

Reporting of Irregularities Policy

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1 Introduction

This Reporting of Irregularities Policy ("**Policy**") of Banco Finantia, S.A. (hereinafter "**Bank**" or "**Banco Finantia**") aims to define the internal procedure and implement the specific, independent, autonomous and appropriate means for the receipt, treatment and filing the Irregularities reports involving the Bank or any of the entities directly or indirectly owned by it (hereinafter "**Banco Finantia Group**").

Banco Finantia, through the Compliance Department and the AML Department, with regard to the matter of Prevention of Money Laundering and Financing of Terrorism (hereinafter "**PMLFT**"), as well as with regard to the prevention of corruption and related offences (hereinafter "**PC**"), will promote the guidelines instituted by this Policy, including its branches and subsidiaries.

The Compliance Department is the structural unit of the Bank which, in conjunction with the supervisory body, is responsible for monitoring the implementation of the procedure established by this Policy. The AML Department is particularly responsible for compliance of the implementation and effectiveness of the procedures within the scope of the reporting of Irregularities when matters related to the PMLFT/PC are at stake.

2 Concept of Irregularities

2.1 "**Irregularities**" that may be reported under the terms of this Policy, are any acts or omissions capable of evidencing total or partial non-compliance or imminent non-compliance with any duty arising from a legal, regulatory or internal rule, to which any entity of the Banco Finantia Group is bound, in any jurisdiction in which it carries out its activity, namely:

- a related with the administration, accounting organisation and internal supervision of the Bank or that correspond to evidence of breach of duties provided for in the Legal Framework of Credit Institutions and Financial Companies ("RGICSF"), in Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June ("**CRR**"), as well as, for the Spanish Branch, Law No. 10/2014 of 26 June, particularly those that are likely to place the Bank or an entity that is part of the Banco Finantia Group in a situation of financial imbalance;
- b in matters of combatting money laundering and the financing of terrorism, pursuant to Law No. 83/2017 of 18 August, regulations that implement it and policies, procedures and controls internally defined in this regard;
- c infringements of Union law, as provided for in Article 2(1) of Law No. 93/2021 of 20 December;
- d relating to the prevention of the commission and/or occurrence of crimes, in particular corruption and related offences, under the terms laid down in Decree-Law 109-E/2021 of 9 December and taking into account the provisions of the Portuguese and Spanish Penal Codes;

- e concerning duties of conduct, as well as internally established principles, values and ethical standards.

2.2 The irregularities reporting channels are not intended for sending complaints or claims, and should not be used for this type of communication, which will not be processed through these channels, except in the case of an Irregularity, as defined in 2.1.

3 Right and Duty to Report

3.1 Irregularities may be reported by employees, including members of governing bodies and key function holders, persons providing services on a permanent or occasional basis in any entity of the Banco Finantia Group (hereinafter, abbreviated as "Employees" or "Reporting Person").

3.2 Employees who, by virtue of the functions they perform at the Bank, namely in Internal Control, Internal Audit, Risk Management, Compliance or AML, have a special duty to report to the supervisory body any Irregularities of which they become aware.

4 Reporting of Irregularity

4.1 The Irregularity report shall be made in writing and according to its content, shall be submitted through one of the following channels:

- a By e-mail, using the e-mail address created specifically for this purpose: participacao.irregularidades@finantia.com or, with regard to the prevention and/or occurrence of crimes within the scope of the Spanish Branch, by e-mail to prevencion.delitos@finantia.com;
- b On the Intranet of Banco Finantia, through the link "irregularities report", using one of the following options:
 - i) "Money Laundering | Corruption": if related to suspected money laundering or corruption offences;
 - ii) "Irregularities", for situations provided for under Article 2 of this Policy, and other situations not provided for under paragraph i);
- c By letter sent by post to the address: Rua General Firmino Miguel, Nº 5, 1.º andar, 1600-100 Lisbon, addressed to the Audit Committee, Compliance Department or AML Department.

4.2 The channels for reporting irregularities are subject to disclosure via Banco Finantia's intranet.

4.3 A report may also be made verbally, including by telephone, and must be communicated directly to the Compliance Department or, where a matter related to PMLFT/PC is concerned, to the AML Department, who shall put the report in writing as soon as possible, and the Report Author shall certify that the document accurately reflects the complaint.

