

## POLICY FOR THE PREVENTION AND MANAGEMENT OF CONFLICTS OF INTERESTS

Policy for the Prevention and Management of Conflicts of Interests .....	1
1. FRAMEWORK.....	2
2. APPROVAL PROCESS .....	2
3. SCOPE .....	2
4. DEFINITIONS AND TYPES OF CONFLICTS .....	2
5. ACTIVITIES WHICH MAY GENERATE CONFLICTS OF INTEREST .....	5
6. MITIGATION OF CONFLICTS OF INTEREST .....	6
7. RELATED PARTIES .....	7
8. INCENTIVES PAID OR RECEIVED IN PORTFOLIO MANAGEMENT OR PROVISION OF INVESTMENT SERVICES ....	7
9. GIFTS AND EXTRA PROFESSIONAL ACTIVITIES .....	9
10. PROCESSES FOR THE IDENTIFICATION OF SITUATIONS OF CONFLICTS OF INTERESTS .....	10
11. INTERNAL COMMUNICATION OF CONFLICTS OF INTERESTS .....	10
12. MANAGEMENT OF CONFLICTS OF INTEREST .....	10
13. DISCLOSURE OF SITUATIONS OF CONFLICTS OF INTERESTS .....	11
14. FINAL PROVISIONS .....	12

## 1. FRAMEWORK

1. This Policy defines the principles, governance model and fundamental processes adopted for the identification and management of situations of conflicts of interest that may occur within the scope of Banco ActivoBank, SA (hereinafter referred to as “the Bank”) or any entity directly or indirectly controlled by the Bank (hereinafter referred to as Entities), that are part of Group Banco Comercial Português (hereinafter referred to as “Group BCP” or “Group”).
2. This Policy implements in the Bank the guidelines issued by the European Banking Authority (EBA) on Governance <sup>1</sup> and remaining regulations in effect<sup>2</sup>, and formalizes the principles of governance applicable to the provision of services and investment activities and ancillary services identified in articles 290 and 291, respectively, of the Securities Code.
3. This policy identifies the control process to allow for an effective and prudent management of conflicts of interest at an institutional or personal level, including segregation of functions, information barriers and the specific process of deciding on transactions with “Related Parties”, in order to simultaneously defend the interests of all stakeholders and the interests of the Bank and of the Group.
4. It also defines the structure of responsibilities in the scope of the identification and management of conflicts of interests, the involvement and responsibilities of internal control functions and the regular reporting model on this matter to the Group’s management bodies.
5. This policy can be consulted at [www.activobank.pt](http://www.activobank.pt) or provided to Customers when requested.

## 2. APPROVAL PROCESS

The competence for approving this Policy belongs exclusively to the Board of Directors, upon prior opinion of the Board of Auditors.

## 3. SCOPE

1. This Group Code covers all situations of Conflicts of interest, which may arise within the framework of the various activities and functions of the Entities of Group BCP, of the provision of any banking services, investment services and ancillary services or combinations of these services, including those arising from the quality of producer or distributor of financial products
2. This Group Code applies to all Employees and members of the governing bodies of Group BCP or any other “Relevant Party”.
3. The principles outlined in this Group Code are applicable to ActivoBank, and the references to the management and supervisory bodies, as well as to the Bank’s organic units, should be understood as references to the bodies and units equivalent of ActivoBank.

## 4. DEFINITIONS AND TYPES OF CONFLICTS

1. “Relevant Party” comprises the following groups of persons or entities:

---

<sup>1</sup> EBA/GL/2017/11.

<sup>2</sup> Directive 2014/65/EU of the European Parliament and of the Council of 15 May 2014, and correlated rulings (MiFID II), RGICSF, Cod.VM, BdP Notice 5/2008, Guidelines on procedures for governance and monitoring of retail banking products and services.

