

Corruption and Related Offences Risk Prevention Plan (RPP)

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1 Framework

Decree-Law 109-E/2021, of 9 December, which created the National Anti-Corruption Mechanism ("MENAC") and approved the General Regime for the Prevention of Corruption ("RGPC"), requires, among other obligations, that legal persons based in Portugal employing 50 (fifty) or more workers adopt and implement a **Regulatory Compliance Programme**, which includes, in particular:

- > A **Risk Prevention Plan (RPP)**, encompassing the entire organisation and activity of the organisation, the objective of which is, on the one hand, to identify, analyse and classify the risks and situations that may expose the entity to acts of corruption and related offences and, on the other hand, to specify the preventive and corrective measures aimed at reducing the probability of occurrence and the impact of the risks and situations identified;
- > A **Code of Ethics and Conduct**, establishing the organisation's principles, values and standards of professional ethics and identifying both the risks of its exposure to such offences and the disciplinary sanctions applicable in the event of non-compliance;
- > A **Whistleblowing Channel**, which allows the monitoring of whistleblowing of acts of corruption and related offences, in accordance with the General Regime for the Protection of Whistleblowers;
- > A **Training Programme** that instructs managers and employees as to the policies and procedures implemented by the organisation for the prevention of corruption and related offences, taking into account the different degrees of exposure to the risks identified.

In compliance with these legal provisions, the Board of Directors of Banco Finantia, S.A. (hereinafter referred to as "**Banco Finantia**" or the "**Bank**"), has approved the **Regulatory Compliance Programme** (hereinafter, the "**Programme**"), to be in force in the Group, described and duly detailed in the document entitled "**Anti-corruption Policy**".

As stated therein, the main objective of the Programme is to create a culture of compliance in the Banco Finantia Group and, consequently, to reduce the likelihood of the practice of conduct that violates its operating standards, its principles and its values, with a special focus on the prevention of the commission of corruption crimes and related offences.

In addition to this RPP, the Regulatory Compliance Programme adopted by the Group includes, in particular:

- a) The Banco Finantia Group Code of Conduct;
- b) The Channels for Reporting Irregularities;
- c) The Training Programme adopted by the Bank within the scope of the prevention of corruption and related offences, to make Employees aware of the policies and procedures implemented to prevent corruption and mitigate these criminal risks.

Although not all Banco Finantia Group companies are bound by the provisions of the above-mentioned RGPC, the Regulatory Compliance Programme implemented by the Bank is extended to the entire Group, including this **Corruption and Related Offences Risk Prevention Plan**.

In this way, it aims to ensure compliance with the standards of conduct and ethics by which the Group should abide, which may also contribute to increasing relationships of trust and transparency with all persons and entities with whom the Group relates.

2 Purpose

This document describes the ***Corruption and Related Offences Risk Prevention Plan*** ("RPP" or "**Plan**") of Banco Finantia, S.A., which is an integral part and a fundamental piece of the approved Regulatory Compliance Programme, whose objective is, on the one hand, to identify, analyse and classify the risks and situations that may expose the Bank to acts of corruption and related offences and, on the other hand, to prevent and raise the awareness of all Employees regarding the commission of such crimes within and on behalf of the Bank.

This document details the elements that make up the RPP, as well as its implementation and operation, specifying the preventive and corrective measures aimed at reducing the probability of occurrence and the impact of the risks and situations identified in the Evaluation of Criminal Risks carried out.

3 Scope of application of the RPP

3.1 Objective scope

This RPP applies to the whole of Banco Finantia and, in a general, transversal and extensive manner, to all activities carried out by the Group.

Banco Finantia, S.A. is an independent Iberian-based bank, headquartered in Lisbon with more than 30 years' local and international experience, specialising in Private Banking and Corporate and Investment Banking.

The Bank has a branch in Spain - *Banco Finantia, S.A, Sucursal en España*, and holds a full or majority interest in several companies, its subsidiaries, all of which together are hereinafter referred to as the "**Group**" or "**Banco Finantia Group**".

The Bank's internal organisation is established in accordance with best practice, and the rules applicable to it, so as to respect the separation of powers, the existence of different levels of control and the establishment of hierarchical and functional reporting (**Appendix I - "Organigram"**).

3.2 Subjective scope

The RPP is directed at all levels of the Bank, including the members of its governing bodies, managers and other employees, as well as service providers when the nature of their functions so justifies (hereinafter jointly and generically referred to as "**Employees**").

It may also be extended, whenever possible, to third parties with whom the Bank does business.

