

REGULATION OF THE CUSTOMER SERVICE DEPARTMENT OF PAYNOPAIN FINANCIAL SERVICES, SL

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PRELIMINARY ARTICLE.

These regulations correspond to PAYNOPAIN FINANCIAL SERVICES, S.L., “the Institution”, registered in the Madrid Mercantile Registry, with NIF B-88513593, and registered in the Special Register of Payment Institutions with the codification number 6689, and its goal is the description of the rules of operation of the Customer Service Department of the Institution.

The postal and electronic addresses of the Institution and the physical headquarters of the Customer Service are those listed in ANNEX II of these regulations.

ARTICLE 1.- Definitions.

For the purposes of these regulations, the following definitions shall apply:

- a) «Customer»: any user of the financial services that the Institution provides.
- b) «Complaints»: those referring to the operation of the services provided to users due to tardiness, neglect, or any other type of poor performance observed in the operation of the Institution.
- c) «Claims»: those that have the intention of obtaining restitution of their interests or rights by virtue of specific facts referring to actions or omissions by the Institution that imply for the claimants a prejudice to said interests or rights.

ARTICLE 2.- Information duties with customers.

The Institution must have the following information available to its customers in each and every one of its offices open to the public, as well as on the website in case the contracts were carried out by telematic means:

- a) The existence of the Customer Service, with its postal address and address email (detailed in Annex II), for the receipt of customer complaints and claims.
- b) The Institution's obligation to attend and resolve the complaints and claims submitted by its customers within fifteen business days, period that will begin counting from its date of filing at any of the Institution's manifestations.
- c) A copy of these regulations.
- d) References to the regulations on transparency and protection of the financial services client
- e) The postal and electronic address of the Department of Market Conduct and Claims of the Bank of Spain will be listed, in case the customer considers it is necessary to address them,

either due to disagreement with the resolution or if the Institution has failed to resolve the claim or complaint within the period of fifteen business days from the date of filing.

ARTICLE 3.- Head of the Customer Service.

1. The head of the Customer Service will be a person with a good commercial and professional repute and with adequate knowledge and experience to perform their duties adequately.
2. The head of the Customer Service Department will be appointed by the board of directors.
3. The name of the head of Customer Service must be communicated to the Bank of Spain functioning as supervising Institution, specifically the Department of Claims and Market Conduct of the Bank of Spain.

ARTICLE 4.- Duration of the position and possibility of renewal.

The duration of the position of head of the Customer Service Department will be unlimited.

ARTICLE 5.- Causes of incompatibility, ineligibility, and termination.

1. The appointment of head of the Customer Service Department will be incompatible with the performance of tasks within the Institution that are related to the commercial or operational aspects, as well as any other that may be related to the customers, so that their independence of judgment may be questioned.
2. If the position is vacant, the board of directors must appoint a substitute as soon as possible.
3. The position of Head of Customer Service will not be attainable for any individual under any of these circumstances:
 - a) Filed for bankruptcy and not rehabilitated.
 - b) Barred or suspended, criminally or administratively, to exercise public positions or administration or management of financial institutions.
 - c) Having a criminal record for:
 - a. Offenses classified in the legislation that governs banking, financial, or insurance activities, or related to the stock markets or financial or payment instruments, including regulations on money laundering, corruption, market manipulation, use of insider information and usury.
 - b. Offenses of economic falsehood, fraud, or crime.

- c. Tax offenses.
 - d. Other offenses classified in the legislation on companies, bankruptcy, insolvency or consumer protection.
- d) Being in charge of operational or commercial functions within the Institution. In this sense, the appointment as head of Customer Service will be incompatible with the performance of commercial or operational tasks within the Institution.
4. The head of the Customer Service will cease in the exercise of their functions under any of the following circumstances:
- a) Due to unexpected inability.
 - b) Having been criminally convicted by a final judgment for:
 - a. Crimes classified in the legislation that governs banking activities, financial, securities or insurance, or related to the stock markets, financial or payment instruments, including regulations on money laundering, corruption, market manipulation, use of insider information and usury.
 - b. Offenses of falsehood, fraud or economic crime.
 - c. Other offenses classified in the legislation on companies, bankruptcy, insolvency or consumer protection.
 - c) Explicit resignation.
 - d) Agreement of the Institution's board of directors, which must be in all cases reasoned and based on objective and serious causes for dismissal.

ARTICLE 6.- Competences

1. The Customer Service Department is competent on all complaints and claims, regardless of their amount.
2. The decisions of the Customer Service Department bind the Institution, without prejudice of judicial protection and recourse to other conflict resolution mechanisms or the client's administrative protection.

ARTICLE 7.- Deadline for the filing of complaints and claims.