- i) members of corporate bodies, Senior Management and key function holders of the Entities governed by this regulation;
  - ii) Statutory Auditor<sup>3</sup>, as well as any other members belonging or associated as a Group;
  - iii) all Bank Employees;
  - iv) any services provider of the Bank which, under its control or responsibility, ensures the provision of services;
  - v) any person involved in the provision of services or supply of goods to the Bank in a contract or subcontract regime
  - vi) spouses, relatives or similar in the 2nd degree or any companies directly or indirectly controlled by them..
2. "Related Party" comprises the following groups of persons or entities:
- i) The members of the Management and Supervisory Bodies of the Bank and:
    - a. spouse or a partner in a civil union (rebuttable before the granting of credit or legally equivalent operation);
    - b. First degree relatives or similar in direct line (parents and children), rebuttable before the granting of credit or legally equivalent operation;
    - c. persons who permanently share the same household for more than six months (rebuttable before the granting of credit or legally equivalent operation).
  - ii) Companies in which the persons identified in Item i) above, hold not less than 10% <sup>4</sup> of the share capital or voting rights or in which they exercise significant influence, being able have the ability to elect more than half of the members of the corporate bodies or exercise top management positions or management or supervisory functions;
  - iii) Entities in relation to which there is a relationship of economic interdependence, namely due to their insertion in a cross-shareholding relationship with several other entities or which, because they are in such a way linked to the Bank, in the event of one of them encountering financial problems, the Bank will also face financial difficulties;
  - iv) Persons or entities, including, in particular, depositors, creditors, debtors, entities where the Bank has a stake, employees of the Bank or employees of other entities belonging to the same group, whose relationship with the Bank potentially allows them to influence its management, in the sense of achieving a business relationship outside of normal market conditions;
  - v) Qualified participants of the Bank and other persons or entities covered by specific regime(s) in each geography.
3. "Conflicts of interest" - for the purposes of this policy, an actual, potential or apparent conflict of interest occurs when there is a situation (both of a personal or professional nature) in which the Bank, its Counterparties and other Stakeholders may, by virtue of a certain activity, operation or performance, obtain the satisfaction of their own interests or of third parties as well as of related parties, to the detriment of the Bank's interests, unduly influencing the Employee's judgement, actions or decision-making within the scope of his/her functions performed at the Bank, from which he/she obtains an advantage or creates a reputational damage in the Bank's credibility or unfavourable legal or regulatory consequences for the Bank. A Conflict of Interests may be current (a present and real conflict of interest situation), potential (a situation that may result in a conflict of interest) or apparent (when there is a perception that the Employee is in a situation where there

---

<sup>3</sup> Or equivalent corporate body.

<sup>4</sup> Or 5% in companies admitted to trading on a market.

is a Conflict of Interests). The interests of the persons subject to this regulation are equivalent to those of the entities linked to them, the following being qualified as such:

- i) the spouse or partner in a civil union;
  - ii) relatives or similar in a direct line;
  - iii) other relatives, kin, or other natural or legal persons who, through their relationship with the person subject to this regulation, potentially allows them to influence the decision-making process in order to achieve a business relationship outside normal market conditions;
  - iv) Persons or entities which are directly or indirectly dominated by the person subject to these regulations or by any person equivalent to it, or in which, for any other reason, the person subject to this regulation or equivalent may exercise a decisive influence;
  - v) the person subject to this regulation or equivalent to it is the ultimate beneficial owner of the transaction;
  - vi) any non-legally personified reality in which the person subject or equivalent person is a beneficial owner or in which he/she/it exerts decisive influence, as, in particular, may be the case of Investment Funds, undisturbed or undivided inheritance, or reality of a fiduciary nature.
4. “Conflicts of interest at an institutional level” are those resulting from the several activities and different corporate objects pursued by the Bank, from the different Group entities and different business lines or those arising between the institution and its external stakeholders. Are included herein:
- i) Conflicts of interest between the shareholders and the Bank;
  - ii) Conflicts of interest between the Group entities and its Customers due to the Group’s business model and/or the several services provided, and activities developed by those Entities,
  - iii) Conflicts of interest between the shareholders and the Bank;
  - iv) Conflicts of interest between the shareholders and the Bank;
5. “Conflicts of interest related with a “Relevant Party” or a “Related Party” are those resulting from real or potential situations of conflict between the interests of Bank’s and the individual interests of an Employee (including members of the corporate bodies), and those of his/her direct relatives, which may negatively influence the performance of the duties and responsibilities of that employee in particular. Are included therein those resulting from personal or professional relationships, both past and current, namely:
- i) of an economic and/or financial nature (for example, shares, financial holdings and other economic interests in customers, intellectual property rights, contracting services or purchasing goods or loans granted by an entity of the Group to a company held by a Relevant party, Related Party or his/her relatives),
  - ii) of personal or professional relationship with the holders of qualified stakes in any company part of the Group;
  - iii) personal or professional relationships with employees of the Group or of any Entity included within the prudential consolidation scope;
  - iv) other jobs and previous jobs performed during the last 36 months;
  - v) personal or professional relations with relevant external interested parties such as suppliers, advisers or other service providers; and
  - vi) political influence or political relations.
6. “Advantage” - Any direct or indirect benefit received by the Employee, or an Entity related with him/her, arising from the performance of his/her functions or through his/her omission, by themselves or by any third party, with their consent or ratification leading to the violation of the direct or indirect

