

**Conflict of Interest Policy of  
Banco Finantia, S.A.**



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## 1 Introduction

"Banco Finantia, S.A." (hereinafter referred to as "the Bank"), is majority-held by the company Finantipar, S.A. (together with its subsidiaries, hereinafter referred to as "Group" or "Finantia Group").

The Bank, under the terms and for the purposes of the Securities Code (hereinafter referred to "CVM"), under the General Scheme of Credit Institutions and Financial Companies (RGICSF) and the Guidelines on Internal Governance under Directive 2013/36/EU (EBA/GL/2017/11), and considering the requirements applicable to financial intermediation activity, in accordance with the provisions laid down in Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014 (Directive on Markets in Financial Instruments, hereinafter referred to as "MIFID II"), and Delegated Regulation (EU) 2017/565 of the Commission, of 5 April 2016 ("Regulation"), adopts this Conflict of Interest Policy (hereinafter referred to as "Policy") and the rules of conduct and ethical principles of the Code in annex (Annex I) appropriate to its size, organisation, nature and complexity of its activities.

This policy reflects the organisational and control measures adopted by the Bank, with a view to ensuring the identification, management and control of conflict of interest situations, and should be considered complementary to the other specific procedures established on this subject.

## 2 Subjective Scope

This Policy applies to members of the administrative and supervisory bodies, the holders of key functions and other employees of the institution (for the purposes of this Policy, hereinafter referred to as "Relevant Persons"), and includes conflicts arising from interests of persons directly or indirectly related with them by a close relationship or through a relationship of control (for the purposes of this policy, hereinafter referred to as "Related Persons"). Together referred to as "Applicable Persons".

Relevant Persons must sign a declaration stating that they are aware of this Policy and its respective annexes, by which they undertake to observe and ensure compliance with the same, in accordance with Annex II.

A specific folder including the declarations signed by all employees of Banco Finantia for this purpose, shall be held by the Human Resources Department.

## 3 Scope of Application

The Bank will promote the adoption of the guidelines imposed by this Policy among its subsidiaries. Coordination of the adoption of this Policy between the Bank and its subsidiaries will be managed by the Compliance Department.

## 4 Policy Objectives

The main objectives of this policy are to:

- a Adopt, approve, supervise the implementation and maintenance of effective procedures to identify, evaluate, manage and mitigate or prevent real and potential conflicts of interest either at institutional level or between the interests of the institution and the private interests of the Relevant Persons;
- b Establish principles and internal procedures which identify, evaluate, manage and mitigate or prevent real and potential conflicts of interest which are potentially detrimental to a customer;
- c Ensure compliance with legal rules and regulations in force in relation to the prevention and management of conflicts of interest;
- d Define the appropriate form of management of conflicts of interest that cannot be avoided, and recording the same;
- e Increase the degree of knowledge and awareness of employees on the subject of conflicts of interest;
- f Promote a culture of identification and proper management of conflicts of interest among employees;
- g Ensure the proper documentation of procedures and controls in relation to conflicts of interest.

## **5 General Principles**

In a conflict of interest situation, the Bank shall ensure:

- a Transparent and fair treatment in its relationship with customers;
- b Priority of the interests of customers, both over its own interests or those of the companies with which it is in a control or group relationship, and over the interests of its governing bodies and employees, including resulting from the acceptance of benefits from third parties or from its own remuneration and other incentive structures;
- c Compliance by the Relevant Persons with the applicable legal, regulatory and internal rules.

## **6 Internal documents relevant to Conflicts of Interest**

This Policy is drafted and implemented in conjunction with all the other internal documents of the Bank on the subject of conflicts of interest, in particular the following:

- i Code of Conduct of Banco Finantia Group (Annex I);
- ii Policy for Selection and Assessment of Suitability of Members of the Management and Supervisory Bodies and Key Function Holders;
- iii Policy on Prevention, Communication and Rectification of Conflicts of Interest involving Related Parties.

## 7 Activities potentially generating conflicts of interest

### 7.1 Institutional Conflicts of Interest

Institutional conflicts of interest include those that result from the various activities and different roles of the Bank and the various institutions within the same perimeter of prudential consolidation and the various business lines or different units of the institution or conflicts of interest between the institution and its external stakeholders, including, specifically, the following conflicts of interest:

- a Conflicts of interest between shareholders and the institution;
- b Conflicts of interest between the institution and its customers, as a result of its business model and/or of the various services and activities carried out by the institution;
- c Conflicts of interest between customers of the institution;
- d Conflicts of interest between the institution and its parent company, its subsidiaries and any other entities of the group;
- e Conflicts of interest in the context of intra-group transactions (including transactions with related parties).

In this context, the following situations may potentially generate conflicts of interest:

- i Provision of financial intermediation services to different customers that act in the same sector;
- ii Provision of financial intermediation services to issuers of financial instruments that may be the subject of customer transactions;
- iii Provision of assistance and placement in public and private offerings related to financial instruments that may be the subject of customer transactions, and may underwrite issues which may be subscribed by customers;
- iv Inclusion by employees or members of the board of directors of the entities in the Finantia Group, in the management bodies of other issuers of financial instruments that may be the subject of transactions by customers or about which investment recommendations are produced or disclosed;
- v Acting as a counterpart of the customer or through the execution of orders concerning financial instruments on behalf of or representing the customer;
- vi Financial instruments transactions between customers and the Bank or other customers;
- vii Placing financial instruments issued by the Bank or entities of the Group with customers;
- viii Simultaneous execution of financial instruments transactions for the Bank and for customers;
- ix Receipt of pecuniary or non-pecuniary incentives, which may influence the behaviour in the provision or acquisition of a certain service;

- x Composition of the remuneration of employees linked to the activities of marketing financial instruments or the provision of other financial intermediation services, for example investment advice or the provision of underwriting services or placements or consulting on the structure of capital or merger or acquisition of companies.

