness and adequacy of the policy and procedure on an annual basis.

g) Final communication

When providing the final decision, the communication should contain the name of the COO and a precise description of the events having caused the refusal of a right, or a harm as well as the proposal on how to repair the harm caused, if reparation is justified and possible.

If the final decision does not fully satisfy the complainant's demand, the Firm will provide a thorough explanation of its position on the complaint and set out the complainant's option to maintain the complaint by having recourse of the Office of the Financial Arbiter.

5.0 REPORTING

1. Internal reporting

The COO shall report during the Board of Directors of the respective fund. The Compliance function shall report about the effectiveness and adequacy of the policy and procedure on an annual basis.