4.4 Anonymous contributions are permitted and, for this purpose, a letter must be sent by post to the supervisory body in a double envelope, with the word "Confidential" written legibly on the inner envelope containing the report, to the address referred to in 4.1 c), except in those cases

specifically provided for in which, due to legal or internal regulations, identification of the Report Author is necessary.

4.5 In addition, or as an alternative to the channels defined above, the Report Author may report the same facts through other alternative channels, namely through direct communication to the internal control functions (Compliance, Risks, Internal Audit and AML).

4.6 When requested by the Report Author, the information contained in the report should be forwarded anonymously to the management body, as applicable, and/or to all the institution's stakeholders in the process.

4.7 Except in the case of anonymous reports, whenever the report of an Irregularity is made in writing, an acknowledgement of receipt of the report must be sent to the Report Author within seven days from the date of receipt of the report, informing, in a clear and accessible manner, of the requirements, competent authorities, form and admissibility of the external complaint, which shall be assured, by the Compliance Department or the AML Department, as the case may be.

5 Report Contents

5.1 Reports must contain the following information:

- a identification of the Report Author (full name/contact address, this information is optional) and the Accused Party, if any;
- b description of the facts reported;
- c elements and/or documents on which it relies to report the Irregularity.

5.2 To facilitate reporting, a template report is attached (Annex I - Irregularity Reporting Template). The use of this template is advisable but optional and the report may be made in the format considered most appropriate by the Reporting Author.

5.3 Communications should be made in good faith, with the respective grounds indicated. It is not necessary for the Report Author to be in possession of evidence of a violation to report an Irregularity, however, he or she must have a degree of certainty which provides sufficient grounds for initiating an investigation.

5.4 Deliberate and unfounded use of the available reporting channels may constitute an offence of various kinds, including disciplinary, civil or criminal and exclude the Reporting Author, within the scope of the report in question, from the protection afforded by Law No. 93/2021.

6 Report Monitoring

6.1 To whom should the report be addressed:

The Report Author must, as a rule, address the report to the supervisory body or to those responsible for internal control functions. When addressed to those responsible for internal control functions, and whenever appropriate and in accordance with the resolution of the supervisory body, the board of directors is informed.

An exception to this rule is the reporting of an irregularity related to money laundering and the financing of terrorism which, when not directly addressed to the supervisory body, must always be addressed only to the AML Department and which is only made known to the board of directors upon verifying the case, a decision has been taken not to inform the authorities, in accordance with the procedures set out in the procedures manual¹.

When the report is addressed to someone who is not competent to receive and/or process it, it must be immediately forwarded to the supervisory body or to one of the responsible for the internal control functions.

6.2 Decision of the supervisory body

The supervisory body may decide whether or not to inform the board of directors about the irregularity reported, based on the significance/material nature of the report.

6.3 A report is considered material when it meets any of the following criteria:

- a** It is classified by the applicable legislation as a serious or particularly serious offence, as well as in cases where it is subject to criminal liability;
- b** It is likely to generate a benefit/loss for the Bank in excess of EUR 2,500,000.

6.4 If the person accused in the report is someone involved in the process of receiving, processing or filing of reports, he/she must abstain from processing and analysing them, and send the report directly to the board of directors.

6.5 Once a report has been received, the supervisory body may delegate the subsequent steps, to the Compliance Department or the AML Department, as the case may be.

6.6 The Compliance Department is responsible for:

- a** verifying compliance with the reporting requirements;
- b** If there are sufficient grounds, initiating the necessary investigations for the complete establishment of the facts, with the possibility of requesting the support of any other services or departments, and if necessary, carrying out the appropriate internal actions to put an end to the reported violation;
- c** preparing a final report, in accordance with the predefined template in Annex II, within a maximum period of 2 months from the date of receipt of the report, providing the supervisory body with its reasoned conclusions:
 - i** in order to take the necessary and appropriate measures, within the time limits defined therein, to correct the irregularity reported and, if applicable, to apply the respective sanction, and shall also, when the specific situation so warrants, notify the competent authorities, or
 - ii** justifying the absence of any measures.

¹ Point 5.1 of the BCFT Prevention Manual and compliance with restrictive measures.

6.7 The AML Department is responsible for:

- a verifying compliance with the reporting requirements;
- b taking the necessary steps to investigate the case, gathering any clarifications and evidence that may be necessary for further compliance with the duty of examination.

