

INTERNAL DISPUTE RESOLUTION POLICY

Butler McIntyre Investments Ltd
ACN 091 407 046
responsible entity for the Butler McIntyre Mortgage Fund

Table of contents

- 1 Introduction0**
 - 1.1 Background 0
 - 1.2 Purpose 0
 - 1.3 Scope 0
 - 1.4 Roles and Responsibilities 0
 - 1.5 Key Definitions 0
 - 1.6 Reporting requirements 1
 - 1.7 Policy review and revision 1
 - 1.8 Interpretation 1

- 2 Policy detail1**
 - 2.1 Commitment 1
 - 2.2 Fairness 2
 - 2.3 Resources 2
 - 2.4 Visibility and Access 2
 - 2.5 Responsiveness 2
 - 2.6 Charge 3
 - 2.7 Data Collection and systemic problems 3
 - 2.8 Remedies 4
 - 2.9 Legal assistance 4
 - 2.10 Analysis and evaluation of Complaints 4
 - 2.11 Reviews and continual improvement 5

- 3 Procedures5**
 - 3.1 Introduction 5
 - 3.2 Making a Complaint 5
 - 3.3 Response to Complaints 6
 - 3.4 Dealing with the Complaint 8
 - 3.5 Resolving the Complaint 8
 - 3.6 Communicating and documenting resolution of the Complaint 8
 - 3.7 Unresolved Complaints 9
 - 3.8 Reviewing the Complaints process 10
 - 3.9 Requests for information 11

Schedule 1.....12
 Specimen form letter – Acknowledging Complaints 12

Schedule 2.....14
 Specimen form letter - Communicating outcome.....14

1 INTRODUCTION

1.1 Background

BMI has developed and maintains a formal system for dispute resolution to meet its obligations to Members and other interested parties and to comply with our regulatory requirements. As an entity regulated by ASIC, BMI must be a member of AFCA and have in place arrangements for Members to make an enquiry into, or a Complaint about, the management of the Fund.

BMI is currently a member of AFCA.

1.2 Purpose

The purpose of this policy is to provide efficient and fair resolution of Complaints made by Members.

1.3 Scope

This policy applies to BMI, its Staff and the Fund.

1.4 Roles and Responsibilities

The Compliance Officer will take and handle Complaints in the first instance. The Compliance Officer will also be responsible for monitoring the level (and type) of Complaints received, ongoing staff training and responding to Complaints where the respective Staff member is unable to resolve the Complaint to the Complainant's satisfaction.

The Compliance Officer will:

- (a) maintain an overarching supervision of this policy;
- (b) review this policy and any related documentation on a regular basis;
- (c) request the Compliance Officer to maintain the Complaints Register;
- (d) provide ongoing training to new and existing Staff as required; and
- (e) provide regular reporting to the Board and the Compliance Committee.

1.5 Key Definitions

Term	Explanation
AFCA	means the Australian Financial Complaints Authority.
ASIC	means the Australian Securities and Investments Commission.
Australian Privacy Principles	means the privacy principles set out in the <i>Privacy Act 1988</i> (Cth).
BMI	means Butler McIntyre Investments Ltd ACN 091 407 046.
Board	means the Board of Directors of BMI.

Term	Explanation
Complainant	A person or organisation who has made a Complaint to BMI.
Complaint	means an expression of dissatisfaction made to BMI, related to its products, services, Staff or the complaints handling process itself, where a response or resolution is implicitly expected or legally required.
Compliance Committee	means the compliance committee established to monitor compliance with BMI's AFS licence, compliance plan and improve systems on a practical level.
Compliance Officer	means the compliance officer for BMI.
Director	means a director of BMI.
Financial Services Guide	means a financial services guide issued by BMI.
Fund	means the Butler McIntyre Mortgage Fund ARSN 094 635 720.
Member	means a person who holds an interest in the Fund.
Product Disclosure Statement	means a product disclosure statement issued by BMI in relation to an offer of interests in the Fund.
Staff	means a person employed by BMI.

1.6 Reporting requirements

The Compliance Officer will report new Complaints to the Board and to the Compliance Committee quarterly, or more frequently as required) Data about Complaints will be also available for inspection by ASIC in certain situations, e.g. during a surveillance.

