

## Reporting of Irregularities Policy

**Index**

1	Introduction and scope.....	3
2	Legal Framework .....	3
3	Concept of Irregularities .....	4
4	Right and Duty to Participate.....	4
5	Reporting Irregularities.....	4
6	Content of Participations .....	5
7	Monitoring Participations.....	6
8	Data Protection and Confidentiality .....	8
9	Annual Report.....	8
10	Additional Guarantees.....	9
11	Registration and Preservation of Holdings .....	10
12	Non-compliance .....	10
13	Approval, Entry into Force and Amendments .....	10
	Annex I - Sample Irregularity Reporting Form .....	11
	Annex II - Sample Report to the Audit Committee .....	12
	Annex III - Model Annual Report .....	13

## 1 Introduction and scope

The purpose of this Reporting of Irregularities Policy ("**Policy**") of Banco Finantia, S.A. (hereinafter "the **Bank**" or "**Banco Finantia**") is to define the internal procedure and implement the specific, independent, autonomous and appropriate means of receiving, processing and filing Reports of Irregularities involving the Bank or any of its directly or indirectly owned entities (hereinafter "the **Banco Finantia Group**").

Banco Finantia, through the *Compliance* Department and the AML Department, with regard to the Prevention of Money Laundering and Terrorist Financing (hereinafter the "**PBCFT**") and the Prevention of the Practice of Corruption Crimes and related offences (hereinafter the "PPCC"), shall promote the guidelines established by this Policy, including by its branches and subsidiaries.

The *Compliance* Department is the Bank's structural unit which, in conjunction with the Audit Committee, is responsible for monitoring the implementation of the procedure established by this Policy, with the AML Department in particular being responsible for ensuring the implementation and effectiveness of procedures within the scope of Reporting Irregularities when matters related to the PBCFT/PPCC are at issue.

Banco Finantia, S.A., Sucursal en España, (hereinafter the "Branch") in compliance with Law 2/2023, of 20 February, has approved a procedure for Reporting Irregularities adjusted to Spanish legislation, which is formalised in the standard "NM 100-023 Adecuación de la Política de Comunicación de Irregularidades a Banco Finantia, S.A. Sucursal en España" (hereinafter the "Procedure") and available for consultation on the internet and on the Branch's institutional website.

## 2 Legal Framework

The Policy is drawn up in accordance with the legal provisions in force:

- > Law no. 93/2021, of 20 December;
- > General Regime for Credit Institutions and Financial Companies (hereinafter "RGICSF");
- > Notice no. 3/2020 of the Bank of Portugal, of 15 July;
- > Instruction no. 18/2020 of the Bank of Portugal, of 15 July;
- > Regulation (EU) No 575/2013 of the European Parliament and of the Council of 26 June (hereinafter "CRR");
- > Decree-Law no. 109-E/2021, of 9 December;
- > Law no. 83/2017, of 18 August, in its most current version;
- > Law no. 10/2014, of 26 June;
- > Penal Codes, Portuguese and Spanish.

### 3 Concept of Irregularities

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

- a** those related to the administration, accounting organisation and internal supervision of the Bank or with serious indications of infringement of the duties laid down in the RGICSF, or in the CRR, as well as, for the Branch, in Law no. 10/2014, in particular, 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 terms of combating money laundering and terrorist financing, under the terms of Law 83/2017, the regulations that implement it and the policies, procedures and controls defined internally in this area;
- c** Infringements of Union law, under the terms of Article 2(1) of Law 93/2021;
- d** those relating to the prevention of the commission and/or occurrence of crimes, namely corruption and related offences, under the terms of Decree-Law 109-E/2021 and taking into account the provisions of the Portuguese and Spanish Penal Codes;
- e** those concerning duties of conduct, as well as the violation of internally established principles, values and ethical standards.

3.2 The purpose of the irregularity reporting channels is not to send complaints or claims, so they should not be used for this type of communication, which will not be processed through these channels, except when an irregularity is involved, under the terms defined in 3.1.

### 4 Right and Duty to Participate

**4.1** Irregularities may be reported by employees, including members of governing bodies and key function holders, any interested third parties, namely shareholders, partners, suppliers, service providers or customers, even if the professional relationship has since ended (hereinafter, "Participant(s)" or "Reporting Party").

