

## COMPLAINT HANDLING POLICY

### 1. INTRODUCTION

#### 1.1 Background

MacarthurCook is a specialist international real estate investment manager. It manages individual mandates and registered schemes on behalf of retail and wholesale clients. In performing its management functions, MacarthurCook will also necessarily interact with a variety of stakeholders, including shareholders, regulators and the public at large.

The procedures adopted by MacarthurCook Limited for handling complaints and queries are flexible and robust in order to provide confidence to its clients and stakeholders.

This policy has been based on the requirements of PS 165 and Australian Standard AS 4269-1995 on Complaints Handling.

#### 1.2 Purpose of this Policy

The purpose of this policy is to provide staff of MacarthurCook with the correct procedures in relation to handling, recording and monitoring complaints received from clients and stakeholders.

MacarthurCook staff must always be conscious that, although the party raising an issue may not be covered by ASIC or other regulatory requirements, the issue raised may well have an impact on such a party and, therefore, must be handled accordingly.

Complaints should be dealt with at the earliest possible stage as doing so:

- prevents complaints from becoming entrenched;
- preserves customer relationships; and
- is often the most efficient and cost effective way of dealing with complaints.

### 1.3 Regulations Applying for Investors in MacarthurCook Funds

Section 912A(1)(g) of the *Corporations Act 2001* (Cth) requires all AFS Licence holders who provide financial services to retail clients to maintain a dispute resolution system which complies with section 912A(2), as follows:

*“(2) To comply with this subsection, a dispute resolution system must consist of:*

- (a) an internal dispute resolution procedure that:
  - (i) complies with standards, and requirements, made or approved by ASIC in accordance with regulations made for the purposes of this subparagraph; and*
  - (ii) covers complaints against the licensee made by retail clients in connection with the provision of all financial services covered by the licence; and**
- (b) membership of one or more external dispute resolution schemes that:
  - (i) is, or are, approved by ASIC in accordance with regulations made for the purposes of this subparagraph; and*
  - (ii) covers, or together cover, complaints ... against the licensee made by retail clients in connection with the provision of all financial services covered by the licence.”**

This policy constitutes MacarthurCook’s Internal Dispute Resolution, while its External Dispute Resolution scheme membership is maintained with the Financial Ombudsman Service, which is an ASIC approved complaints service provider.

### 1.4 What is a “complaint”?

A complaint is “*any expression of dissatisfaction with a product or service offered or provided*” (AS 4269-1995), which is often difficult to determine.

Where there is any doubt as to whether a communication received (either verbally or in writing) constitutes a formal complaint, it should be reported as an “*Incident*” to the Compliance Manager, who will make further investigations, and classify the “*Incident*” as a complaint or otherwise.

As a general rule, complaints from parties not covered by ASIC and regulatory requirements should be handled in the same manner, regardless of source. Complaint recording procedures and systems will make the necessary distinctions.

## **2. DEALING WITH COMPLAINTS**

### **2.1 Initial Response**

All complaints, whether they are written or verbal are to be communicated to the Compliance Manager immediately, or as soon as practicable, on receipt of the complaint.

Within 48 hours of receipt of the complaint:

- The Compliance Manager is to respond to the complainant in writing, advising that their expression of dissatisfaction has been received and will be responded to in line with our Complaint Handling policy.
- The Compliance Manager will raise an Incident in Lawlex outlining details and any actions taken to date
- The Compliance Manager assigns the responsibility of managing the complaint to the appropriate persons

The Compliance Manager maintains a register of all complaints, and reports quarterly to the Board on all complaints received during the preceding quarter.

### **2.2 Acknowledgment**

The responsibility for acknowledging complaints in the first instance rests with the Compliance Manager, or in their absence, a staff member from the area where the complaint has emanated.

All complaints must be acknowledged within:

- (a) 24 hours (by telephone); or
- (b) 48 hours (in writing); or
- (c) Where appropriate, within the time stipulated in the relevant fund's constitution or product disclosure statement.

If a client requires assistance in making a complaint, reasonable assistance should be provided.

MacarthurCook maintains membership with an independent, external dispute resolution service approved by ASIC and is currently registered with the Financial Ombudsman Service (formerly Financial Industry Complaints Service).

Each client is advised in the response letter that if they are not satisfied with the explanation provided, they may lodge their complaint with the Financial Ombudsman Service.

The Compliance Manager notifies the Board of any complaints referred to the Financial Ombudsman Service.

### **3. PROCESS & ADMINISTRATION**

Where a complaint constitutes or indicates a breach of any MacarthurCook Compliance Plan (in the case of investment products), the matter must be reported immediately to the Compliance Manager, and handled accordingly.