interests of the Bank, of a Group company or its related parties as well as of any regulations applicable to them.<sup>5</sup>

## 5. ACTIVITIES WHICH MAY GENERATE CONFLICTS OF INTEREST

1. All those involving Relevant or Related Parties, that act for their own benefit or interest or that of a third party directly or indirectly related to them, namely:
  - i) personal relationships with holders of qualifying holdings in the Group;
  - ii) personal relationships with Employees or entities included in the prudential consolidation perimeter;
  - iii) personal or professional relationships with relevant external stakeholders, such as circumstances of association with service providers;
  - iv) other jobs and previous jobs in the last five years (and if there is no extended term resulting from a legal provision);
  - v) political influence or political relations.
  
2. Considering the Bank's global offer of products and services, including investment products and services, as well as associated activities, the conflicts of interest may occur in different situations, such as:
  - i) The reception, transmission and execution of orders on behalf of customers;
  - ii) Management of assets / portfolios on a third party's behalf;
  - iii) Dealing on own account;
  - iv) Investment advice;
  - v) The drawing up of investment studies, financial analysis or other general recommendations relating to transactions in financial instruments;
  - vi) The services and activities related with underwriting and placement, with or without guarantee;
  - vii) The assistance in a public offer regarding products or financial instruments;
  - viii) In the distribution of banking, financial or insurance services or products;
  - ix) In the granting of credit and provision or confirmation of guarantees, regardless of how they are carried out;;
  - x) In the transactions involving rights over real estate properties held by the Group or other entities ruled by this regulation;
  - xi) In the provision of services or supply of goods to the Group Entities in a contract or subcontract regime
  
3. As an indication, the following situations are characterized, within the scope of the provision of investment services in which, in a generic way, conflicts of interest can be identified:
  - i) The Bank develops businesses and activities connected with the trading of financial instruments for its own portfolio and/or on behalf of Customers whilst, at the same time, other customers are trading in the same financial instruments with different or conflicting intentions;
  - ii) The Bank may supply investment-advising services or make the discretionary management of portfolios of its Customers and, simultaneously, recommend to those Customers the purchase/sale for those managed portfolios, products that are directly or indirectly issued by it or by its subsidiary companies;

---

<sup>5</sup> Notwithstanding the foregoing, the fact that an Employee is a shareholder of an institution or holds private accounts, loans or other services from another institution, does not necessarily mean that there is a situation of conflict of interest (if these situations are not materially relevant).

- iii) The Bank may make and disclose investment studies on individual companies wherein it holds own portfolio positions;
  - iv) The Bank may grant credit to managing companies of the Group.
  - v) Circumstances relating to economic interests, such as shares, other property rights, corporate holdings, financial holdings, and other economic interests in commercial customers, intellectual property rights, loans granted by the bank to a company owned by Employees or members of the corporate bodies, participation or ownership of an organisation entity with conflicting interests.
4. While producing banking products and financial instruments, the Bank ensures that their design complies with the requirements for an appropriate management of conflicts of interest, including the respective remuneration.
  5. Particularly, the Bank ensures that the design of banking products, financial products and financial instruments, including their characteristics, do not adversely affect the final customers or lead to problems in terms of market integrity, namely by allowing the Bank to reduce and/or eliminate its own risks or the exposure to the underlying assets of the product, when the Bank already holds the underlying assets in its own portfolio.
  6. Whenever a financial instrument is structured, the Bank possesses mechanisms and procedures to assess potential conflicts of interest. These will enable the Bank to evaluate if the financial instrument generates a situation in which the final customers may be negatively affected.
  7. the Bank has adequate mechanisms to identify, distinguish and address conflicts of interest that persist and must be permanently managed and specific conflicts of interest that can be properly managed through a specific measure.
  8. As a depositary of collective investment undertakings, the Bank cannot carry out activities relating to these collective investment undertakings or the entity responsible for its respective management, that may create conflicts of interest between the participants, the entity responsible for management and the depositary itself, unless it has functionally and hierarchically separated the performance of its functions as depositary for other potentially conflicting functions and that potential conflicts of interest are duly identified, managed, monitored and disclosed to the participants of the collective investment undertaking.