## 7.2 Conflicts of Interest relating to employees

There is a conflict of interest situation at employee level when there is an actual or potential conflict of interest between the interests of the Bank and the private interests of the Relevant Persons, which may negatively influence the performance of their duties and responsibilities. This Policy distinguishes between the following sources of conflicts of interest:

### a Financial conflicts of interest:

The following are considered to be financial conflicts of interest: relationships between Relevant Persons or Related Persons where there is a close personal relationship, and any individual or legal entity which has a financial interest or a relevant financial obligation toward the Bank, including, without limit, related to shares, property rights, financial holdings and other economic interests in commercial customers, intellectual property, loans granted by the Bank to a company owned by members of staff, participation or ownership of an organism or entity with conflicting interests.

### b Professional conflicts of interest:

The following are considered to be professional conflicts of interest:

- Applicable Persons simultaneously exercising with the Bank, and with any other competitor, a management or supervisory role, or being the holder of a key function;
- Applicable Persons who have or have had during the last five years, a commercial or professional relationship with an entity competing with the Bank.

Situations which may potentially generate professional conflicts of interest are second or past jobs (past 5 years), professional relationships with holders of qualifying participations in the Bank, with the staff of the Bank or entities included in the perimeter of prudential consolidation.

### c Personal conflicts of interest:

There is considered to be a personal conflict of interest, for example, where a person:

- Has a close personal relationship with a Relevant Person;
- Is a party to legal proceedings against the Bank;
- Has, or has had during the past 5 years, significant business, whether privately or through a company, with the Bank.

Included in this category are personal relationships with the holders of qualifying participations and personal relationships with relevant external stakeholders.



d Political conflicts of interest:

The following are considered to be political conflicts of interest:

- Someone who is or has been in a close personal relationship with a person who holds, or has held during the last 5 years, a role as a Politically Exposed Person or that occupies political or public roles.

For the purposes of identifying types of conflicts of interest that arise in the course of the provision of services and whose existence may damage the interests of a customer or the Bank, the Bank takes into account whether the Bank itself, a Relevant Person or a Related Person is in a situation liable to give rise to a conflict of interests.

## **8 Adopted standards and procedures**

With a view to ensuring respect for the principles and to prevent conflicts of interest occurring, this policy establishes the organisational measures, procedures and monitoring mechanisms set out below and highlights measures to prevent, manage and/or mitigate typical conflicts of interest.

### **8.1 Measures applicable to Institutional Conflicts of Interest**

#### **8.1.1 Measures for the prevention and control of simultaneous or sequential involvement of employees in different financial intermediation activities**

The Bank's financial intermediation activities must be carried out, to the extent possible, by employees of the Bank, although there may be specific situations of agreements with companies in the Group providing financial intermediation auxiliary services. The simultaneous and sequential involvement of employees in different financial intermediation activities does not always mean that there will be an obstacle to proper management of conflicts of interest.

#### **8.1.2 Measures to prevent the occurrence of conflicts of interest in the placement and purchase / sale of financial instruments**

When the Bank is involved in consultancy on corporate financial strategies and subscription services or placing of financial instruments, it shall ensure that there is a centralised procedure to identify underwriting and placement transactions, and record that information, including: the date on which the Bank was informed of potential transactions of this nature; any commissions, fees or monetary or non-monetary benefits received, which must comply with the legal rules and regulations applicable to the receipt of third-party incentives and internal procedures; the content and timing of instructions received from customers; allocation decisions taken for each transaction to ensure a complete audit trail between the movements recorded in the customer accounts and the instructions received by the Bank, and in particular the final allocation to each investment account must be clearly justified and recorded.

Those responsible for the teams that provide placement services must ensure that the fixing of prices does not promote the interests of other customers, or the own interests of the Bank, in a way likely to generate a conflict with the interests of the issuer, and that there is adequate

segregation between employees who provide services to issuers and those who provide services to investors in the scope of offerings.

Any agreements which aim to benefit the interests of the Bank contrary to the interests of a customer issuing securities or the interests of one investor ahead of another investor in the offer are prohibited.

The Bank shall identify, in particular, all potential conflicts of interests arising from:

- a Other activities and services provided by the Bank or the respective group;
- b Services for execution of customer orders and underwriting or placement services;
- c Provision of investment services for customers to participate in a new issue, when the Bank receives commissions, fees or any monetary or non-monetary benefits by reference to the organisation of this same issue;
- d Placing with customers financial instruments issued by it or by entities in the same group or, if applicable, collective investment undertakings managed by entities in the same group;
- e Prior loans or credit granted by the Bank (or entity of the same group) to the customer as issuer, which may be repaid with the results of the issue.

The Bank shall identify potential conflicts of interest arising from other activities and apply appropriate management procedures. In cases in which the Bank cannot manage a conflict of interest through appropriate procedures, it must refrain from participating in the transaction or disclose the conflict of interest in accordance with the provisions of paragraph 11, below.

The Bank shall, whenever it performs transactions to meet customer orders, put at the disposal of such customers the financial instruments at the same price for which it acquired them.

### **8.1.3 Transparency measures that aim to ensure that customers provide authorisation in advance, in particular for the purchase of financial instruments issued by the Bank or by companies of the Banco Finantia Group**

Since this is a situation in which it is not possible to prevent a conflict of interest arising, professionals and non-professional customers are specifically informed that the financial instruments in question are issued by companies of the Group Banco Finantia, and must give prior authorisation to their purchase. The communication procedure is set out in point 9 below.