3.3 Territorial scope

The RPP must be respected by all Banco Finantia Group Employees when carrying out their professional activity in any territory or jurisdiction in which they operate, and always in compliance with the corresponding local legislation.

4 Description of the Corruption and Related Offences Risk Prevention Plan (PPR)

4.1 Functions and Responsibilities

The Bank's Board of Directors shall be ultimately responsible for ensuring compliance of the RPP with the applicable legal requirements. To this end, it shall approve such policies and procedures as may prove necessary and shall promote their continuous improvement.

In order to achieve its effective implementation and correct and efficient operation, and in accordance with the provisions of Article 5 of the RGPC, the Bank has appointed a Regulatory Compliance Officer ("**RCO**"), who is also the Head of the Group's AML area, and who is responsible for ensuring the correct implementation, control and preparation of proposals for revision of this RPP.

Nevertheless, the effectiveness and operability of the Plan requires the commitment and cooperation of all the Bank's Employees.

In effect, the main roles and responsibilities of each group in this area are as follows:

4.1.1 Board of Directors

- 1 Approve the Code of Conduct, the Regulatory Compliance Programme and, in particular, the Criminal Risks Prevention Plan, as well as the Group's main policies and procedures relevant in this regard;
- 2 Appoint the Regulatory Compliance Officer, with powers of initiative and control who is expressly charged with the task of supervising the correct operation of and compliance with the Regulatory Compliance Programme and the RPP;
- 3 To provide the RCO, and the other departments, with the means and resources necessary for the design, development, implementation, evaluation and continuous improvement of the Regulatory Compliance Programme and, in particular, the RPP;
- 4 Have knowledge of the types of criminal offences which may constitute corruption offences and related offences;
- 5 Periodically check that the implemented RPP is complete, effective and duly updated.

4.1.2 Regulatory Compliance Officer

1. Oversee the effective operation of the RPP implemented at Banco Finantia, and its practical compliance, by carrying out the following tasks:
 - a) Have knowledge of and publicise internally the crimes of corruption and related offences, listed in Article 3 of the RGPC;
 - b) Promote awareness among all Employees of the legislation in force to which the Bank is subject as regards corruption, as well as the use of the whistleblowing channels to report any risks related to this type of crime;
 - c) Publicise internally the necessary information on the existing risks of committing crimes of corruption and related offences and promote the diligence and prevention measures that should be adopted to avoid them;
 - d) Promote the identification, by the areas of activities in which they may be committed, of crimes of corruption and related offences that must be prevented;
 - e) Regularly assess the knowledge of Banco Finantia Employees on the risks of committing crimes of corruption and related offences and on measures to prevent them;
 - f) Ensure that the preventive and corrective measures that are identified to reduce the probability of occurrence and impact of the risks and situations identified in the RPP are implemented.
2. Carry out regular verification and control of the implementation of the RPP, as well as its possible modification when relevant violations of its provisions are detected, or when changes occur in the control structure or in the activity carried out by the Bank that make them necessary;
3. Report regularly to the Bank's Board of Directors on the status of the RPP.

4.1.3 Other Employees

1. Collaborate with the Regulatory Compliance Officer in the exercise of their functions, namely in relation to the implemented RPP;
2. Execute the controls foreseen in the Bank, keeping evidence of their correct execution;
3. Report all information agreed with the respective managers, communicating any risk scenarios identified in relation to the crimes in question and any non-compliance that they identify or become aware of in this area;
4. Inform the Regulatory Compliance Officer of any deficiencies or improvement needs they identify in the RPP;
5. Clarify any questions they may have regarding the implemented RPP;
6. Adopt the preventive and corrective measures that are identified to reduce the probability of occurrence and the impact of the risks and situations identified in the RPP.

4.2 References and Elements of the RPP

The RPP implemented by Banco is inspired by the ethical principles and corporate values promoted by Banco Finantia Group and is based on the main national and international standards and applicable legislation, as detailed in **Annex II - "External References of the RPP"**.

Although its main objective is to raise awareness among Employees and prevent the commission of crimes within or on behalf of Banco Finantia, in particular to identify, analyse and classify the risks and situations that may expose the Bank to acts of corruption and related offences, listed in Article 3 of the RGPC, the implementation of this RPP contributes to the promotion and development of an ethical culture, which influences the decision-making and behaviour of the professionals who are part of the Group.