#### **3.1 Complaints Process**

The Compliance Manager:

- (a) must be notified of all complaints within the timeframes outlined in Section 2.
- (b) will review the complaint immediately on receipt and will reassign it to the appropriate staff member for action;
- (c) will register the complaint in Lawlex by way of an Incident being raised. . The Incident will include the following information:
  - (i) Date the complaint was received;
  - (ii) Product / fund;
  - (iii) Investor's name;
  - (iv) Complaint detail;
  - (v) Any actions taken to date; and
  - (vi) Root cause
- (d) may provide assistance in resolving the complaint to the executive from whose fund the complaint emanated. At first instance, this could include a meeting with the complainant to discuss issues relevant to the complaint, and explore possibilities for resolution;
- (e) monitors all complaints until they are resolved;
- (e) reports to the Board of Directors on a quarterly basis on all new complaints; and
- (f) evaluates the complaints handling procedure at least annually.

## **3.2 Ownership**

It is the responsibility of the Compliance Manager, with assistance from the relevant executive, or, if applicable, an external service provider, to ensure complaints are satisfactorily resolved.

The Compliance Manager and the relevant executives must use their best endeavours to resolve the complaints as soon as is practicable by:

- (a) communicating with the client in a positive and conciliatory manner;
- (b) addressing all issues that were raised in the complaint;
- (c) ensuring that all answers are accurate and understood;
- (d) giving clear and concise reasons for the decision reached;
- (e) keeping comprehensive notes on the progress of the complaint, including file notes on conversations; and
- (f) liaising with external and internal personnel where appropriate.

Where possible, decisions should be communicated in writing and should refer to applicable provisions in legislation, codes, standards or procedures. The written decisions should be clear, concise and effective, and avoid the use of legal or industry jargon which may be seen to confuse the client.

## **3.3 File Records**

A copy of all correspondence and other relevant documentation is to be retained by the Compliance Manager.

## **3.4 Compensation**

As MacarthurCook does not give personal advice, issues of compensation are likely to relate to unit pricing issues. These issues may arise due to processing of applications or redemptions on incorrect dates, errors in unit pricing, or associated matters. All compensation payments must be approved by the Managing Director or Chief Executive Officer.

Compensation should be made for any direct loss or damage caused as a result of a breach of MacarthurCook's obligations. When assessing the extent of loss or damage, consideration will be given to the relevant legal principles, codes of conduct, concepts of fairness and industry best practice. The Compliance Manager may consult the Head of Legal and Compliance and if necessary, external legal advisors, on issues of liability, and assessment of damages.

As a minimum, MacarthurCook will have the following compensation arrangements in place:

- Professional indemnity insurance, directors and officers, and crime insurance for an amount of at least \$5 million (in respect of each claim); and
- If required, a security bond.

### **3.5 Reporting**

All complaints must be recorded in the Complaints (Incident) Register by the Compliance Manager.

The Compliance Manager will monitor all complaints and report their status quarterly to the Board.

### **3.6 Timeliness**

The Compliance Manager must investigate all complaints, assist with reaching a decision on the course of action, and ensure that the decision is communicated to the client within 45 days of the complaint being made.

On notifying the client of the decision, the client must be made aware that if they are not satisfied with the outcome, they may refer the complaint to MacarthurCook's external dispute resolution scheme, namely:

#### **Financial Ombudsman Service (FOS)**

**GPO Box 3**

**Melbourne Victoria 3001**

**Tel: 1300 780 808 Fax: 03 9613 6399**

If a longer period is required, the client and FOS must be notified by MacarthurCook, within the initial 45 day period, of the reason why a decision cannot be made within that period. The client must also be advised that:

- if they are not satisfied with the reason given, then they may contact FOS. A decision by FOS will then be made as to whether a longer period is warranted and, if so, how much time MacarthurCook will be given to make a decision before FOS will proceed with an application; and
- If the client is not satisfied with the reason given and does not receive a response from MacarthurCook within 90 days, then they may proceed to lodge a complaint directly with FOS.

### **3.7 Systemic and Recurring Problems**

A systemic problem is one that is caused by “failures in the product or service design, delivery systems or organisational policies or procedures” (AS 4269-1995). They are often identified because of their recurring nature, for example, mistakes in a product disclosure statement which lead to uncertainty among investors about fees and charges.

In reporting complaints, the Compliance Manager or person raising the complaint must analyse their origination and determine the root cause to assist with the corrective actions.

If systemic or recurring, they should be classified as such when completing the Incident. The Compliance Manager must take immediate steps to rectify any systemic or recurring problems.

If a complaint results from a breach of MacarthurCook’s AFS License obligations, the Corporations Act or other regulatory requirements, that breach must be treated in accordance with the requirements of the Breach Reporting policy.

### **3.8 Resolution**

If the action taken/decision made is believed to have satisfied/resolved the complaint, the matter will be considered resolved after a cooling off period of 7 days has elapsed.

Where possible, and particularly in circumstances where compensation is paid, the Compliance Manager should attempt to have the complainant sign a Deed of Release, which acknowledges that the dispute has been resolved, and releases MacarthurCook from any liability in connection with the dispute/complaint.

### **3.9 Notification of Dispute Resolution Process**

Each product disclosure statement that is issued for any MacarthurCook investment product is to provide details about how clients can make a complaint and access the External Dispute Resolution scheme.

Primary responsibility for complaints handling procedures and for dealing with FOS rests with the Compliance Manager.