## 6. MITIGATION OF CONFLICTS OF INTEREST

1. To address “conflicts of interest at an institutional level”, the following fundamental mitigation measures should be considered:
  - i) The establishment of a suitable segregation of functions, entrusting to different persons the activities able of generating conflicts of interest in the different stages of transactions processing or provision of services, or the responsibilities for the supervision and information regarding those activities;
  - ii) The establishment of barriers to the transmission of information, for example through the physical separation of certain segments of activity or of determined units;
  - iii) the establishment of specific procedures for the making of operations with related parties<sup>6</sup> that allow the management body to ensure that decisions are made objectively and impartially, and that the respective operations are carried out under market conditions without any inappropriate

<sup>6</sup> The Entities must document the procedures they adopt for identifying related parties, as well as the update frequency and make the same available to supervisory authorities whenever requested..

benefit whatsoever for the related party in question, applying all the relevant internal control procedures;

- iv) The establishment of a remunerations policy for specific functions, namely for individuals exercising control functions and members or the Board of Auditors, so as not to compromise the objectivity and independence of the exercise of these functions.

2. Regarding the conflicts of interest at the employees level, the Bank obliges internal communication of situations which may result, or already resulted, in conflicts of interest. The Bank considers this communication as a duty of the employees involved. The Employees have also the duty to avoid situations that could give rise to conflicts of interest.

3. This way, it must be ensured that those having personal interests or exercise an activity outside the Bank must abstain from participating, or in any way influence, decisions or have other type of intervention able of favouring those interests or activities to the detriment of the interests of the Bank or of its Stakeholders.

4. This duty is extended, especially, to the members of the governing bodies, including the committees providing support to those bodies, guaranteeing that all current or potential conflicts of interest are duly documented and reported to the chairperson of the respective body and analysed, decided and managed in order to ensure the non-existence of situations able of harming the capacity of the members of the corporate bodies of making objective and impartial decisions.

5. Another factor that must also be taken into consideration is the fact that there are conflicts of interest which have a temporary nature and are related with a single event (for example, a transaction, the selection of a service provider, etc.) which are able of being managed with an one-off measure. On the other hand, there are other that persist in time and therefore require a continuous management.

## 7. RELATED PARTIES

1. The Group Entities must approve a Related Parties Policy, that must include, at least, the following controls:

- a. the definition of the criteria used for the identification of Related Parties;
- b. description of the process of to collect information, making, maintenance and disclosure of the list of Related Parties;
- c. the description of the decision process for transactions with Related Parties, as well as respective responsibilities and competences.

2. BCP shares with ActivoBank, which will inform the Board of Auditors, on a quarterly basis, or whenever there is a new update, its list of Related Parties in order to ensure that all Group Entities may identify and ask for a prior opinion before carrying out any operation with a Group Related Party.

3. The Activobank shares with BCP and informs the Board of Auditors, every three months, or whenever an update is made, its List of Related Parties.

4. The Entities of Group BCP must implement an approval circuit able of ensuring:

- a. the approval, by the appropriate management bodies, after the opinion of the supervisory bodies, of the risk management function and of the compliance function, in case of transactions with local Related Parties;
- b. the prior opinion from BCP, in the case of operations made by subsidiaries with Related Parties of BCP, for the issuance of a non-opposition opinion from BCP's management body.