Customers may file complaints or claims to the Institution within a maximum period of two years since their knowledge of the reason for the complaint or claim.

ARTICLE 8.- Form, content and place for the filing of complaints and claims.

1. Clients may file their complaints or claims, personally or through representation, on paper or by computer, electronic or telematic means that allow the reading, printing and preservation of documents, in any of the addresses indicated in ANNEX II or in any office open to the public to such effects.
2. The document, which will start the resolution procedure, must include all the following items:
 - a) Name, surname and ID of the claimant and, where appropriate, of their legal representative, if they were a natural person.
 - b) Company name and CIF of the claimant and, where appropriate, of their legal representative, if it were a legal person.
 - c) Address for notification purposes.
 - d) Reason for the complaint or claim, with clear specification of the issues on which a pronouncement is requested.
 - e) Office, department or service under which the reasons for the claim or complaint originated.
 - f) Statement that the complaint or claim is not being processed in any judicial, administrative or arbitration process.
 - g) Place, date and signature of the claimant or their legal representative.
 - h) Documentary evidence to facilitate the processing of the complaint or claim.

The claimant can also indicate if they prefer to receive the resolution of the complaint or claim in a durable support other than paper. In case no preference is indicated, it will be understood that the resolution must be issued by the same means used by the claimant for filing the complaint or claim.

ARTICLE 9.- Admission for processing.

1. Complaints and claims received by the Institution must be forwarded immediately to the Customer Service, which will have a period of fifteen business days for the resolution of the complaint or claim.

In exceptional situations, if the Customer Service Department is unable to offer a response within fifteen business days for reasons beyond the control of the Institution, the client will receive a provisional response in which the reasons for the delay will be clearly indicated, and providing a final date in which the client will receive the definitive response.

In any case, the maximum period for receiving the definitive response will not exceed one month from the submission of the complaint or claim by the client to any instance of the Institution or department, Customer Service Department itself, any of the Institution's offices, as well as by post or at the email address provided for this purpose.

2. The Customer Service Department must acknowledge receipt in writing and record the date of filing of the complaint or claim in order to calculate the term referred to in section 1 above.
3. The complaint or claim may only be presented once: any reiteration of said claim or complaint will not be processed by any of the Institution's branches.
4. If the claimant had not sufficiently proven their identity, or the facts that originated the claim had not been clearly established, the claimant will be required to amend or complete the submitted documentation in a period not greater than ten calendar days. Failing to do so will result in the claim or complaint being shelved without further action.

The period granted for amendments will not be counted towards the maximum period established for the processing of the claim or complaint.

Shelving the claim or complaint due to lack of necessary documentation within the ten day period will not prevent the claimant from filing a new record, including all the required documentation that amends the shelved record.

ARTICLE 10.- Inadmissibility of complaints or claims.

1. The Customer Service Department will only be able to reject complaints and claims in the following cases:
 - a) When non-amendable essential data for the processing is omitted, including the cases in which the cause for the complaint or claim is not specified.
 - b) When a claim, complaint, resource or action falls under the competence of administrative, judicial or other arbitration institutions, or it is pending resolution or litigation, or the matter has already been resolved by one of said institutions.
 - c) When the facts, causes, and subjects specified in the claim or complaint do not refer to specific operations or the claimant's interests and legally recognized rights, whether derived from contracts, transparency regulations, customer protection or fair financial practices, in particular, the principle of equity.
 - d) When complaints or claims reiterate previous ones that have already have been resolved and have been presented by the same client with regard to the same facts, except as specified in the last paragraph of article 9 of this regulation.
 - e) When the maximum period of two years for filing complaints and claims has already elapsed, in accordance with article 7 of these regulations.
2. When a claim or complaint is found to be simultaneously processed by administrative, arbitration or judicial procedure on the same matter, the Customer Service must refrain from admitting it.
3. When a claim or complaint is deemed not admissible due to any of the causes indicated in this article, the decision will be communicated to the claimant through a reasoned resolution.

Once having received the resolution, the claimant will be granted a period of ten calendar days to present their allegations.

After reception of the claimant's allegations, if the causes for inadmissibility still hold, the claimant will be notified of the final resolution.

ARTICLE 11.- Collaboration duties in the processing of complaints and claims.

The Customer Service Department may collect during the processing of the files of complaint or claim as many data, clarifications, reports or evidence as they consider relevant to make their decision, both from the claimant and the different departments and services within the Institution.

Therefore, all the Institution's departments or services are compelled to collaborate with the Customer Service Department whenever requested and in everything that best favors performance of their duties. In particular, said departments or services must provide the Customer Service Department with all the requested information regarding their competences and in relation to any topic the Customer Service may deem relevant.

The Institution's departments and services must conduct all these actions diligently in order to facilitate reaching a resolution within the established deadlines.