### **8.1.4 Procedures in relation to inducements**

The Bank may not pay or receive any remuneration, charges, fees, commissions, or any other pecuniary or non-pecuniary benefits or allocate costs in relation to the provision of an investment service or ancillary service to a customer (an "inducement"), unless such payment or receipt:

- i Is intended to improve the quality of service provided to the customer; and,
- ii Does not interfere with the obligation of the Bank or of its employees to act honestly, fairly and professionally in order to better serve the interests of customers.

The identification of inducements and their communication to customers, before the provision of the service, is the responsibility of the Director Responsible for each business area of the Bank.

#### **8.1.5 Procedures to ensure best execution**

The orders of professional and non-professional customers benefit from the principle of best execution. The Order Execution Policy defines procedures intended to ensure that customer orders are implemented in accordance with the criteria established for best execution.

#### **8.1.6 Procedures to prevent or control the exchange and circulation of privileged information**

Privileged Information means all information which is "specific, precise and able to sensitively influence the price" of securities or other financial instruments, known due to the exclusive performance of a professional role and that, if made public, could influence market value, and all data or information that is not in the public domain, which Relevant Persons know as a consequence of the performance of their duties, whether arising from or referring to customers, to the Bank to other Relevant Persons or third parties and that can be used with the purpose of gaining profit or advantage in the market, for themselves or another. With the aim of preventing or controlling the exchange and circulation of Privileged Information between employees involved in activities involving a risk of conflict of interests, the following procedures are established:

- a Mechanisms for the prevention of misuse of privileged information when such information risks damaging the interests of one or more customers;
- b Establishment of an organic structure that separates the different financial intermediation activities and ancillary services, by appropriate segregation of duties by areas, taking into account the specific risk of each function.
  - i Receipt, transmission and execution of orders on behalf of others;
  - ii Trading of financial instruments on own account;
  - iii Financial instrument investment advice;
  - iv Advice on capital structure, industrial strategy and related issues, as well as on the merger and acquisition of companies;
  - v Registration and deposit of financial instruments, as well as services related with holding them, such as the management of cash or guarantees;
  - vi Currency exchange and safe hire services, linked to the provision of investment services;
  - vii Assistance and placement in public offering relating to financial instruments.

The measures and procedures designed to prevent the circulation of information between Relevant Persons belonging to different areas are as follows:

- a The establishment of barriers between the areas, whether physical barriers, by physical separation of areas, or logical, at the level of computer systems – personal and non-transferrable computer access credentials to access the applications, files, databases, email, as set by more senior management, as well as through access registration;
- b Procedures for monitoring and periodic control, with the aim of demonstrating the effectiveness of these barriers.

Measures and specific procedures to adequately control the transfer of information, avoiding circulation between areas and not being accessible to people unfamiliar with the activity carried out, include:

- a Standard procedures for transfer of information between the separate areas;
- b Drawing up lists of the Relevant Persons who had access to privileged information through participation in transactions where, by their nature, privileged information was obtained. The lists referred to shall be made available to the Head of Compliance by the Director Responsible for the area, indicating the characteristics of the information, the date on which they were aware of the information and, if applicable, the affected values which must be regularly updated;
- c In the event of information becoming known by a group of people due to carrying out a transaction or the provision of a service, the head of the team having that information shall inform such persons of the type of information that they will receive and shall inform the Responsible Department Director of the identity of all persons having knowledge of the information, the characteristics thereof, the date on which each one of them knew, and if applicable, the values affected, so that the Responsible Director communicates promptly to the Head of Compliance under the terms set out in the Term Sheets Drafting Manual;
- d These employees must also be informed of the legal consequences arising from the disclosure or misuse of privileged information;
- e Possibility of transfer of privileged information to third parties, only where strictly necessary and subject to a confidentiality written declaration.

### **8.1.7 Establishment of appropriate procedures for transactions with Related Parties**

The Bank has in force a “Policy on prevention, communication and rectification of conflicts of interest involving Related Parties”. Under the terms provided for in that policy, the Bank conducts transactions with "Related Parties" in market conditions. "Relevant Business" with Related Parties is subject to prior notification of the relevant business to the board of directors and supervisory board, which are responsible for pronouncement on the proposed Relevant Business.

### **8.1.8 Procedures relating to Personal Transactions**

"Personal transactions" are transactions on financial instruments concluded by Relevant Persons or on their behalf, provided that:

- a The Relevant Persons are acting outside the scope of the functions they perform;
- b The transactions are performed on behalf of:
  - i The spouse or partner living with the Relevant Person under this policy, descendants and other family members who live with him or her for more than a year;
  - ii Any entity that is directly or indirectly controlled by the Relevant Person, formed for his/her benefit or of which he/she is the manager;
  - iii A company in which the Relevant Person holds, directly or indirectly, at least 20% of the voting rights or share capital;
  - iv A company in a group relationship with a company controlled by it;
  - v A person whose relationship with the Relevant Person is such that they have a direct or indirect material interest in the result of the transaction, in addition to the remuneration or commission charged for the execution of the same.

### **Prohibited Personal Transactions**

Personal transactions are specifically prohibited if they are incompatible with, or likely to be incompatible with, any obligation of the Bank to act honestly, fairly and professionally, in the interests of customers.

Relevant Persons involved in activities likely to give rise to a conflict of interest or that have access to privileged information or confidential information, are prohibited from carrying out personal transactions, or advising or asking others to carry them out:

- a Involving the misuse or improper disclosure of privileged or confidential information;
- b That violate any laws, regulations or ethics;
- c Which generate situations of conflict of interest with Banco Finantia or with its customers, without prior authorisation;
- d Relating to financial instruments issued by customers in relation to which the Bank is providing consultancy services on capital structure, industrial strategy and related issues, as well as on the merger and acquisition of companies or ancillary services in a public offering relating to securities.

