

Approval of the XacBank's Procedure on receiving and resolving complaints, gratitude.

Official Executive Resolution #B/434

This resolution states that on April 17, 2015 the Executive Management Committee made the decision to implement new guideline for customer complaints and gratitude. The new procedure will be in use beginning from April 20, 2015. Retail banking division manager /S. Munkhbold/ and Internal Audit Division manager /E. Ulambayar/ are given the responsibility for overseeing the execution of the procedure.

Annex 1 to the CEO Resolution # B/434

Summary of XacBank's Procedure on receiving and resolving complaints, gratitude

Article One "General Provisions" mentions definition of Customer, Appreciation, and Complaints. Complaints are divided into four groups:

Level A – Complaint received due to violation of employee contract scope, internal labor agreement, and other internal legal act, overusing given authority, disclosure of customer information, damage customers good due to not performing job function properly.

Level B – Complaint received due to not performing according to the bank's Customer Service Standard.

Level C – Complaint received due to bad performance of job function.

Level D – Complaint received due to technical errors, or tangible and/or intangible damage to the customers' property due to the activities of other organizations.

The article also states the definition and function of "Complaints, gratitude administration program," and other methods of recording complaints and gratitude when the program is going through technical difficulties. According to the article, employees are given warning notification in case they have received complaint.

Article two "Receiving, Retrieving, and Registering Customer Complaints" shows the procedure of complaints, as follows:

Complaints could be received through a) customer themselves to employees, b) customer service operator (1800 – 1888), c) any form of written statement and d) any form of e – statement (such as website, email, online customer service chat).

After the complaint is received, the customer service employee takes the necessary steps to fix the issue, or if the issue could not be fixed in the employee's authorization scope, he/she will fill out form 62301 – 02 and pass it to the head of the branch, settlement center, business segment manager. In case the complaint is received by bank centers reception, employee, or marketing department, it should be emergently sent to the Customer Service Center with full detail of the complaint. Appointed Customer Service Center employee will fill in the complaint information into the "Complaint and Gratitude" program.

Article three "Communication aspect with customer complaint and gratitude" shows how employees should handle customer complaints and gratitude. It includes such items as being welcoming towards the customers, listening, asking questions and calming customers.

Article four "Decision making of customer complaints" explains who should determine the given complaint. A customer service center employee will determine complaints only in the given scope of his authority. Complaints received by division, department, settlement center employee should be resolved by division, department, settlement center managers. The article follows up mentioning how the manager can resolve the complaint depending on the level of complaint.

Article five “Resolving customer complaints” includes the guideline of resolving customer complaint, recording employee who received the complaint in the system, necessary steps to take if complaint could not be resolved based on the internal complaint standard, for example:

Level A complaint should be resolved within 3 days.

Level B and C complaint should be resolved within 1 day.

Level D complaint that didn’t cause any damage to the customer good should be resolved within 1 day.

Level D complaint that caused damage to the customer good should be resolved within 3 days.

In case a division, department, settlement center employee couldn’t manage to resolve the problem within the given days, he/she should contact the customer, find out when the customer is available, and ask for an apology in person.

Article Six “Receiving gratitude from customer” shows the process of receiving gratitude. If customer service center receives gratitude from customers, he/she will send it to HR department, where they will send it to the person. HR will record the person who received the gratitude in their system and at the end of the year the employee with the most note will be awarded.

Article Seven “Imposing responsibility” includes the consequences of employee who received complaint depending on the level of complaint, consequences of receiving more than one complaint, consequences of not resolving complaint within the given time, for example:

7.3.1 Employee who received level A complaint will receive disciplinary punishment

7.3.2 Depending on the repetition of level B or C complaint employee will receive the following:

7.3.2.1: Employee who received level B or C complaint once will be noted and lose score

7.3.2.2: Employee who received level B or C complaint three times within one quarter will receive disciplinary punishment according to the labor code.

Article Eight “Monitoring, reporting, improvement based on the report for complaint decision making” indicates the monitoring for complaints, steps for reporting the complaint and gratitude, and how to improve complaint decision making.

Customer complaint decision making should be monitored by the following ways:

8.1.1 Customer service manager should always monitor the customer complaint resolution performed by customer service employee.

8.1.2 Complaint decision making to branch/settlement center’s operation or employee should be monitored by the responsible manager.

8.1.3 Complaint decision making to division/department’s operation or employee should be monitored by the head who is responsible for the particular division/department.

8.1.4 Complaint resolution to division/department’s operation or employee should be monitored by the head who is responsible for the particular division/department.