ARTICLE 12.- Acquiescence and withdrawal.

1. If the Institution decides to resolve the situation in the claimant's favor, the Customer Service Department must be notified immediately and provided with document accreditation, unless the customer expressly withdraws the claim or complaint. In any case, the complaint or claim will be shelved without further paperwork.
2. Claimants may exercise their right to withdraw a claim or complaint at any time. The withdrawal will lead to the immediate termination of the procedure.

ARTICLE 13.- Termination and notification.

1. The resolution process must be finalized within a maximum period of fifteen business days from the date on which the complaint or claim was filed to the Customer Service Client or any of the Institution's offices, or via the post or email address established for this purpose by PAYNOPAIN FINANCIAL SERVICES, SL (vid. ANNEX II).
2. The resolution of the Customer Service Department must always contain clear conclusions on each of the requests made in the complaint or claim, and will be motivated by and based on contractual terms, transparency and customer protection applicable rules, and fair financial practices and uses.

In the event that the resolution deviates from the criteria expressed in similar records, reasons that justify it must be provided.

3. The final resolution will be notified to the interested parties within ten calendar days from the issuing date through the channel expressly designated by the claimant. In the absence of express indication by the claimant, the same medium used to file the complaint or claim will be used.

4. The resolutions that finalize the procedures for processing complaints and claims will expressly mention the customer's right to resort to the Department of Claims and Market Conduct of the Bank of Spain in case of disagreement with The Customer Service Department's criteria.
5. The customer may turn to the Department of Claims and Market Conduct of the Bank of Spain in the event that the period of fifteen business days from the filing had elapsed without a resolution, unless the Customer Service Department had previously issued the communication listed in Article 9.1 of this regulation for exceptional cases.

The claimant, in case of being a consumer, may file the complaint or claim at the Department of Claims and Market Conduct of the Bank of Spain, within a maximum period of one year from the day of filing the claim or complaint at the Customer Service Department.

6. The resolution of the Customer Service Department will be binding for the Institution, but not for the claimant. The total or partial acceptance of the resolution by the claimant will not imply the waiver of the latter to exercise subsequent actions in defense of their interests in judicial, extrajudicial or administrative bodies, other than the Customer Service Department.

ARTICLE 14.- Relationship with the Department of Claims and Market Conduct of the Bank of Spain

The head of the Customer Service Department notified to the Bank of Spain must comply with the requirements that the Department of Claims and Market Conduct of the Bank of Spain may exercise in the performance of their duties, within the terms that said department may determine.

ARTICLE 15.- Annual report.

1. Within the first quarter of each year, the head of the Customer Service Department will present to the board of directors a detailed report on the development of the role of the Customer Service during the previous year, in which at least the following will be collected:
 - a) A statistical summary of the processed complaints and claims, with detailed information on their number, admission for processing and reasons for inadmissibility, causes and issues raised in complaints and claims, and amounts involved.
 - b) A summary of issued resolutions, indicating favorable or unfavorable nature for the claimant.
 - c) General criteria contained in the resolutions.
 - d) Recommendations or suggestions derived from their experience, keeping in sight the improvement of the performance of the Customer service Department.

2. The Institution's annual report must include, at least, a summary of the report issued by the Customer Service Department.

ARTICLE 16.- Approval by the board of directors.

These regulations have been approved by the board of directors, and any amendment must be submitted for their approval.

ARTICLE 17.- Verification by the Bank of Spain.

In accordance with implementing legislation, these regulations and any possible future modifications must be submitted to the Bank of Spain for verification and final approval.

ANNEX I

Applicable regulations.

The performance of the Customer Service Department is primarily governed by the following regulations:

- Royal Decree 19/2018, November 23, on payment services and other urgent financial measures.
- Royal Decree 736/2019, December 20, on the legal regime of the services of payment and payment institutions, which amends the Royal Decree 778/2012, May 4, on the legal regime of electronic money institutions, and the Royal Decree 84/2015, February 13, which ensues Law 10/2014, June 26, for the organization, supervision and solvency of credit institutions.
- Law 44/2002, November 22, on Reform Measures for the Financial System.
- Order ECO/734/2004, March 11, on Customer Service Departments and the consumer advocate for financial institutions.
- Other applicable regulations regarding transparency and customer protection.

ANNEX II

In accordance with the contents of these regulations, the briefs containing complaints and claims, as well as any other document that needed to be submitted for the resolution procedure, should contact the Customer Service Department at any of the offices of PAYNOPAIN FINANCIAL SERVICES, SL or on any of the following addresses:

• **Postal address:**

PAYNOPAIN FINANCIAL SERVICES, S.L.
77 Castellana Street
28046 - Madrid
MADRID
Spain

• **Email address:** sac@paynopain.com