6.8 The person responsible for Regulatory Compliance (“**RCN**”), in compliance with the duty of examination, makes the decision whether to communicate the report to the competent authorities. The decision not to report is critically reviewed by the relevant member of the management body and if this member reconfirms the decision taken, the remaining members of the management body are informed.

6.9 It will always be the final responsibility of (i) the supervisory body to decide on the appropriateness of the conclusions and measures that may be presented by the Compliance Department or, where applicable, (ii) the Board of Directors on the conclusions and measures resulting from the initial decision of the AML Department not to communicate to the Authorities.

6.10 The measures to correct reported Irregularities are monitored and documented by the Compliance Department or, when matters of PMLFT/PC are involved, by the AML Department, and monitored by the supervisory body.

6.11 Except in the case of anonymous reports, it is the responsibility of the Compliance Department or, when matters of PMLFT/PC are involved, the AML Department, to respond to the Report Author, within a reasonable period of time, which may not exceed 3 (three) months from the date of receipt of the report, informing about the measures envisaged or adopted to follow up on the report and the respective grounds.

7 Data Protection and Confidentiality

Banco Finantia guarantees the confidentiality of the reports received and the protection of the personal data of the Report Author, of third parties mentioned in the report and of the person accused of wrongdoing, in accordance with the General Data Protection Regulation (“**GDPR**”).

Banco Finantia will process, as the controller, the personal data strictly necessary to investigate the facts reported, ensuring that only personal data that is appropriate, relevant and not excessive will be processed in this context. Personal data that is clearly not relevant for the processing of the report will not be kept and will be deleted.

Banco Finantia will ensure confidentiality on the identity of the Report Author, except where it is legally required to disclose it, namely where such information is required to safeguard the rights of defence of those affected by the communication, for example, in the context of the investigations to which it gives rise or subsequent legal proceedings.

The Report Author may exercise, subject to the applicable legal requirements, the rights legally enshrined in relation to their personal data (including access, rectification, limitation of processing, opposition and erasure). They may consult the Privacy Policy, available at www.finantia.com and exercise their rights by e-mailing DadosPessoais@finantia.com.

Banco Finantia may transmit the personal data collected to (i) supervisory or judicial entities, in cases where the personal data in question are relevant to the fulfilment of the duty to report or to process the situations reported, or (ii) to Banco Finantia Group entities or third parties, for the purposes of investigating the irregularity reported.

8 Annual Report

The Compliance Department is responsible for preparing the "Annual Report on Irregularities"² to be submitted to the Bank of Portugal after prior assessment by the supervisory body, which must contain, among other elements, a description of the specific means for receiving, processing and filing the reports received, with a summary of the content of the reports and how they were handled, under the terms of Annex III.

Reports made relating to PMLFT/PC and handled by the AML Department will be reported autonomously to Banco de Portugal in the Prevention of Money Laundering Report, according to the applicable legislation.

9 Additional Guarantees

9.1 Conditions and Protecting Measures

The Reporting Author, who does so in good faith and who has serious grounds for believing that the information is, at the time of reporting or public disclosure, true, benefits from the conditions and protection measures conferred by this Policy and by Law No. 93/2021, of 20 December.

9.2 Non-Retaliation

An Irregularity report received under this Policy or made directly to the supervisory authority cannot in itself serve as a basis for any retaliation.

Without prejudice to other legal provisions, an act of retaliation shall be deemed to be an act or omission which, directly or indirectly, occurring in a professional context and motivated by an internal or external complaint or by public disclosure, causes or may cause the complainant, in an unjustified manner, to suffer pecuniary or non-pecuniary damage.

Acts of retaliation may be presumed under the law.

9.3 Defence and Adversarial Rights

On receipt of the report and the start of the procedure to which it gives rise, the accused person shall be informed of the start of the corresponding procedure and its purpose, except in cases where, for justified reasons related to the investigation itself, it is necessary to delay this communication.

Once notified of the opening of the procedure, the accused person will have the right to provide all the evidence they deem relevant and to make any allegations they deem appropriate for their

² Article 35(2)(f) of Bank of Portugal Notice 3/2020.

defence. Likewise, he/she will have access to any evidence that may have been gathered, except as regards the authorship of the complaint.

Prior to any decision, the accused person must have the opportunity, if he/she wish to do so, to present their allegations.