Relevant Persons, when they are involved in the preparation of marketing communications, may not perform personal transactions contrary to those laid down in the marketing communications on financial instruments covered by the marketing recommendations or financial instruments related thereto, unless exceptional circumstances occur and are duly authorised by the Compliance Department.

In the event of doubt as to the existence of conflicts of interests or risk of violation of any legal, regulatory or ethical provision, the Relevant Persons must, before performing any personal transaction, inform the Compliance Department in writing of the transaction which they intend to perform, which is dependent upon prior written authorisation.

## **Specific Communication Procedures**

The Relevant Persons must keep an updated declaration with Banco Finantia with their significant economic connections, whether family or otherwise. (Annex III)

The Relevant Persons, whenever they carry out personal transactions shall notify the Compliance Department, in writing, within 24 hours, of the transactions performed.

The Relevant Persons undertake to deliver an extract or any other information about their portfolio of financial instruments, with a detailed description of the transactions carried out in a specific period and of all financial instruments which are held, whenever requested by the Compliance Department.

In order to reinforce the need for timely compliance with the duty to provide information relating to personal transactions, employees are advised twice before the deadline for response, and the Compliance Department, in the second notice, must also alert the line manager. If this is not enough, the Department of Human Resources must be informed so that the non-compliance of the employee is noted.

Without prejudice to the provisions of the previous paragraph, the Relevant Persons are exempt from the duty of communication for transactions relating to bonds and other debt instruments, participation units or those that have been carried out within the scope of a discretionary portfolio management contract (except those which correspond to binding orders transmitted to the manager), as well as the acquisition of shares in the context of privatisation processes.

The Compliance Department may prohibit any transaction if it considers that this is contrary to the interests of the Bank or to the applicable ethical principles, in particular related to market transparency.

### **8.1.9 Different procedures for the supervision of employees involved in financial intermediation activities which involve a risk of conflict of interest, whenever that may be detrimental to the interests of customers**

The controls implemented ensure that employees involved with the different financial intermediation activities which involve a risk of conflict of interests with possible damage to the interests of customers, report hierarchically to different persons, in particular those involved with trading activities on their own account or on behalf of customers, and those involved with the activity of producing investment recommendations, if this service is provided.

## **8.2 Applicable measures to conflicts of interest relating to employees**

### **8.2.1 Measures to prevent or limit the exercise of improper influence on how an employee carries out his activity**

The physical, functional and hierarchical separation of employees implemented by the Bank, duly adjusted to its size, allows for effective prevention of these situations.

Information about customers is held with due confidentiality, keeping access to data documents restricted to employees responsible for their processing, making access to this information by other employees conditional on approval, upon request.

Employees involved in different activities involving a conflict of interest carry out their activities with an appropriate degree of independence given the scale and the activity of the Bank and the importance of the risk of damage to the interests of customers.

### **8.2.2 Measures to ensure that the board of directors does not vote on any matters that have or may have a conflict of interest, or in relation to which their objectivity or capacity to adequately fulfill their obligations to the institution may be compromised**

The members of the board of directors shall abstain from participating in the vote on any matter in which they have, or might have, conflicts of interest, or in relation to which their objectivity or ability to comply properly with their obligations to the institution may be compromised. In addition, the members of the board of directors are prevented from participating in the discussions that precede the resolution and from receiving the respective documentation.

### **8.2.3 Procedures relating to gifts**

The Applicable Persons of this policy may not offer, accept or request a gift or offer of entertainment, advantage or any other benefit that would constitute an improper incentive to a Relevant Person, a Third-Party representative, a customer or Supplier to grant an improper advantage.

Relevant Persons may not offer or receive from customers, suppliers or third parties any benefits, rewards, remuneration or gifts, including in the form of recreational activities, which exceed a purely symbolic value.

Purely symbolic means alternatively:

- > An annual accumulated value less than €100.00;
- > Marketing objects of little value;
- > Occasional gifts due to festive situations (Christmas, wedding), provided that such gifts are not provided in cash and their value is deemed reasonable for the social uses depending on the occasion.

If it exceeds the purely symbolic value defined above, the subjects of this policy must follow one of the following procedures:

- i Return to the offeror the gifts received;
- ii Donate the gifts to a charitable institution, provided that this is not related to the offeror or the Applicable Person.

### **8.2.4 Procedures for the communication of positions previously held and procedures to be followed prior to the acceptance of a position to be exercised in combination with the position exercised at the Bank**

At the time of admission, all Relevant Persons must inform other positions/activities that they have held during the 5 years prior to joining the Bank, and that could lead to a conflict of interest situation.

Relevant Persons must inform the Head of Compliance of other positions/activities they intend to hold in combination with the office exercised in the institution prior to acceptance.

The Compliance Department shall issue an opinion on the possibility of combining the roles from the point of view of regulatory compliance and subsequently communicate the results of its analysis to the line manager of the Relevant Person who wishes to hold any position in combination with the role exercised within the Bank. The line manager, in conjunction with the board member will decide on the viability of the combination of roles, taking into account the law and contractual duties. In the case of members of the governing bodies, the intention to combine the positions/activities to be pursued simultaneously with the position/activity performed in the institution must be communicated to the Chairman of the respective body, who shall decide on the feasibility of the combination and who shall in turn inform the Head of Compliance. The communication to the President should contain the information set out in the selection and evaluation policy, and the following minimum information:

- > Part 7, 8 and 9 of the Questionnaire on suitability, professional qualifications, availability, independence and conflicts, which constitutes Annex 1 of Instruction No. 23/2018 of Banco de Portugal;
- > Statement of Commitment, signed by the member in question.