1.7 Policy review and revision

The Compliance Officer will review this policy annually. If changes are necessary, the amended policy will be forwarded to the Board for sign-off. The policy may be updated more regularly if required as a result of regulatory changes, significant licence changes or changes in the circumstances or operations of BMI.

1.8 Interpretation

To the extent any provision contained in this policy is inconsistent with the provisions contained in the Fund's constitution; the provisions contained in the Fund's constitution will prevail to the extent of any inconsistency.

2 POLICY DETAIL

2.1 Commitment

This policy aims to promote a positive attitude toward Members and commitment to

resolving Complaints. This is based on a premise that:

- (a) a Member has right to complain and have their Complaint heard;
- (b) Complainants provide feedback about a product or service experience; and
- (c) a Complaint received gives us the opportunity to maintain confidence in our products and services.
- (d) BMI will respond positively to Complaints and allow Staff and Members to contribute to the improvement of its products and services. BMI has adopted a documented policy and procedures for the resolution of Complaints and will ensure all staff are aware of and educated about the procedures.

2.2 Fairness

BMI is committed to efficient and fair resolution of Complaints and recognises the need to be fair to both the Complainant and the organisation or person against whom the Complaint is made. Reasons will be given for reaching a decision on the Complaint and will adequately address the issues that were raised in the initial Complaint and, where possible, will be in writing.

2.3 Resources

A senior Staff member is available to deal with Complaints. Staff are provided with sufficient training and support to ensure Complaints are dealt with appropriately and that they are familiar with the procedures. Complaints handling training forms part of induction for new Staff and will be regularly reinforced and updated.

The Compliance Officer must regularly assess whether sufficient resources have been allocated by BMI to identify, manage and resolve Complaints in accordance with this policy (including having regard to intermittent spikes in Complaint numbers from time to time) and to ensure the IDR Procedure operates fairly, effectively and efficiently. The Compliance Officer must include an assessment of the adequacy for BMI's resourcing for the handling of Complaints in a report to the Board and Compliance Committee at least annually.

2.4 Visibility and Access

This policy is promoted through internal Staff training and inclusion in publications such as the Product Disclosure Statement.

There is no prescribed way of making a Complaint; a Complaint can be made by any reasonable means, e.g. letter, telephone, in person, email or on any of BMI's social media channels (currently none).

2.5 Responsiveness

- (a) BMI will commit to ensuring response times are appropriate and are followed. BMI has established target time limits which are reasonable for all stages of the Complaints handling process. BMI has set timeframes for responding to customer queries:
 - (i) **(Telephone)** answered **immediately**. Where a query cannot be answered within the timeframe the caller is provided with an estimated time of response.

- (ii) **(Email or social media post)** response or confirmation of receipt of email or social media post within **four (4) hours** of receipt. Email answered **within 24 hours or one business day**. Where an email or social media post cannot be answered within this timeframe, ensure another response is sent by the 24 hour mark providing a timeframe for response. This action must be approved by the Compliance Officer.
 - (iii) **(Letter)** confirmation of receipt sent on day received. Where a letter of response is not sent on the same day, ensure the Complainant is contacted via letter, phone or email **within 24 hours or one business day** of receipt and provided with a timeframe for response. This action must be approved by the Compliance Officer.
- (b) Complaints received by BMI will be handled in accordance with section 2.5(a) of this policy. Where a more detailed response is required, BMI will keep the Complainant up to date with an expected timeframe for a response ensuring the timeframe is kept to a minimum, but no later than the maximum period of **30 calendar days**, except where:
- (i) resolution of the individual Complaint is particularly complex (for example, where an individual Complaint is about a transaction or event that occurred more than six years ago and requires reconstruction of account information); and/or
 - (ii) circumstances beyond BMI's control are causing Complaint management delays.
- In such circumstances, BMI will provide the Complainant a delay notification that informs the Complainant about the reasons for the delay, the right to complain to AFCA if they are dissatisfied, and the contact details for AFCA.
- (c) Unless the Complainant requests a written response, section 0 does not apply if BMI closes the Complaint by the end of the fifth business day after receipt because:
- (i) the Complaint has been resolved to the Complainant's satisfaction; or
 - (ii) the Complainant has been given an explanation and/or apology when BMI can take no further action to reasonably address the Complaint.
- (d) Where the Complaint is not resolved within the appropriate time limits, or is not resolved to the Complainant's satisfaction, the Staff will inform the Complainant that they have the right to pursue their Complaint with AFCA.