**4.2** Employees who, by virtue of their duties at the Bank, namely in the Internal Control, Internal Audit, Risk Management, *Compliance*<sup>1</sup> or AML functions, have a special duty to report to the Audit Committee any Irregularity described in point 3.1(a) of which they become aware.

### 5 Participation in the Irregularity

**5.1** Irregularity reports are made in writing through one of the following channels:

- a** By e-mail: to [participacao.irregularidades@finantia.com](mailto:participacao.irregularidades@finantia.com) or, in the case of the Branch, to [prevencion.delitos@finantia.com](mailto:prevencion.delitos@finantia.com);

---

<sup>1</sup> The same as the Internal Compliance Control function, under the terms of Banco de Portugal Notice 3/2020.

- b** On the Banco Finantia Intranet: via the "Participação de Irregularidades" link, using one of the following options:
  - i** " Branqueamento de Capitais|Corrupção ", if related to suspected money laundering or corruption offences;
  - ii** "Irregularidades", for the situations provided for in 3.1 of this Policy, and other situations not provided for in paragraph i).
- c** By letter sent by post to the following address: Rua General Firmino Miguel, N° 5, 1.º andar, 1600-100 Lisbon, addressed to the Audit Committee, *Compliance* Department or AML Department, with the word "Confidential" legibly written on the inner envelope containing the report.

**5.2** The report may also be submitted orally, including by telephone, and must be communicated directly to the *Compliance* Department or, when a matter related to the BCPFTP/CCPF is involved, to the AML Department, which must reduce the report to writing as soon as possible and the Reporting Party must certify that the document accurately reflects the complaint.

**5.3** Cumulatively, or as an alternative to the channels defined above, the Reporting Party may report the same facts through other alternative channels, namely through direct communication to the internal control functions (*Compliance*, Risks, Internal Audit and AML).

**5.4** Regardless of the channel used, the Participation may be made anonymously and in any case the confidentiality of the participation will be preserved.

**5.5** When requested by the Reporting Party, the information contained in the report must be transmitted anonymously to the management body, as applicable, and/or to all the institution's stakeholders in the process.

**5.6** Except in the case of an anonymous report, whenever the Irregularity Report is made in writing, an acknowledgement of receipt of the report must be sent to the Author of the Report within 7 (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 report, a procedure that must be ensured, depending on the case, by the *Compliance* Department or the AML Department.

**5.7** The Irregularities Reporting Channels are publicised on Banco Finantia's intranet and on its corporate website.

## **6 Participation content**

**6.1** Entries must contain the following information:

- a** identification of the Reporting Party (full name/contact details optional) and of the Complainant, if applicable;
- b** description of the facts complained of;
- c** elements and/or documents on which it is based to report the Irregularity.

**6.2** In order to facilitate participation, an example model of participation can be found in Appendix I. The use of this model is recommended but optional, and may be done in the format that the Author of the Participation considers most appropriate.

**6.3** Reports must be made in good faith, stating the reasons for them. Reporting Irregularities does not require the Whistleblower to be in possession of proof that an offence has occurred; however, they must have a degree of certainty that provides sufficient grounds to launch an investigation.

**6.4** Deliberate and unjustified use of the available channels of participation may constitute an offence of a different nature, including disciplinary, civil or criminal, and exclude the Reporting Party, in the context of the participation in question, from the protection conferred by Law no. 93/2021.

## **7 Follow-up on shareholdings**

**7.1** To whom participation should be addressed:

The Author of the Irregularity Report must address it to the Audit Committee or to those responsible for the internal control functions. When addressed to those responsible for internal control functions, and whenever appropriate and in accordance with a resolution of the Audit Committee, the management body is informed.

Reports of irregularities relating to money laundering and terrorist financing should only be addressed to the AML Department, and only brought to the attention of the management body when, after carrying out checks on the case, the decision has been taken not to report it to the authorities, complying with the procedures formalised in the procedures manual<sup>2</sup>.

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

**7.2** Resolution of the Audit Committee

The Audit Committee may decide to inform, or not to inform, the management body of the irregularity in which it is involved, with this decision also being based on the significant/material nature of the involvement.

**7.3** A participation is considered material when it fulfils any of the following criteria:

- a** falls within the scope of the applicable legislation in the list of serious or particularly serious administrative offences, as well as in cases where criminal liability may be incurred;
- b** is likely to result in a benefit/loss for the Bank in excess of €500,000.