5. The Activobank shares with BCP and gives due note to its Board of Auditors, on a monthly basis, the description of the transactions with local Related Parties that have been analysed, including the description of the transactions and the issued opinion (explicitly stating if the transaction was approved or refused).

## 8. INCENTIVES PAID OR RECEIVED IN PORTFOLIO MANAGEMENT OR PROVISION OF INVESTMENT SERVICES

1. In accordance with the applicable legal framework, while providing portfolio management services, the Entities do not accept nor earn remunerations, fees or any other monetary or non-monetary benefits, paid or granted by any third party or by an individual acting on behalf of a third party regarding the provision of the service to the customers, exception made to non-significant monetary

benefits able of improving the quality of the service provided to a customer, the size or nature of which cannot be deemed as jeopardizing the Bank's duty of acting in the Customer's best interest.

2. Non-significant, acceptable non-monetary benefits are, among other, the following:
  - i) Information or documents related with a financial instrument or an investment service with a general or customized nature so as to evidence the circumstances of an individual customer;
  - ii) Written material from a third party ordered and paid by an issuer or potential issuer to promote a new issue, or in cases when the third company is engaged and paid by the issuer to produce the above-mentioned material on a continuous basis, provided that the relation is clearly disclosed in the written material and that this material is made available at the same time to any financial intermediary that intends to receive it or to the public in general;
  - iii) Participation in conferences, seminars or other training actions on the benefits and characteristics of a determined financial instrument or investment service;
  - iv) gifts and other benefits or rewards of mere hospitality as established in the Code of Conduct.
3. The principles mentioned above also apply to the independent investment advising service, if and when the Bank provides such service.
4. Regarding the remaining investment or ancillary services provided by or on behalf of the Bank, it does not pay or receive remunerations or fees, do not encourage and is recipient of non-monetary benefits associated with the provision of the service to or by others, exception made to a customer or a person acting on behalf of the customer, if the payment or benefit complies with the following:
  - i) Aims at improving the quality of the service provided to the customer; and
  - ii) Does not interfere in the duty of acting in an honest, fair and professional manner in order to better serve the Customer's interests.
5. It is considered that a remuneration, fee or non-monetary benefit is conceived to improve the quality of the service in question provided to the customer, when all the following conditions are observed:
  - i) It is justified by the provision of an additional or upgraded service to the customer in question, equivalent to the level of incentives received, such as:
    - The provision of investment advising services on a non-independent basis and the access to a wide range of adequate financial instruments, including an adequate number of instruments from third parties suppliers of products which do not have close links with the Bank,
    - The provision of advising services for non-independent investment in combination with a proposal, at least annual, to the customer in order to assess the suitability of the financial instruments wherein the customer invested or with other continuous service able of being of value for the customer, such as advice on the ideal use of the Customer's assets, or
    - The supply of access, at competitive prices, to a wide range of financial instruments able of satisfying the customer's needs, including an appropriate number of instruments from third parties suppliers of products, which are not closely connected with the Bank, together with the provision of value-added instruments, such as objective information instruments to assist the customer in question in the making of investment decisions or to help the customer in question to follow-up, shape and adjust the range of financial instruments wherein he/she/it invested, or the issue of periodical reports on the performance and on costs and charges associated with the financial instruments;
  - ii) It does not directly benefit the target company, its shareholders or workers without any specific advantage for the customer in question;



- iii)* It is justified by the offer of a continuing advantage to the customer in question in relation to a continuing incentive.
- 6. Notwithstanding, a remuneration, fee or non-monetary benefit cannot be considered acceptable if the provision to the customer of relevant services is biased or distorted as a result of the remuneration, fee or non-monetary benefit.
- 7. The making of investment studies by third parties for the Group's entities as providers of services of management of portfolios or other investment or ancillary services to customers is not considered an incentive since the Bank makes direct payments using its own resources.
- 8. The Bank keeps evidence that any remunerations, fees or non-monetary benefits paid or received are designed to increase the quality of the service in question provided to the customer. It must also keep an internal list of all remunerations, fees and non-monetary benefits received from a third party due to the provision of investment services or ancillary services, recording the way according to which the remunerations, fees and non-monetary benefits are paid or received or those the Bank intends to use can improve the quality of the services provided to the customers in question, as well as the measures adopted to enable the Bank to comply with its duty to act in an honest, fair and professional manner, serving its Customer's best interests.
- 9. Before providing the investment or ancillary service in question, the Bank discloses to the customer information on any payment or benefit received from third parties or paid to third parties, without damaging the observance of the remaining applicable information duties.