2.6 Charge

The Complaints handling process is provided to Members free of charge.

2.7 Data Collection and systemic problems

The Compliance Officer will maintain a Complaints Register, which includes information

about the nature of the Complaint, services or products about which Complaints are made, business practices about which Complaints are made, response time, referral source, action taken including any remedies/determination results and trend analyses (i.e. whether recurring or systemic to determine the causes of Complaints and whether remedial action is warranted).

The Compliance Officer will be responsible for reviewing the Complaints Register quarterly in order to identify any systemic problems that may exist.

2.8 Remedies

Remedies offered to Complainants will reflect what is fair and reasonable in the circumstances, legal obligations and good industry practice.

The Compliance Officer has been delegated the authority to provide the following remedies to resolve a Complaint:

- (a) an explanation of the circumstances giving rise to the Complaint;
- (b) an apology;
- (c) a refund of a fee or charge up to \$500;
- (d) a goodwill payment up to \$500;
- (e) compensation up to \$500;
- (f) correcting incorrect or out-of-date records; and
- (g) undertaking to set in place improvements to systems, procedures or product.

The following types of remedies are also available to a Member to resolve a dispute, however they may require Board approval:

- (h) a refund of a fee or charge which is more than \$500;
- (i) a goodwill payment which is more than \$500;
- (j) compensation which is more than \$500; and
- (k) ceasing legal or other action.

Remedies will be implemented in a timely manner when a Complaint is finalised.

2.9 Legal assistance

It is to be expected that some Complainants may engage a lawyer to help them articulate their Complaint and to provide supporting submissions. No objections are to be raised simply because a Complaint is made by a Complainant's lawyers. Complaints made by a Complainant's lawyers are to be treated the same way as if made by the Complainant.

2.10 Analysis and evaluation of Complaints

BMI will analyse and process the Complaints that were received and their resolutions. This information will be used to ensure that BMI picks up systemic, recurring problems and trends, as well as resolving single incidents. This will assist BMI in eradicating the

underlying causes of Complaints.

Staff are encouraged to inform the Compliance Officer if they identify potential systemic issues from any Complaint. Any possible systemic issues are escalated to the Board.

2.11 Reviews and continual improvement

This policy will be subject to internal review and improvement annually.

3 PROCEDURES

3.1 Introduction

This section outlines the procedure that will be undertaken to resolve a Complaint under this policy. The procedure comprises the following steps:

- (a) making a Complaint;
- (b) acknowledgement of receipt of Complaint;
- (c) dealing with the Complaint;
- (d) determining the likely outcome of the Complaint and negotiating a resolution with the Complainant;
- (e) notifying the Complainant of the decision and seeking the Complainant's acceptance;
- (f) review of the Complaints process; and
- (g) monitoring the Complaints Register.

3.2 Making a Complaint

Complaints may be made by a Complainant in the following ways:

- (a) to individual Staff members (with whom the Complainant has had dealings), in any of the following forms:
 - (i) by telephone;
 - (ii) by written letter;
 - (iii) by facsimile; or
 - (iv) by email; and
- (b) to BMI generally, in any of the following forms:
 - (i) by telephone;
 - (ii) by written letter;
 - (iii) by facsimile;
 - (iv) through any of BMI's social media channels; or
 - (v) by email.

Where a Complaint is received verbally, the person receiving the Complaint should:

- (a) record the particulars of the Complainant;
- (b) record the relevant facts relating to the Complaint;
- (c) if not received by the Compliance Officer, advise the Complainant that the Complaint will be referred to the Compliance Officer; and
- (d) advise the Complainant that they will receive acknowledgement of their Complaint from the Compliance Officer within five Business Days.