#### **8.2.5 Measures to eliminate any direct relationship between the remuneration of Relevant Persons principally engaged in an activity and the remuneration or revenues generated by, different Relevant Persons principally engaged in another activity, to the extent that may arise a conflict of interests in relation to these activities**

The Employee Remuneration Policy is approved by the board of directors and aims to encourage responsible business conduct, fair treatment of customers, to align the interests of employees with those of the Bank and avoid conflicts of interest in relationships with customers. Accordingly, there may not be a direct relationship between the remuneration of Relevant Persons principally engaged in an activity and the remuneration or revenues generated by different Relevant Persons principally engaged in another activity, where in relation to these activities a conflict of interest may arise.

The Employee Remuneration Policy in force is based, in general terms, on the payment of a fixed component of remuneration appropriate to the functions performed and aligned with market conditions, and a variable component of remuneration may be added based on quantitative and qualitative criteria previously defined and contained in the Employee Manual. In this context, it is important to highlight that the fixed component of the remuneration must, in any situation, represent the highest proportion of total remuneration, the policy is fully flexible as to variable remuneration and non-payment of any variable remuneration is possible. The institution has established an internal process for annual performance appraisal of each of its employees.

## **9 Obligation of communication**

All Relevant Persons have a duty to avoid situations that may give rise to conflicts of interest.

However, if a conflict of interest situation (actual or potential) is identified, the Compliance Department must be informed immediately:

- > by any Relevant Person, in the exercise of their functions and regarding any transactions in relation to which a conflict of interest situation is found or in which a person or entity that is a



Related Party of the Bank by virtue of the relationship that it has with such a Relevant Person;

- > by the head of department in the event of a conflict of interest of the department;
- > by any employee, as soon as he becomes aware of a potential or actual conflict of interest situation, even without observance of the chain of command;
- > The Chairman of the board of directors or the supervisory board, in the case of the conflict of interest situations described below.

Any identified direct or indirect, actual or potential conflict of interest, of an individual or collective nature, that involves members of the board of directors or supervisory board, or members of the committees which support these bodies, on their own behalf or on behalf of third parties, in possible conflict with the interests of the Bank, must be properly documented (including, where applicable, the information set out in point 12 below) and communicated to the respective body for resolution and subsequent communication to the Compliance Department for implementation of the procedures described in point 10 and following. If the conflict of interest relates to a member of the board of directors, this must be communicated to the Chairman of the board. After the communication, the conflicts of interest are discussed, decided and properly managed by the board of directors and subsequently communicated to the Compliance Department for implementation of the procedures described in point 10 and following.

The conflict of interest situation identified and communicated must be drawn up in writing, within three days, and sent to the following address: [compliance@finantia.com](mailto:compliance@finantia.com). The communication must be substantiated, complete and include, where applicable, the information set out in point 12.

## **10 Processing and recording of situations of conflict of interests**

The Compliance Department shall objectively identify and analyse each conflict of interest situation, and may, at any time, request additional information and clarifications about the specific situation, the measures already adopted and other information deemed relevant to the management of the conflict of interest under consideration, in order to conclude one of the following:

- a No Conflict of Interest - Conclusion that the situation in question is not a conflict of interest situation. In this case, the Compliance Department shall record the identification of the situation, the conclusion reached and file the case.
- b Confirmation of Conflict of Interest - In this case, it must evaluate the specific situation, with all available evidence, deciding:
  - i that the conflict can be avoided: a) if the conflict is defined through the control mechanisms in force and the implementation of the respective mitigation measures; or b) if a conflict is not defined, by new control mechanisms to be implemented.
  - ii that the specific conflict situation, related to the provision of services to customers, cannot be avoided, because suitable measures for the respective resolution do not exist or may not be possible to define, in which case the Compliance Department shall communicate the situation in accordance with point 13 below.

The analyses performed and the results are duly documented by the Compliance Department, especially in cases of Confirmation of Conflict of Interest, through the issue of an opinion, containing the respective recommendations. The opinion shall be issued within a maximum of 15 working days, informing the employee or the head of department, and other departments or managers, as applicable.

The measures implemented or to be implemented to manage or mitigate/correct the conflict of interest situation identified and accepted, are monitored continuously and documented every four months in the report of the compliance function.

The Compliance Department is responsible for ensuring the maintenance of a centralised and updated register of all conflicts of interest identified and communicated.

## **11 Assessment of materiality**

In consideration of the significant/material nature of conflicts of interest, it will be necessary to assess the impact that the conflict of interest may have on the ability of the Relevant Person to carry out their functions and on the damage that this may cause to customers of the Bank and the Bank itself.

Conflicts of interest that meet one of the following qualitative and/or quantitative limits are considered material:

Qualitative criteria:

- a Conflict of interest by a member of a company body or by holders of key functions;
- b Conflict of interest by employees who provide services related to the marketing of products and/or provision of services.

Quantitative criteria:

- a Conflicts of interest whose frequency exceeds 4 (four) times;
- b The benefit/prejudice that the non-compliance represents to the Bank exceeds the sum of EUR 500,000.

## **12 Register**

The preparation of the register allows monitoring and continuous evaluation of conflicts of interest.

The Register shall include the following information, as applicable:

- a Conflict of interest situation identified;
- b Distinction between conflicts of interest that persist and conflicts of interest that relate to a single event, which can be mitigated with only one measure;

- c Identification of the structural unit involved;
- d The identity of the person(s) affected, whether individuals or legal entities, who were exposed to the conflict of interest - both on the part of the customer and the Institution - company bodies, holders of essential functions or other employees;
- e Date or period in which the conflict of interest took place;
- f Causes of conflict of interest or circumstances that caused it;
- g Relationship with other conflict of interest situations, when applicable;
- h Expected consequences of the conflict situation;
- i Decision;
- j Mitigation measures established;
- k Identification of the person or body responsible for the implementation of mitigation measures;
- l If the conflict is resolved, an indication of the date of completion of the situation identified;
- m References of communications with the people affected and filing of the same.