## 9. GIFTS AND EXTRA PROFESSIONAL ACTIVITIES

1. The acceptance of gifts must comply with the provisions of the Code of Conduct, and the following rules must be observed by all employees, including the members of the corporate bodies of the Bank:
  - i)* Any Employee, including members of the Board of Directors and of the Board of Auditors, must refrain from accepting, for their own benefit or that of third parties, offers and other benefits or rewards in any way related to the functions performed, and the same must be refused and returned, except as provided for in the following paragraph;
  - ii)* The above-mentioned persons may accept offers and other benefits or rewards of mere hospitality in accordance with social uses, provided that they do not constitute a relevant patrimonial or non-patrimonial advantage and within the limits set forth in the Code of Conduct;
  - iii)* Any gifts whatsoever and other benefits or rewards must be communicated to the Control and Compliance Nucleus, for analysis regarding the way of acting and corresponding registration.
2. Situations of conflicts of interest due to the accumulation of functions by any Employee or the performance of activities not related to the Group are governed by the provisions of the Code of Conduct:
  - i)* Any of the persons ruled by this regulation, prior to the acceptance of a function or position in an entity outside the Group, to be held in conjunction with the position held at the Bank, must inform the human resources area so that it can issue an opinion on the specific situation, requiring an opinion of the Compliance Office the director of the Division where the Employee in question performs his/her functions must be notified and issue his/her opinion thereon.
  - ii)* When the Compliance Office issues the above-mentioned opinion on the non-incompatibility, it may list any mitigating measures to which the Employee or any other person covered by this regulation is subject due to the accumulation of functions/positions;
  - iii)* Any change in circumstances regarding the position or function exercised in accumulation with the functions exercised at the Bank by the persons mentioned in *i)* above, must be communicated immediately to the respective human resources area for it to carry out the respective assessment.

## 10. PROCESSES FOR THE IDENTIFICATION OF SITUATIONS OF CONFLICTS OF INTERESTS

1. The Compliance Office is responsible for the development of the approaches and methods enabling the identification of conflicts of interest.
2. The procedure for the identification of conflicts of interest should be based on the intervention by the Compliance Office in the assessment of changes introduced in the supply of products and services, within the context of the Policy for the Approval of New Products (PANP), of changes in operating procedures, of changes in the organizational structure and in the assessment of operations with “Related Parties”, as well as of other situations which may trigger Conflicts of Interest.
3. The Compliance Office should, at least once a year, carry out a global analysis to identify situations of conflicts of interest at an institutional level and report to the Board of Directors and to the Board of Auditors its respective findings, identifying the measures necessary to correct the situations therein identified.
4. This assessment should also include the assessment on the persistence of situations of conflicts of interest that last in time, and which have been previously identified and recorded, especially in cases when the conflict of interests situation was accepted.
5. The Bank should produce a report identifying the situations of conflicts of interest and the respective mitigation measures.

## 11. INTERNAL COMMUNICATION OF CONFLICTS OF INTERESTS

1. In a situation of current or potential conflict of interests, the Employee must immediately inform his hierarchical superior<sup>7</sup>, who must analyse it and, if he/she considers it necessary, send it to the human resources area of BCP.
2. The reporting of the conflicts of interests situations made by the hierarchical superior as well as by any employee, must present a minimum content of information to be conveyed for the purpose of assessing the existence of current or potential conflicts of interest, including a detailed description of the facts that constitute the alleged conflict and the identification of the persons or Entities involved.
3. All situations reported using this mean of communication shall be assessed by the Compliance Office that will carry out all the necessary diligences to assess the situation reported, informing the relevant Divisions and the Board of Auditors of its findings.
4. For the situations identified or reported by any other via, the Bank keeps a specific registry indicating, among other relevant information, the respective measure adopted or to adopt, namely if the conflict of interests was eliminated, satisfactorily mitigated or was disclosed to the customers, in order to allow its ongoing monitoring and assessment.
5. In relation to the members of the corporate bodies of Entities of the Group, the areas of secretariat and support to the corporate bodies of the same<sup>8</sup>, must keep a record of all relationships, including those involving the direct family members of the members of the corporate bodies, which must subsequently be updated and registered in the Bank’s IT system.