Where a Complaint is received verbally, the person receiving the Complaint should not:

- (a) attempt to resolve the Complaint over the telephone;
- (b) be defensive, argumentative, derogatory or offensive;
- (c) discuss with the Complainant any matter which would be contradictory to this policy, including discussing confidential information; and
- (d) admit liability as this may void BMI's professional indemnity insurance policy.

3.3 Response to Complaints

BMI will endeavour to write to the Complainant **within 24 hours or one business day** but not later than **five (5) Business Days** from receipt of the Complaint. The written notification must contain:

- (a) acknowledgement that the Complaint has been received;
- (b) a resolution based on the issues raised by the Complainant;
- (c) if a resolution cannot be provided a description of the process which the Complaint will then be subject to (including further notifications and relevant time frames for resolution of the Complaint);
- (d) the relevant contact details of the Compliance Officer;
- (e) the relevant contact details of the person(s) investigating the Complaint;
- (f) for Complaints relating to privacy issues acknowledgement that the Complainant's details and the Complaint will be dealt with confidentially and only by the persons specified in the acknowledgement will have access to such information. The following paragraph should be inserted:

'If you feel there is an issue relating to your privacy, which remains unresolved, or you wish the Privacy Commissioner to further investigate

your Complaint, you can contact the Office of the Australian Information Commissioner as detailed below:

Office of the Australian Information Commissioner

GPO Box 5218

SYDNEY NSW 2001

Telephone: 1300 363 992 (local call anywhere in Australia)

Facsimile: 02 9284 9666

Internet: www.oaic.gov.au

Email: enquiries@oaic.gov.au

- (g) an undertaking that no fee will be charged for the resolution of the Complaint;
- (h) any remedies that may be available to the Complainant; and
- (i) a reference to AFCA and that the Complainant may refer the dispute to this service at any time if they are not satisfied that it is being dealt with appropriately by inserting the following paragraph:

'BMI is a member of an independent dispute resolution scheme, the Australian Financial Complaints Authority (AFCA). If, at any time, you feel your Complaint remains unresolved or you wish AFCA to further investigate your Complaint, you can contact AFCA as detailed below:

Australian Financial Complaints Authority

GPO Box 3

MELBOURNE VIC 3001

Telephone: 1800 931 678

Facsimile: (03) 9613 6399

Internet: <http://www.afca.org.au>

Email: info@afca.org.au

The acknowledgement must be in writing and may be sent to the Complainant through any of the following means:

- (a) by written letter;
- (b) by facsimile;
- (c) by responding on the relevant social media channel; or
- (d) by email.

Schedule 1 of this policy is a Specimen Form Letter for acknowledgement of receipt of a Complaint, which is intended to provide guidance.

3.4 Dealing with the Complaint

All Complaints (whether received verbally or in writing) are to be referred to the Compliance Officer who will:

- (a) record the Complaint in the Complaints Register;
- (b) acknowledge receipt of the Complaint in accordance with section 2.5 of this policy;
- (c) investigate the Complaint either personally, or refer the investigation to a Staff member who has had appropriate training in dispute resolution and has not previously had contact with the Complainant; and
- (d) where the Compliance Officer is not investigating and resolving the Complaint, they must supervise the ongoing investigation and resolution of the Complaint.

3.5 Resolving the Complaint

The Compliance Officer or, where appropriate, another staff member who is not involved in the subject matter of the Complaint will investigate the Complaint. This will involve (where necessary):

- (a) giving all parties an opportunity to present their case (including the Complainant and all relevant Staff);
- (b) talking to relevant Staff (who may have further facts relating to the Complaint);
- (c) clarify any factual issues with the Complainant (this may be done either in writing or verbally – in person or by telephone);
- (d) formulate a report to be included in the Complaints Register and provided to the head of the department/division of BMI, who form the basis for the Complaint. This report should detail all relevant facts and information relating to the Complaint and the steps taken to resolve the Complaint including a negotiation strategy for resolving the Complaint; and
- (e) attempt to resolve the Complaint, liaising where necessary with the Board.

Throughout the resolution process, the confidentiality of all persons must be maintained and only the Compliance Officer and the Board will have access to confidential information.

Schedule 2 of this policy comprises a Specimen Letter which can be used as guidance. This version presupposes that an offer is made to the Complainant as a means of procuring resolution of the Complaint.

3.6 Communicating and documenting resolution of the Complaint

The Complaint documentation is to be recorded and filed after the dispute has been resolved within the prescribed timeframe as outlined in section 2.5(a). A response must

be determined and communicated to the Complainant within the timeframes outlined in section 0 if the Complaint is not resolved within the initial timeframe. If this will not be possible, at the earliest time practicable, the Complainant must be notified in writing that there will be a delay in the resolution of their Complaint, reasons for the delay and that the Complainant has the right to complain to (and provide contact details for) AFCA.

Depending on the authority of the Compliance Officer and the nature of the resolution proposed, the Board may need to approve the means of resolving the Complaint before any offer is put to the Complainant.

Once a resolution is reached, the Compliance Officer must:

- (a) in writing, notify the Complainant of the result of the Complaint, which as a minimum will include:
 - (i) the final outcome of the Complaint, including (as appropriate):
 - (A) confirmation of actions taken by BMI to fully resolve the Complaint; or
 - (B) reasons for rejection or partial rejection of the Complaint by:
 - (I) identifying and addressing the issues raised in the Complaint;
 - (II) BMI's findings on material questions of fact and referring to the information that supports those findings; and
 - (III) providing enough detail for the Complainant to understand the basis of the decision and to be fully informed when deciding whether to escalate the matter to AFCA or another forum;
 - (ii) the right of the Complainant to take the Complaint to AFCA if they are not satisfied with BMI's response; and
 - (iii) the contact details for AFCA;
- (b) prepare a final report to be recorded in the Complaints Register;
- (c) notify the relevant department/division of the result of the Complaint and suggest any action that can or should be taken to avoid similar Complaints in the future; and
- (d) notify the Board of the Complaint's resolution or the outcome.

3.7 Unresolved Complaints

Where a Complaint remains unresolved (but recognising that a decision has been made), after the prescribed timeframes outlined in section 0, the Compliance Officer must refer

the Complaint to the Board. Note that the Complainant must have received notice in accordance with section 0.

3.8 Reviewing the Complaints process

The Compliance Officer must maintain a Complaints Register which must record details of all Complaints received and will, at a minimum:

- (a) categorise Complaints and group them under relevant headings (to facilitate review);
- (b) record all particulars of the Complainant;
- (c) provide all information relevant to the Complaint from both the Complainant and the relevant Staff/department/division;
- (d) include copies of all correspondence relating to the Complaint (including all emails, letters and facsimiles sent and received and file notes detailing particulars of conferences, telephone calls, meetings and actions); and
- (e) any reports prepared by the Compliance Officer, or relevant investigating Staff (including any reports made to the Board).

The Compliance Officer is responsible for the maintenance and currency of the Complaints Register and a quarterly audit is conducted of the Complaints Register and reported to the Board and Compliance Committee.

There reports must always include a copy of the Complaints Register together with the following details (where relevant):

- (a) the number of Complaints received during the period;
- (b) the number of outstanding (unresolved) Breaches/Complaints at the end of the period;
- (c) the number of Complaints resolved during the period;
- (d) the number of Complaints that were abandoned or withdrawn;
- (e) the time taken to acknowledge Complaints;
- (f) the time taken to resolve Complaints;
- (g) the number of Complaints received through AFCA during the period;
- (h) an update on Complaints currently with AFCA;
- (i) the number of Complaints received through ASIC or another regulator during the period;

- (j) the circumstances giving rise to Complaints;
- (k) the outcome of Complaints, including details of any amounts paid to complainants to resolve Complaints;
- (l) an analysis of Complaints, including:
 - (i) whether any systemic issues have been identified;
 - (ii) the underlying causes of Complaints; and
 - (iii) Complaint trends;
- (m) the outcome of any investigation into potential systemic issue, including any action taken; and
- (n) recommendations for improving the products and services offered by BMI.

The Board should review these reports and amend BMI's practices and this policy as they deem necessary.

(Internal review) This policy will be subjected to an annual internal review by the Compliance Officer and any amendments must be approved by the Board. This review should be a comprehensive review of this policy, measuring its effectiveness against the relevant ASIC benchmarks and other law and policy and taking into account any changes in BMI's business.