9.4 Presumption of Innocence

The presumption of innocence of the person under investigation shall be guaranteed throughout the proceedings and until a decision is made. Measures to preserve evidence may be imposed when necessary, always taking into account the principles of reasonableness and proportionality.

9.5 Communication of the Conclusion of the Procedure

Irrespective of the outcome of the investigation, the Reporting Party may request, at any time, the result of the analysis made of the complaint within 15 (fifteen) days of its conclusion.

Similarly, the Reporting Party will be informed, where appropriate, of the rejection of the complaint and the reasons for it.

The accused person will also be duly informed of the decision.

10 Registration and Retention of Reports

The reports received, as well as the reports to which they give rise, are recorded and stored, in a predefined, secure and restricted-access location, by the Compliance Department or, with respect to reports on matters of PMLFT/PC, by the AML Department, and recorded in a specific database, in a durable format, in order to allow the complete and unaltered reproduction of the information, for a period of 5 years, and regardless of this period, during the pendency of judicial or administrative proceedings.

11 Default

Failure to comply with this Policy, even if committed negligently, may constitute a disciplinary offence, notwithstanding any civil, administrative or criminal liability that may be incurred.

Notwithstanding the provisions of the preceding paragraph, failure to comply with the provisions of this Policy and/or of Law No. 93/2021, of 20 December, may constitute the commission of administrative offences, which are punishable with fines ranging from €500.00 to €25,000.00 for natural persons, or from €1,000.00 to €250,000.00 for legal persons.

Both attempted and negligent acts or omissions that violate the provisions of this Policy or of the aforementioned Law No. 93/2021, of 20 December, are punishable under the terms set forth therein.

12 Approval, Entry into Force and Amendments

This Policy shall be subject to periodic review, to be carried out at least every two years on the basis of a proposal from the Compliance Department and with the opinion of the AML Department, namely on matters of PMLFT/PC, and whenever relevant changes or situations occur that justify it.

The Board of Directors is responsible for approving this Policy and its successive alterations, after obtaining the prior opinion of the Audit Committee.

This Policy is disseminated internally to employees through its publication on the intranet and is published on Banco Finantia's website no later than 30 days after approval³.

³ Articles 35(5) and 64(1) of Bank of Portugal Notice 3/2020.

Annex I – Irregularity Reporting Template

Who are the participants involved in the Irregularity?

Place and date of the events you wish to report

If possible, please specify which legal rule has been violated

Identification of the Irregularity

Reasoned description of the Irregularity

Please include all relevant information that you did not enter in the previous fields

Supporting Documentation and Obtaining Evidence

- I have documents relating to the reported violation and I intend to attach them
- I am aware of documents relating to the reported violation, but I do not have them in my possession
- I do not have or know of any documentation relating to the reported violation

Have you reported this matter to other authorities?

- Yes
- No

When and on whose authority?

Identity: _____ Date: __/__/____

Annex II - Control Authority Reporting Template

Internal Report Reference

Identification of the Irregularity

Date of Completion of Investigation

Reporting Date to the Authority

Description of Irregularity

Reasoned conclusion on the reported irregularity

Necessary and appropriate measures to correct the reported Irregularity

Deadline for adoption of the measures

Communication to the competent authorities

Annexes:

Annex III - Annual Report Template**Annual Report
Reporting of Irregularities**

- A** A description of the means of receiving, processing and filing reports of irregularities provided for in paragraph 1 of Article 116-AA of the Legal Regime of Credit Institutions and Financial Companies.
- B** Indication, for each report received during the reference period, of the following elements:

Internal Report Reference	<input type="text"/>
Identification of the Irregularity	<input type="text"/>
Date of Receipt of Report	<input type="text"/>
Description of method of receipt	<input type="text"/>
Date of Conclusion of Investigation	<input type="text"/>
Reporting Date to the Supervisory Authority	<input type="text"/>

Summary description of the facts reported and analysis of the report, including the respective legal framework

Summary description of the steps taken to investigate the facts reported

Reasoned conclusion on the investigation

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Description of the measures taken or to be taken as a result of the report or reasons for not taking any measures



Deadline for adoption of the measures

Date on which the reply to the Report Author was sent

Date forwarded to the competent authorities

Status: process pending process completed

C Indication of the total number of reports received in the reporting period

Annexes:
