

Transparency of Banking and Financial Operations and Services - Fairness in Customer Relations Policy

ABSRACT

This Policy aims to describe the essential elements of the contractual relationship between customers and the Bank, as well as its variations, to mitigate legal and reputational risks and contribute to the sound and prudent management of the Bank concerning fairness in its relations with customers. It also defines the process for ensuring the transparency of banking and financial transactions and services, assigning roles and responsibilities to the various parties involved in the Bank's operations.

Furthermore, in line with the principles of *fair advertising* - also laid down in the illimity Way - the Policy defines the controls implemented by the Bank to protect consumers and avoid unfair commercial practices in advertising and promoting products and services offered. These safeguards are based on high standards of clearness, consistency, and truthfulness of the information made available to the public and on specific preventive checks of advertising material to verify compliance with the regulatory requirements in force and ensure that customers can always make informed choices about the services offered.

The current Regulations on the Transparency of Banking and Financial Transactions and Services regulate the relationship between the Bank and its customers to achieve and maintain a high level of transparency and respect for the principles of fairness and good faith in the business relationships established by the Bank with its counterparties.

More specifically, it ensures compliance with the principles of transparency, fairness, and good faith, including:

- better customer protection;
- the reduction of legal and reputational risks for the Bank concerning customer relationships;
- a general increase in public confidence in the banking and financial sectors;
- the maintenance of the stability of the financial system.

This Policy establishes internal rules and procedures to ensure, at all pre-contractual and contractual relationship stages, that:

- customers, including potential customers, are provided with clear, complete, and transparent information on the products and services offered through the adoption of information material that complies with the regulations and is also disseminated using publication on the website;
- the information for each type of customer is understandable, in particular for customers classified as "consumers," as they are considered to need more protection;
- customers are not directed toward products that are clearly and manifestly unsuitable for their financial needs;
- an efficient management of customer complaints is guaranteed to maintain the high quality of the relationship established with each customer.

In this context, the Bank shall also ensure that staff members who interact with costumers :

- have adequate and up-to-date knowledge of the Bank's transparency rules and of the related internal procedures;
- can explain the characteristics of the services and the rights of the customer based on the transparency documents and, where necessary, additional documents;
- ensure that, before being bound by any contract or proposal, customers have had the opportunity to properly assess the documents provided, by checking on the Bank's website and, where required by the relevant rules, at the Bank's premises.

To this end, the Bank shall ensure the training of its staff members who interact with customers on topics relating to the Bank's operations, the characteristics of the products offered, and the Bank's transparency to ensure an adequate level of information available to the customer. They shall evaluate, at least once a year, the procedures and forms relating to transparency:

- to review their adequacy and effectiveness in terms of completeness, clarity, and accessibility;
- to remedy any deficiency identified, which will be reviewed in the event of regulatory updates and changes in the scope of the Bank's activities.

Finally, the Bank adopts policies and practices for the remuneration of staff members and third parties who interact with customers that are:

- consistent with the Bank's objectives, values, and long-term strategies;
- based on criteria of prudence, transparency and fairness in relationships with customers, the mitigation of legal and reputational risks, the protection and loyalty of customers, and compliance with any self-regulatory provisions that may apply;
- not based solely on commercial objectives and not providing an incentive to offer products that do not meet customers' financial needs.

ABSTRACT