The RPP implemented in the Bank covers its entire organisation and activity and is composed of the following elements:

- 1 **Controls Catalogue:** list of all the existing controls implemented by the Bank, which contribute to the prevention and mitigation of the criminal risks identified;
- 2 **Criminal Risks Assessment and Map:** identification, analysis and assessment of each of the criminal risks (crimes) that may imply criminal liability for the legal person and/or embody corruption crimes and related offences, in accordance with the RGPC and the provisions of the Criminal Code;
- 3 **Anti-Corruption Policy:** internal policy that raises awareness among all Employees about the scourge of corruption, identifying the corporate values related to this matter, and the conduct that must be adopted to prevent and mitigate the risks related to the commission of the crime of corruption or related offences, which is part of the controls implemented by the Bank for the prevention of the commission of crimes. For this purpose, this document also establishes the powers of the RCO;
- 4 **Whistleblowing Channels:** confidential communication tools made available by the Bank for receiving complaints about risks or non-compliance with applicable legislation and its internal rules;
- 5 **Training on these matters:** to make all employees aware of corruption risks, the elements of the RPP and the activities to be carried out to implement and execute it effectively.

As noted above, adequate **financial, human and technological resources** will be made available to the RCO for the implementation and maintenance of the RPP and the prevention of the commission and/or occurrence of corruption crimes and related offences within the Banco Finantia Group.

This Plan will be subject to periodic verification and updating, which means that there will be continuous monitoring to ensure proper compliance with the RPP and to verify whether its design is appropriate to the legislation in force and the Bank's needs at any given time.

4.3 Methodology for Risk Classification and Evaluation

4.3.1 Identification, analysis and classification of risks associated with the commission of crimes of corruption and related offences

This RPP enshrines the identification, analysis and classification of risks and activities that may expose the Bank to acts of corruption and related offences, understood as the crimes listed in Article 3 of the RGPC and replicated in the table below:

Crimes of corruption and related offences	Applicable Legal Provisions
Influence peddling	Article 335 CP Article 10 of Law 50/2007 of 31/08
Money Laundering	Article 368a CP
Prevarication	Article 369 CP Article 11 of Law 34/87 of 16/07
Undue receipt or offer of advantage	Article 372 CP Article 16 of Law 34/87 of 16/07 Article 10-A of Law 50/2007, of 31/08
Passive corruption	Article 373 CP Article 17 of Law 34/87 of 16/07 Article 8 of Law 50/2007, of 31/08
Active corruption	Article 374 CP Article 18 of Law 34/87 of 16/07 Article 9 of Law 50/2007, of 31/08
Embezzlement	Article 375 CP Article 20 of Law 34/87 of 16/07
Embezzlement of use	Article 376 CP Article 21 of Law 34/87 of 16/07
Embezzlement due to error of another person	Article 22 of Law 34/87 of 16/07
Economic participation in business	Article 377 CP Article 23 of Law 34/87 of 16/07
Extortion	Article 379 CP
Abuse of Power	Article 382 CP Article 26 of Law 34/87 of 16/07
Active corruption undermining international trade	Article 7 of Law 20/2008 of 21/04
Passive corruption in the private sector	Article 8 of Law 20/2008 of 21/04
Active corruption in the private sector	Article 9 of Law 20/2008 of 21/04
Fraud in obtaining a subsidy or grant	Article 36 of DL 28/84, of 20/01
Misappropriation of a subsidy, grant or subsidised credit	Article 37 of DL 28/84, of 20/01
Fraud in obtaining credit	Article 38 of DL 28/84, of 20/01

The main risk activities, carried out by the different areas of activity of the Bank with a risk of the commission of acts of corruption and related offences, which were identified in the Assessment of Criminal Risks carried out, are described in **Annex III - "Identification, Analysis and Classification of Risks of Corruption and Related Offences"**.

That document, which forms an integral part of this RPP, sets out:

- i. The identification of the main **risk activities** carried out by the Bank;
- ii. An analysis of **risk factors** associated with each of these activities;
- iii. The correspondence of risk activities with the **areas of Bank activity** that carry them out;
- iv. The classification of the **inherent probability** associated with each of these conducts in view of the applicable criminal offences;
- v. An assessment of the inherent **impact** of the associated criminal risk;
- vi. A determination of the **level of inherent risk** attributed to each of the risk activities identified;
- vii. Classification of the **residual risk level** of each of the activities.

It should also be noted that the analysis and classification carried out, which is reflected in the aforementioned working document - **Criminal Risks Assessment and Map**, was made considering the reality of the banking sector and the geographical areas in which the Group operates.

4.3.2 Assessment of Identified Risks

In compliance with Article 6 of the RGPC, the risk assessment was carried out according to a risk scale defined according to the probability of occurrence and the degree of impact of each situation, in order to allow for the grading of risks through the allocation of a global risk level (inherent risk).