Conflicts of interest considered material are reported to the Human Resources Department to ensure proper investigation and disciplinary procedures.

### **13 Communication of conflicts of interest to customers**

After analysis of the conflict of interest, in accordance with paragraph 10, the Compliance Department shall analyse and register the occurrence and assess the ability to prevent the occurrence of the conflict of interest.

In the events under point 10 b) ii), if the measures adopted by the Bank are not sufficient to ensure, with reasonable certainty, avoidance of the risk of customers' interests being damaged, the Bank, through the Compliance Department shall opt for one of the following solutions:

- a Inform the customer of the existence, origin and nature of the conflict of interest prior to the provision of the service, in order to obtain his consent; or,
- b Refuse to provide the service.

The dissemination of information to the customer in terms of item a) above, shall include a specific description of the conflicts of interest that arise in the provision of investment services and/or ancillary services, taking into account the nature of the customer to whom the disclosure is made. It explains the general nature and origins of the conflicts of interest, as well as risks to the customer that arise as a result of the same and the measures taken to mitigate these risks, with a sufficient degree of detail that allows the customer to make an informed decision with respect to the investment service or ancillary service in the context of which the conflicts of interest arise.

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The communication shall be made by the Compliance Department, on durable medium.

## **14 Conservation and filing**

Conflicts of interest communicated under this policy, as well as the reports to which they give rise, are kept on paper or on another durable medium that allows the full and unchanged reproduction of the information, for a period of five years and placed permanently available of the supervisory entities.

## **15 Responsible bodies and employees**

The board of directors is responsible for the adoption of policies that prevent the occurrence of conflicts of interest and define patterns of behaviour that Relevant Persons must observe in the performance of their functions.

In relation to Conflicts of Interest, in addition to the responsibilities already referred to, the Compliance Department has the following responsibilities:

- a Submit for the approval by the board of directors (or whoever it delegates, in accordance with the legislation in force) the Conflict of Interest Policy;
- b Periodically evaluate, at least annually, the Conflict of Interest Policy, proposing, if appropriate, the necessary measures for its improvement;
- c Clarify any doubts of Relevant Persons on this Policy and other detailed rules for conflicts of interest;
- d Keep the necessary records to document management and implementation of this policy, including the criteria used to resolve certain types of conflict of interest, allowing uniform resolution of specific situations;
- e Promote the adequate training of employees, in matters related to internal policies in the field of prevention of conflicts of interest and related parties;
- f Establish procedures to ensure the identification, monitoring and control and evaluation of the rules on conflicts of interest provided for in the Policy.

Employees are responsible for identifying and reporting any possible conflicts of interest, potential or actual, and are required to know and comply with this Policy, and other applicable policies and procedures, related to the identification, documentation, redirection and management of conflicts of interest.

## **16 The consequences of non-compliance**

Non-compliance with the rules laid down in this Policy may be considered a serious breach of conduct, and, in consequence, give rise to the application of disciplinary measures, under a disciplinary procedure, pursuant to general labour law, with the immediate suspension of the

worker or the application of other immediate preventive measures, in accordance with applicable law.

In the event of a non-compliance with the rules laid down in this Policy, the Compliance Department will assess its materiality.

In the case of material non-compliance, the Compliance Department shall inform the Human Resources Department, to initiate the necessary and appropriate measures for each case.

In addition to disciplinary sanctions, the practice of acts that violate this Policy or the principles enshrined in it, in particular making any personal transactions in violation of the provisions of this Policy, will create civil liability under the general terms of law.

## **17 Updates**

This Policy will be reviewed at least annually. The review may occur whenever there is any change likely to affect the proper functioning of the Bank in terms of management of conflicts of interest or any legislative or regulatory change as required.

## **Annexes**

### **Annex I - Code of Conduct of the Banco Finantia Group**

#### **Chapter I Scope and Purpose**

##### **Article 1 - Scope and Purpose**

- 1 This Code of Conduct (hereinafter referred to as "the Code"), establishes the standards of conduct that include the set of rules and ethical principles to be observed by members of the governing bodies of the Banco Finantia Group (hereinafter referred to as "Finantia Group") and their Employees (together referred to as "Employees"), in the performance of the professional duties which are entrusted to them at any time.
- 2 Employees subject to the regime of the Code are those which have entered into a contract of employment or for the provision of services with any company of Finantia Group, as well as permanent external consultants.
- 3 Employees are also required to comply with the rules laid down in the Code of Conduct of the APB. Its violation constitutes a disciplinary infraction and is subject to the scheme provided for in Chapter VI.

##### **Article 2 - Purposes**

The rules laid down in this Code aim to:

- a Ensure compliance with the provisions of the law in relation to the professional duties of the Finantia Group and its Employees;
- b Ensure that, in addition to complying with the rules and obligations arising from the applicable legal provisions and regulations, the activity of the Finantia Group will be pursued in accordance with rigorous ethical principles and conduct;
- c Contribute to demonstrating an institutional image of rigor and competence.

#### **Chapter II Ethics and Professional Ethics**

##### **Article 3 - General principles**

- 1 The Finantia Group acts based on rigorous standards of integrity, honesty, competence and professional ethics.
- 2 This position must be instilled in all Employees at all levels and transmitted immediately to the Employees that are part of the team. To facilitate and encourage this task, the board of

directors adopted the principles of good conduct listed below that they expect to be observed by all Employees.

- 3 If any Employee is suspected of non-compliance with the legislation or the internal rules in force, the respective leadership must communicate the situation to the Human Resources department which will act in accordance with the provisions laid down in the internal rules and applicable legislation, in particular for the collection of evidence for investigation, and the opening of disciplinary proceedings, if necessary.

#### **Article 4 - Equality of treatment between customers**

- 1 No discrimination is permitted between customers, on the grounds of gender, race, religion or sexual orientation.
- 2 The rule laid down in the preceding paragraph shall not preclude the practice of differentiated conditions in the carrying out of transactions and the provision of services, taking into account the risk of transactions, profitability and/or profitability of the customer.

#### **Article 5 - Harassment at Work**

- 1 Harassment is unwanted behavior, in particular based on a discrimination factor in relation to access to employment or self employment, work or training, with the purpose or the effect of disturbing or embarrassing the person, affecting their dignity or creating an intimidating, hostile, degrading, humiliating or offensive environment.
- 2 Sexual harassment is unwanted conduct of a sexual nature, in verbal, non-verbal or physical form, with the purpose or the effect referred to in the previous paragraph.
- 3 The Finantia Group absolutely rejects any harassment at work, and Employees must adopt exemplary behaviour and good conduct in order to prevent, avoid and combat harassment in the workplace.
- 4 Where and when any Employee is aware of alleged situations of harassment at work, he shall immediately communicate this to the Human Resources Department, which shall take the appropriate measures.
- 5 The Human Resources Department shall initiate a disciplinary procedure whenever it has knowledge of an alleged situation of harassment at work, which will, if proven, give rise to the application of disciplinary sanctions as appropriate and proportional to the case.

#### **Article 6 - Protection of the Customer**

Employees must always give priority to the legitimate interests of customers, both in relation to the interests of the Finantia Group and in relation to their own interests.

#### **Article 7 - Reputation**

Employees must always behave in such a way as to preserve the good reputation of the Finantia Group. As we all know, good reputation is a valuable asset for our organisation that took years to build, but that can be destroyed quickly.

### **Article 8 - Excellence in Professional Conduct**

Employees must maintain a profile of exemplary work, focusing its activity on the highest possible levels of competence, diligence and efficiency, and comply with all legal and regulatory provisions applicable to their activity.

### **Article 9 - Conflicts of Interest**

- 1 Employees must avoid situations in which their personal interests may be in conflict with the interests of the organisation. So they must not act as representatives of the Finantia Group in transactions in which they have a special relationship or a financial interest.
- 2 Employees must follow the internal regulations applicable, in particular the provisions of the Conflict of Interest Policy.

### **Article 10 - Confidentiality**

In accordance with the provisions of the Conflict of Interest Policy, employees must ensure confidentiality of the facts and information to which they have access, or which have come to their knowledge in the performance of their duties.

## **CHAPTER III Internal Organisation**

### **Article 11 - General Principle**

- 1 With a view to fulfilment of the provisions of this Code of Conduct, the Employees of the Finantia Group must ask their line managers which guidelines they deem necessary, as well as clarification of any doubts which they have regarding the subject matter of it.
- 2 The respective board of directors is responsible to finally resolve any situation to be clarified.

### **Article 12 - Taxation**

All services or transactions with customers should fully respect the provisions of the law and regulations in force in tax matters (taxes or charges), and the Finantia Group must refuse the provision of any service or to carry out any transaction, which involves, or could involve, expressly or covertly, the violation of these rules.



### **Article 13 - Money Laundering**

- 1 In accordance with established standards both at national and international level and with a view to avoiding the use of the financial system for the purpose of money laundering, the Finantia Group has a duty to communicate to the competent authorities any transactions which give rise to suspicions in this area.
- 2 In view of the provisions of the preceding paragraph, the Employees of the Finantia Group must inform their line managers and/or the body appointed by the board of directors of any transactions and/or conduct which, by its nature, amount or characteristics, may indicate the use of sums derived from illegal activities, in accordance with the internal rules on the Prevention of Money Laundering in force within the Finantia Group.

### **Article 14 - Customer Complaints**

- 1 Complaints by customers shall be forwarded to the board of directors in accordance with the internal rules in force.
- 2 The body responsible for handling complaints shall take the measures that it deems appropriate to assess these and send a reply to the customer, in accordance with the internal rules in force.

### **Article 15 - Improper Benefits**

- 1 Employees of the Finantia Group must not seek, receive or accept from customers, suppliers or third parties any benefits, rewards, remuneration or gifts that exceed a purely symbolic value and that, in some way, may be related to the activity that Employees carry out in Finantia Group.
- 2 Employees must declare in writing to their line manager, any gifts received from customers, suppliers or third parties.
- 3 If they exceed the purely symbolic value, Employees must return the benefits received or donate them to a charitable institution.

### **Article 16 - Communication of Irregularities**

- 1 Employees of the Finantia Group shall communicate to the supervisory body any irregular practices that they detect, or of which they have knowledge or reasonable suspicion, in order to prevent or to block irregularities that may cause financial or reputational damage to the Finantia Group.
- 2 The communication referred to in the preceding paragraph shall be made in writing and contain all elements and information that the Employee has and which it considers necessary for the evaluation of the irregularity. The Employee may also request that the origin of the communication be treated confidentially.

### **Article 17 - Relations with the Authorities**

In relations with the supervisory authorities, tax administration and judicial authorities or bodies of the criminal police), Employees of the Finantia Group must proceed with diligence, asking their line managers for clarification of any doubts which may arise.

### **Article 18 - Information and Publicity**

- 1 All information provided by the Finantia Group to customers, the authorities and the public in general, as well as publicity, must comply with the principles of legality, clarity, accuracy and timeliness.
- 2 Employees must provide to customers, in relation to the services offered, requested or provided, all information necessary for informed and substantiated decision-making.

## **Chapter IV Transactions on Financial Instruments**

### **Article 19 - Personal Transactions carried out by Employees**

- 1 Employees involved in activities likely to give rise to a conflict of interest or that have access to privileged information or other confidential information are prevented from performing personal transactions or advising or requesting others to carry out transactions in financial instruments, which involves the misuse or improper disclosure of privileged or confidential information.
- 2 Without prejudice to the foregoing paragraphs the procedures relating to personal transactions listed in the Conflict of Interest Policy in force from time to time must also be observed.
- 3 Employees of the Finantia Group must, in accordance with the Conflict of Interest Policy, keep updated the declaration of their significant economic, family or other connections.

### **Article 20 - Prevention of transactions based on privileged information**

- 1 Employees who, for the purpose of their functions, have knowledge of information which has not yet been made public and that may influence the price in any market, must keep and maintain such information under strict confidentiality and refrain from making transactions on financial instruments involved until the public dissemination of information.
- 2 In particular, the following are reserved matters, which must be confined to the services and Employees of the area to which they relate as well as members of the governing bodies responsible for these activities:
  - a Special transactions - primary market, OPD's and OPA's - until their disclosure to the public.

- b Investment recommendations or changes of recommendation, until the date of their disclosure to customers.
- 3 Employees involved in or responsible for organising and assembling of special transactions must refrain from making transactions on company securities or sectors which are the subject of the transaction, from the beginning of this organisation and assembly until the public disclosure of the transaction.
- 4 Employees involved or responsible for the elaboration of studies about companies or sectors must refrain from making transactions on company securities or sectors which are the subject of the study, from the beginning of this study until the disclosure of the documents.
- 5 Employees must comply with other internal documents.

## **Chapter V**

### **Standards and procedures specific to Investment Advisers**

#### **Article 21 - Standards of ethics and independence**

The conduct of investment advisers is guided by the principles and standards of professional conduct laid down in the Securities Code, the General System of Credit Institutions and Financial Companies and the Code of Conduct of the Portuguese Banks Association, and these must always observe rigorous standards of integrity and honesty, diligence, loyalty and transparency, and must comply and ensure compliance with the rules and principles laid down in this Code.

#### **Article 22 - The need for prior registration and professional qualification**

- 1 Investment advisers are subject to prior registration in the Securities Market Commission ("CMVM") as required by applicable law.
- 2 For this purpose, investment advisers must be professionally qualified for the practice of investment advice, in accordance with the conditions set by CMVM Regulation 2/2007 or others stipulated by the CMVM.

#### **Article 23 - Internal Organisation, methodologies and professional practices to ensure the quality of its services**

- 1 The internal organisation, methodology and professional practices which guide the investment advice are governed by the Finantia Private Procedure Manual.
- 2 Only financial instruments that the customer has knowledge or experience of may be recommended, in accordance with the suitability test to which it was subjected, in compliance with applicable legislation.
- 3 The issue of investment recommendations and any Bank initiatives in relation to customers assumes prior consultation of the suitability test, whose results are published in the computer programme.

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- 4 The information provided to customers by consultants shall comply with the provisions of this Code, in particular Article 18.

#### **Article 24 - Conflicts of interest, professional secrecy and personal transactions**

The policy on conflicts of interest, professional secrecy and the terms in which the investment advisers can perform personal transactions shall be governed by these rules, and in particular the Conflict of Interest Policy.

#### **Article 25 - Method of setting remuneration**

In order to ensure the independence and objectivity of the recommendation drawn up by the investment consultant, the remuneration of the investment advisers is not dependent on the investments recommended and, when it includes a variable component, this constitutes a balanced proportion of total remuneration, taking into account, specifically, performance, responsibilities and functions, as laid down in the Employee Manual.

### **Chapter VI Disciplinary authority**

#### **Article 26 - Scope**

Violation of these rules by Employees constitutes misconduct liable to lead to the commencement of a disciplinary procedure and shall be subject to the arrangements provided for in this chapter, without prejudice to the application of civil and criminal provisions.

#### **Article 27 – Competency**

- 1 In the event of non-compliance with these rules, the Human Resources Department shall take the necessary steps to commence the appropriate procedures.
- 2 In relation to conflicts of interest, the Compliance Department shall inform the Human Resources Department to initiate the necessary and appropriate measures for each case in accordance with the Conflict of Interest Policy in force.

## Annex II - Declaration of knowledge of the Conflict of Interest Policy

### Declaration of Knowledge of the Conflict of Interest Policy

I, [name], in the capacity of [position/function], hereby declare that I have full knowledge of, and accept and respect the Conflict of Interest Policy and its Annexes (having been provided with a copy of the same, as approved by the Board of Directors of Banco Finantia, S.A. on [dd/mm/yyyy] and I undertake to respect and comply with its rules.

[Place and Date]

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[Signature]

### Annex III - Declaration of significant connections

#### Declaration of Significant Connections

*(in accordance with point 8.1.8 II) of the Conflict of Interest Policy)*

Holder \_\_\_\_\_

Spouse/Partner \_\_\_\_\_

\_\_\_\_\_

Dependent children \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Other relatives in household (more than 1 year) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Companies in which the holder holds at least 20% of the voting rights (indicating those controlled by the holder) \_\_\_\_\_

\_\_\_\_\_

\_\_\_\_\_

Other persons whose relationship is such that they have a direct or indirect material interest in the result of the transaction, other than the fee charged for the execution of the same \_\_\_\_\_

\_\_\_\_\_

There are no connections

*The data collected is processed automatically and is intended for the exclusive use of Banco Finantia, S.A. for control purposes for personal transactions by its employees. All interested parties may access the information that concerns them and request its correction, addition or deletion by contacting the Bank.*

[Place and Date]

\_\_\_\_\_

[Signature]