**7.4** If the person concerned by the report is someone involved in the process of receiving, processing or archiving reports, they should refrain from processing and analysing them and send the report directly to the management body.

---

<sup>2</sup> Point 6.1 of the "Manual for the Prevention of BCFT and Compliance with Restrictive Measures".

**7.5** Once a report has been received, the Audit Committee may delegate the subsequent steps to the *Compliance* Department or the AML Department, as the case may be.

**7.6** The *Compliance* Department is responsible for:

- a** verify compliance with the participation requirements;
- b** if there are sufficient grounds(s), initiate the investigations necessary to fully ascertain the facts, and may request the support of any other services or departments and, where appropriate, carry out the internal acts necessary to put an end to the offence complained of;
- c** draw up a final report, in accordance with the exemplary model set out in Appendix II, within a maximum of 2 months from the date of receipt of the report, transmitting its conclusions to the Audit Committee on a reasoned basis:
  - i** in order to adopt the necessary and appropriate measures, within the time limits set out therein, to correct the Irregularity reported and, where appropriate, to impose the respective sanction, and, where the specific situation so warrants, to notify the competent authorities; or
  - ii** justifying the non-adoption of any measures.

**7.7** The AML Department is responsible for:

- a** verify compliance with the participation requirements;
- b** take the necessary steps to investigate the case, gather any clarifications and evidence that may be necessary for the subsequent fulfilment of the examination duty.

**7.8** The Regulatory Compliance Officer (RCN), in fulfilment of the duty of examination, takes the decision to report the report to the competent authorities or not to report it. In the latter case, the decision not to report is critically reviewed by the competent member of the management body and, if he reconfirms the decision taken, the other members of the management body are informed.

**7.9** It will always be up to (i) the Audit Committee, in the last instance, to decide on the adequacy 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 AML Department's initial decision not to communicate to the Authorities.

**7.10** The measures taken to correct the Irregularities reported are monitored and documented by the *Compliance* Department or, when PBCFT /PPCC matters are involved, by the AML Department and monitored by the Audit Committee.

**7.11** Except in the case of anonymous reports, it is the responsibility of the *Compliance* Department or, in the case of PBCFT/PPCC matters, the AML Department, to respond to the Complainant within a reasonable period of time, which may not exceed 3 (three) months from the date of receipt of the report, informing him/her of the measures planned or adopted to follow up on the report and the respective grounds.

## 8 Data Protection and Confidentiality

Banco Finantia guarantees the confidentiality of the reports received and the protection of the personal data of the Author of the Report, of third parties mentioned in the report and of the person concerned by the commission of an irregularity, under the terms of the General Data Protection Regulation (GDPR).

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

Banco Finantia will guarantee the confidentiality of the identity of the Author of the Participation, except when it is legally obliged to disclose it, namely when such information is required to safeguard the rights of defense of those affected by the communication, for example, in the context of the investigations to which it gives rise or subsequent legal proceedings.

The Author of the Participation may exercise, subject to the applicable legal requirements, the rights legally enshrined in relation to their personal data (namely, access, rectification, limitation of processing, opposition and erasure). You can consult the Privacy Policy, available at [www.finantia.com](http://www.finantia.com) and exercise your rights by emailing [dadospessoais@finantia.com](mailto:dadospessoais@finantia.com).

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

## 9 Annual Report

*The Compliance* Department is responsible for drawing up the "Annual Report on Irregularities Reports"<sup>3</sup> to be submitted to the Bank of Portugal after prior appraisal by the Audit Committee, which must contain, among other elements, a description of the specific means of receiving, processing and archiving the reports received, summarising the content of the Reports received concerning Irregularities referred to in point 3.1(a) of the Policy and the treatment given to them, under the terms set out in Appendix III.

Reports made under the PBCFT/PPCC and dealt with by the AML Department will be reported autonomously to the Bank of Portugal in the Money Laundering Prevention Report, in accordance with the applicable legislation.

---

<sup>3</sup> Article 35(2)(f) of Banco de Portugal Notice 3/2020.



## **10 Additional Guarantees**

### **10.1 Conditions and Protective Measures**

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

### **10.2 Non-Retaliation**

A report of Irregularity received under the terms of this Policy or made directly to the supervisory authority cannot in itself serve as grounds for any retaliation.

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

Acts of retaliation can be presumed under the law.