The assessment was based on the determination of a **Criminal Risk Map**, which was drawn up taking into consideration the activity pursued by the Banco Finantia Group, the types of crimes that may entail criminal liability for legal persons listed in Article 11 of the Criminal Code, as well as the crimes of corruption and related offences provided for in Article 3 of the RGPC.

This document details the elements that make up the RPP, as well as its implementation and operation, also specifying the preventive and corrective measures aimed at reducing the probability of occurrence and the impact of the situations and risks identified in the **Criminal Risk Assessment**.

The file containing the **Criminal Risk Assessment and Map** is therefore a supporting document and an integral element of this RPP, as referred to in section 4.2. above.

The **methodology** used in the Bank's criminal risk assessment process is described in the document "**General Policy on the Prevention of Criminal Risks**", which, as the name indicates, structures the Criminal Risk Prevention Programme implemented by the Group. In any case, and for ease of reference, it is also included in the document attached as **Annex IV - "Criminal Risk Assessment Methodology"**.

Without prejudice to the above, summarising what is detailed therein, the first variable analysed to determine the risks was the probability of occurrence of each crime, taking into account both the factors that increase and reduce it.

Regarding the assessment of the impact of potential criminal conducts, the penalties set out in the applicable legislation were considered, in particular the Criminal Code.

As a result of the application of the above variables (probability by impact), the criticality of the different conducts identified was obtained.

Similarly, based on the groups of crimes with the highest inherent probability, the risk activities or operations that could result in the commission of the identified crimes were identified and are described in ***Annex I of the General Policy on the Prevention of Criminal Risks***.

4.3.3 Preventive Measures / Controls

In order to calculate the **residual risk** of the activities and crimes analysed, an inventory of the controls that help prevent, detect or mitigate crimes that may be committed was drawn up, which is contained in the document called "**Controls Catalogue**", which is an integral element of this RPP.

This Catalogue describes each of the controls and assigns them a series of attributes (degree of implementation, level, mode, type, frequency and recording), through which their degree of robustness is obtained.

Taking into account its nature and defining attributes, the relationship of each control with the risks it mitigates is recorded.

However, it is important to bear in mind that in high risk situations, the preventive measures should be more exhaustive and their implementation should be a priority. Thus, the controls must be implemented and documented by the heads of departments, under their operating procedures, according to the prioritisation defined by the RCO, with regard to crimes of corruption and related offences, and by the Bank's Board of Directors.

Many of the controls implemented by the Bank for the prevention of criminal risks of corruption and related offences are **internal policies, procedures and mechanisms** of the Group.

In fact, in compliance with Article 17 of the RGPC, Banco Finantia has a significant set of internal guidelines, policies, manuals and control procedures that are duly communicated to the Employees to whom they apply, and which are permanently available for consultation on the Bank's intranet, as listed in ***Annex V - "Main Policies and Internal Control Procedures"***.

These documents, in addition to the particular purposes for which they are intended, aim to ensure:

- > Compliance with the applicable legal provisions;
- > Compliance with the policies, procedures and objectives defined by the Group;

- > Compliance and legality of the resolutions and decisions of the members of the respective bodies;
- > Respect for the principles and values stipulated in the Code of Conduct and recommended by the Banco Finantia Group;
- > Quality, timeliness, integrity and reliability of the information;
- > Transparency of operations;
- > Promotion of the good name and image of the Banco Finantia Group;
- > Prevention and detection of situations of illegality, corruption, fraud and error;
- > The appropriate management and mitigation of risks, in accordance with the RPP.

Also in contracting with third parties, the Group adopts a set of **procedures for prior assessment**, which allows it to make a preventive analysis of the risk in relation to third parties, suppliers and customers. The level of detail of these procedures will depend on the risk profile of the third party entity being evaluated, and should allow the identification of the respective effective beneficiaries, as well as the commercial relations with third parties, in order to identify any potential situation of conflict of interest.

The correct implementation of such controls, or preventive measures, will avoid or minimise the probability of occurrence and the degree of impact of the situations and risks identified, and is therefore of particular relevance to the Group.

4.3.4 Corrective Measures

Whenever the existing controls are not sufficient to prevent or mitigate the risks identified, the Bank will implement the necessary corrective measures for that purpose.

Any actions that are identified and need to be implemented will be recorded in the **Compliance Action Plan**, a dynamic document that is regularly monitored, with the aim of implementing actions to help mitigate the highest compliance risks.

As detailed in the **General Policy on the Prevention of Criminal Risks**, each action included in this Action Plan, which also establishes the risk mitigation measures identified in the RPP at any given moment, is associated with a responsible person, the expected date of implementation, its status, among other elements, in order to ensure the effective monitoring of its implementation and that the risks are mitigated within the expected timeframe.