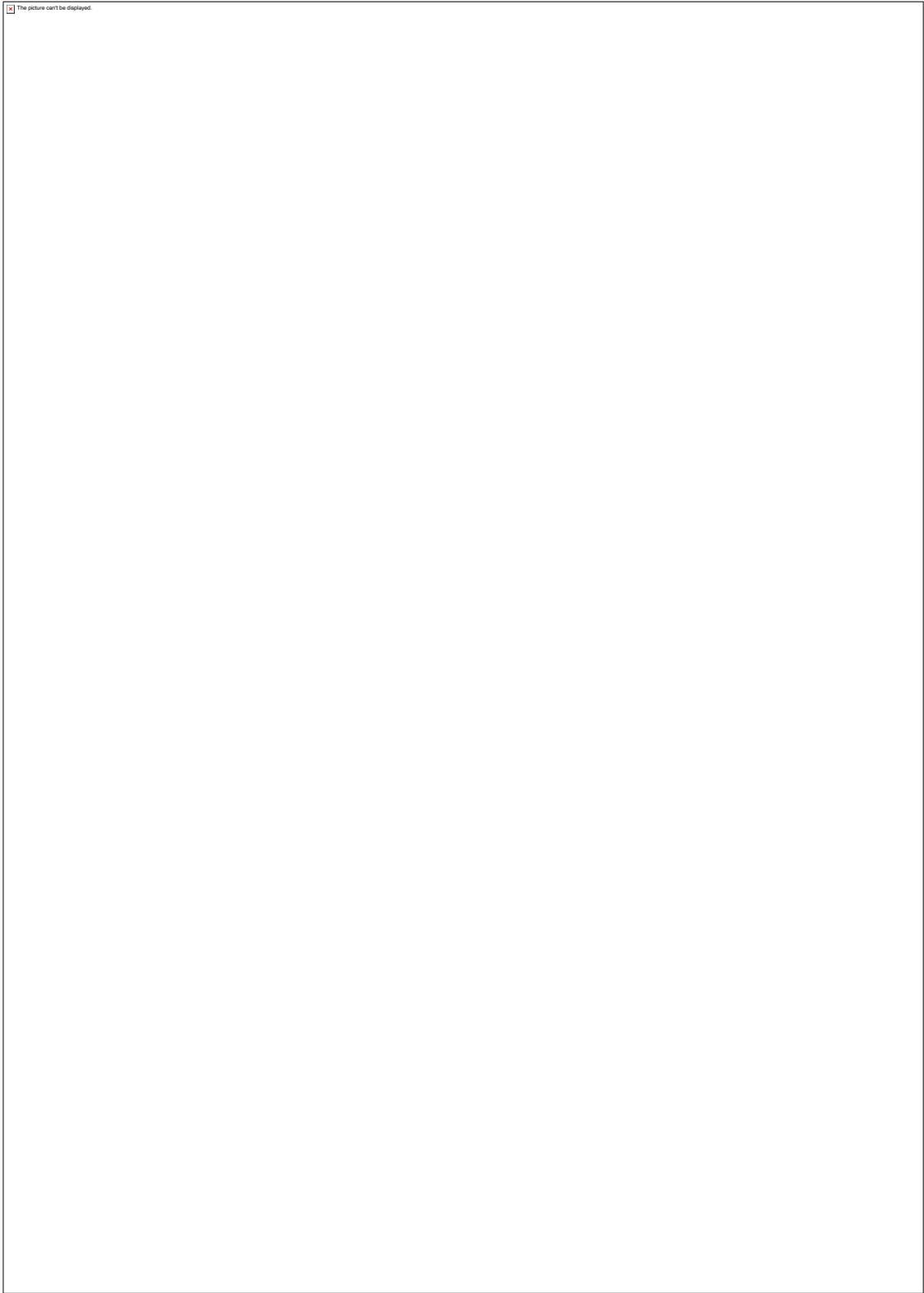
(External review) This policy will be subject to an external review, to be conducted by lawyers appointed by the Board, at least every five years.