### **10.3 Rights of defence and adversarial proceedings**

Upon receipt of the report and the start of the relevant procedure, the person complained against must 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 postpone this communication.

Once notified of the opening of the procedure, the person complained against will have the right to provide all the evidence they consider relevant and to make any allegations they consider appropriate for their defence. Likewise, they will have access to all the evidence that may have been collected, except with regard to the authorship of the complaint.

Before any decision is taken, the accused must be given the opportunity to present his allegations.

### **10.4 Presumption of Innocence**

The presumption of innocence of the person under investigation is guaranteed throughout the process and until the decision is handed down. Measures may be imposed to preserve evidence when this proves essential, always taking into account the principles of reasonableness and proportionality.

### **10.5 Communication of the Conclusion of the Procedure**

Regardless of the outcome of the investigation, the Reporting Party may request, at any time, the outcome of the analysis carried out on the complaint within 15 (fifteen) days of its conclusion.

Likewise, they will be informed, where appropriate, of the rejection of the complaint and the reasons for it.

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

## 11 Registration and Preservation of Holdings

The reports received, as well as the reports to which they give rise, are registered and kept in a predefined, secure and restricted-access location by the *Compliance* Department or, in the case of reports relating to the BCPF/PPCC, by the AML Department, and recorded in its own database, in a durable format, so that the information can be reproduced in full and unchanged, for a period of 5 years, and for a period of 7 years in the case of reports relating to the AML/CFSP and, regardless of these periods, during the pendency of legal or administrative proceedings.

## 12 Non-compliance

Failure to comply with this Policy, even if done negligently, may constitute a disciplinary offence, without prejudice to any civil, administrative or criminal liability that may arise.

Without prejudice to the provisions of the previous paragraph, failure to comply with the provisions of this Policy and/or Law no. 93/2021 may constitute the commission of administrative offences, which are punishable by 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 the aforementioned Law 93/2021 are punishable under the terms set out therein.

## 13 Approval, Entry into Force and Amendments

This Policy shall be subject to periodic reviews, to be carried out at least every two years at the proposal of the *Compliance* Department and with the opinion of the AML Department, namely in matters of PBCFT/PPCC, and whenever there are changes or relevant situations that justify it.

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

This Policy is publicised internally to employees through publication on the intranet and is published on Banco Finantia's institutional website no later than 30 days after approval<sup>4</sup>.

---

<sup>4</sup> Article 35(5) and Article 64(1) of Banco de Portugal Notice 3/2020.

## Annex I - Sample Irregularity Reporting Form

Location and date of the events you wish to attend

Who is involved in the irregularity?

If possible, specify which legal rule has been violated

Identifying the Irregularity

Reasoned description of the Irregularity

Please include all relevant information that you have not entered in the previous fields

### Supporting documentation and evidence

- I have documents relating to the reported offence and I want to attach them
- I know of documents relating to the reported offence, but I don't have them in my possession
- I don't have or know of any documentation related to the reported offence

### Have you reported this matter to other authorities?

- Yes
- No

### When and by what authority?

Identification: \_\_\_\_\_ Date: \_\_/\_\_/\_\_\_\_

**Annex II - Sample Report to the Audit Committee**

**Internal Participation Reference**

**Identifying the Irregularity**

**Investigation Completion Date**

**Date Reported to the Authority**

**Description of Irregularity****Reasoned conclusion on the Irregularity reported****Necessary and appropriate measures to correct the Irregularity reported**

**Deadline for adopting measures**

**Communication to the competent authorities**

Annexes:

---

---

**Annex III - Annual Report template****Annual Report on Reporting Irregularities**

**A** A description of the means of receiving, processing and archiving reports of irregularities provided for in Article 115-X(1) of the General Regime for Credit Institutions and Financial Companies.

**B** Indication of the following elements for each participation received in the reference period:

**Internal Participation Reference**

**Identifying the Irregularity**

**Date of Receipt of Participation**

**Description of the means of reception**

**Investigation Completion Date**

**Date of Report to the Audit Committee**

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

**Summary description of the steps taken to ascertain the facts reported**

**Reasoned conclusion on the research**

Description of the measures adopted or to be adopted as a result of the report or reasons for not adopting any measures

Deadline for adopting measures

Date on which reply was sent to the Submitter

Date sent to the competent authorities

Status: process pending

process finalised

C Indication of the total number of participations received in the reference period \_\_\_\_\_