Examples of corrective measures to be implemented include regular **training** on these issues, in particular regular training on the prevention of corruption.

A further corrective measure to mitigate the risks identified, is wide dissemination of the Bank's Regulatory Compliance Programme, of which this RPP is an integral part, and its monitoring and continuous improvement.

Both the preventive measures and the corrective measures adopted by the Bank from time to time shall be duly recorded, documented and filed in accordance with the provisions of section 7 below.

4.4 Whistleblowing Channels

The Whistleblowing Channels that are available to all Group Employees also serve as a **preventive or corrective measure** for any of the risks identified, since they make it possible to reduce the probability of their occurrence and their impact.

These channels are operated internally by the people and areas of the Bank appointed for the purpose, and which are set out in the **Whistleblowing Policy** in force, complying with the applicable legal requirements as to the guarantees of completeness, integrity, confidentiality, protection of personal data, keeping of reports, absence of conflicts of interest and prohibition of acts of retaliation against whistleblowers.

All Employees must report any risk or non-compliance with the legislation in force, the RPP and any other internal rules.

5 Ongoing monitoring, verification and evaluation of the RPP

In accordance with the applicable legal provisions, the RPP and its execution must be **continuously checked** in order to assess whether its design complies with the requirements of the legislation in force and to ensure its effectiveness.

In **October** of each calendar year, an **interim assessment report** must be prepared in relation to the identified situations of high or maximum risk. An **annual assessment report** must be drawn up in **April** of the calendar year following the execution of the RPP, containing, among other elements, a quantification of the degree of implementation of the preventive and corrective measures identified, as well as the forecast for their full implementation.

Without prejudice to the provisions of the preceding paragraph and the regular reviews of the RPP (at least every **3 years**), an analysis of the effectiveness and implementation of the RPP is carried out whenever deemed necessary and/or whenever relevant legislative changes occur, alterations are made to the organic or corporate structure of the Group, failures or opportunities for improvement are identified, when complaints or relevant information are received through the Whistleblowing Channels, or any other factors that justify it.

In this sense, the **evaluation** mechanisms of the Regulatory Compliance Programme implemented by the Bank will also focus on this RPP, with a view to assessing its effectiveness and ensuring its continuous improvement.

6 Communication and Training

For the RPP to function properly, Banco Finantia Group considers it essential that both the persons responsible for the RPP and other Employees are aware of how to implement it and of

the relevant applicable legislation. Therefore, it must be ensured that information is adequate, current, timely, accurate and accessible to all Employees.

In this regard, Banco Finantia carries out the following activities in relation to criminal risks:

- 1 Discloses the commitment of the Board of Directors and the Departments of the different areas, to **ethical behaviour and compliance with regulations**;
- 2 Ensures that all Employees receive adequate information and training on the **prevention of criminal risks**, in particular those that may have a greater likelihood and impact for the Bank, such as **crimes of corruption and related offences**;
- 3 Ensures that all Employees have **access to internal policies and procedures** considered relevant for the prevention of criminal risks, in particular those relating to the prevention of corruption and related offences, as well as that they are provided with all necessary clarifications on these matters;
- 4 Promotes the necessary **training actions** to ensure that all Employees have adequate knowledge of criminal risks, procedures and control measures in this matter, considering the different exposure of managers and workers to the identified risks. Such training will be enshrined in the **Training Programme in the scope of the Bank's Regulatory Compliance Programme**, and attendance at these training sessions will be counted as hours of continuous training that the employer must ensure to the employees, under the terms of the Labour Code.

7 Storage

The RPP must be controlled and embodied, both in a set of internal documentation and procedures, and in an inventory of evidence of its effective application, which allows its development, monitoring and supervision, as well as the assurance that it is functioning and in a process of continuous improvement.

All documents relating to the RPP are kept in hard copy, so as to permit full reproduction, and placed at the disposal of the supervisory bodies at all times.

8 Approval, Review and Publication

This RPP and its successive revisions are approved by the Bank's Board of Directors on the proposal of the Regulatory Compliance Officer.

In addition to the control and continuous checking of the RPP, detailed in section 5, it is subject to regular review, to be carried out at least every **three years** and whenever there are changes in the applicable legislation, as well as whenever there are any changes in the responsibilities or organic or corporate structure of the Bank that justify it, at the proposal of the Head of Regulatory Compliance.

The Bank shall ensure that the RPP and the reports provided for in section 5 are **publicised** to its Employees, through the intranet and its official website, within 10 days of their implementation and respective revisions or preparation.

This RPP enters into force on the date of its publication.