3.9 Requests for information

Where third parties who reasonably have an interest in the outcome of a Complaint make a request for information regarding the Complaint, any personal information that identifies individuals will only be disclosed by BMI as permitted under the Australian Privacy Principles.

Schedule 1

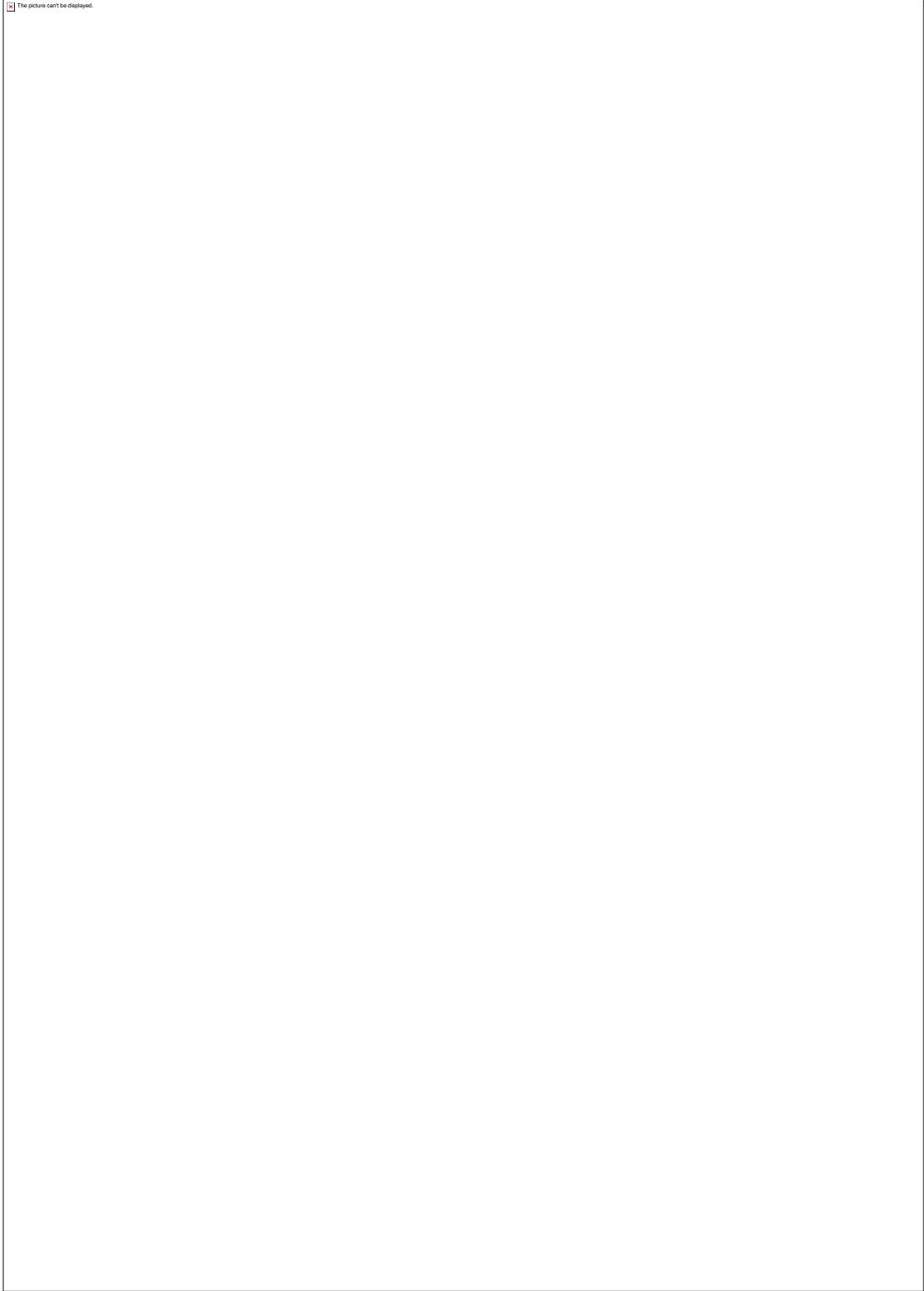
Specimen form letter – Acknowledging Complaints



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Schedule 2

Specimen form letter - Communicating outcome



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