## 12. MANAGEMENT OF CONFLICTS OF INTEREST

1. The Bank assumes, as a general rule, that, and whenever possible, when a situation of conflict of interest is identified, the same must be promptly and satisfactorily eliminated or mitigated.
2. The procedures mentioned hereinafter and the measures to adopt were conceived in a way so as to ensure that the “Relevant Persons” involved in different commercial activities which imply a situation

<sup>7</sup> If the hierarchical superior is involved in a conflict-of-interest situation, he must report the situation to the Compliance Office of the Entity..

<sup>8</sup> In Portugal, the Company Secretary Office (CSO).

of conflict of interests able of damaging the interests of one or more customers, exercise those activities with a level of independence that matches the size and the activities of the Bank and the risk of damaging the interests of customers.

3. The Bank ensures an adequate segregation of functions, assigning to different people the activities able of originating conflicts of interest in the processing of operations or the provision of services, or assigning the responsibilities of supervision and reporting of conflicting activities to different people.
4. In effect, and in order to ensure the required level of independence, the Bank:
  - i. Establishes procedures to prevent or control the exchange of information between “Relevant Parties” engaged in activities involving a risk of a conflict of interests, whenever the exchange of that information may damage the interests of one or more customers;
  - ii. Defines that there isn’t a direct link between the remuneration of “Relevant Parties” involved mainly in one activity and the remuneration or revenues generated by different “Relevant Parties” involved in another activity, wherein a conflict of interest may arise in relation to those activities;
  - iii. Disposes of measures aimed at preventing or limiting the exercise by any person of inappropriate influence on the way according to which a “Relevant Party” carries out investment or ancillary services or activities;
  - iv. Adopts measures to prevent or control the simultaneous or sequential involvement of a “Relevant Party” in services or activities other than investment or ancillary ones wherein such involvement may compromise the proper management of conflicts of interest.
5. In cases where a conflict of interest materializes, the Bank immediately adopts the necessary measures with a view to its elimination or mitigation, including the procedures referred to in number 4 of this chapter.
6. In situations of non-compliance with the mitigation measures issued by the Bank’s corporate bodies or in the event of non-communication of a conflict of interest, the Compliance Office will inform the Board of Auditors with a view to analysing the occurrence and applying additional measures..

### 13. DISCLOSURE OF SITUATIONS OF CONFLICTS OF INTERESTS

1. Whenever the organisational or administrative arrangements adopted by the Entities to prevent conflicts of interest which may harm the interests of its customers are not sufficient, the Bank shall clearly inform the customer, before making a transaction on his/her/its behalf, on the general nature and/or sources of those conflicts of interest and on the measures adopted to mitigate those risks.
2. The information is provided to the customer in a durable format and is, taking into account the customer’s nature, sufficiently detailed to enable the customer to make an informed decision with respect to the investment or ancillary service in the context of which the conflict of interest arises. The disclosure made to the customer:
  - a) Clearly indicates that the organizational and administrative mechanisms set forth by the Bank to prevent or manage that conflict are not sufficient to ensure, with a reasonable degree of certainty, that the risk of damaging the customer interests will be avoided;
  - b) Includes a specific description of the conflicts of interest that may arise in the provision of investment services and/or ancillary services, taking into account the nature of the customer to whom the disclosure is addressed to;
  - c) Explains the general nature and the different origins of the conflicts of interest as well as the risks for the customer arising from conflicts of interest situations and the measures adopted to mitigate those risks, with a sufficient degree of detail in order to enable that customer to make an informed decision regarding the investment or ancillary service wherein conflicts of interests arise.

## 14. FINAL PROVISIONS

### Publication

This Policy was approved by the Board of Directors on December 13, 2022, after a prior report by the Board of Auditors, which was publicly disclosed on the website of the Bank, [www.activobank.pt](http://www.activobank.pt), and may, if requested, be provided in paper.