

Conflict of Interest Prevention, Identification and Management Policy

Summary

This policy establishes the minimum rules and procedures to be observed by the Bank with respect to the prevention, identification, assessment and management of conflicts of interest.

1. OBJECT, NORMATIVE FRAMEWORK AND SCOPE OF APPLICATION

This Policy establishes the minimum rules and procedures to be observed by Banco Millennium Atlântico, S.A ("[Name]" or "Bank") with regard to the prevention, identification, assessment and management of conflicts of interest.

This Policy was prepared in accordance with laws applicable to situations of conflict of interests, namely:

Act no. 12/2015, of June 17 - which regulates the process of the establishment, operation, supervision, intervention process and sanction regime of financial institutions

Notice no. 1/2013, of April 19 - which establishes the policies and processes that Financial Institutions must have in place within the framework of corporate governance

Notice no. 2/2013, of 19 April - which establishes the obligation of financial institutions to implement an internal control system.

The procedures and rules established in this Policy must be observed in the performance of each and every operation that, at any given moment, is effectively performed by the Bank, including the services provided by third parties acting for and/or on behalf of the Bank.

This Policy and the duties arising therefrom are applicable to all employees of the Bank, as well as, whenever possible, to third parties who, at any given moment, act for and/or on behalf of the Bank, namely subcontracted entities.

Third parties hired by the Bank to provide services directly related to financial intermediation activities, as well as its employees, shall govern their activities by conflict of interest prevention rules equivalent to those provided in this Policy, which will be made available to them by the Bank.

The Bank provides all employees with information and training so that they are adequately aware at all times of the principles and rules to which they are subject, as contained in this Policy, in order for them to take all necessary measures for the adequate prevention and/or management of situations of conflict of interest.

The preparation and subsequent updating of this Policy is the responsibility of the Bank's Management.

2. DEFINITIONS

2.1. Conflict of Interest

A conflict of interest situation occurs when the Bank, its shareholders, members of its governing bodies or its employees have their own interests in a relationship of the institution with third parties and from which they expect to obtain benefits.

Within the framework of the above, the requirements established in this Policy are applicable to any conflict that may occur, in the course of any business carried on by the Bank, between the interests of:

- a) The Bank and the Customer
- b) A Relevant Person and the Customer
- c) Two or more Bank customers within the scope of the provision of intermediation services by the Bank to such customers
- d) The Bank as distributor/service provider and the customer.

2.2. Relevant Persons

For the purposes of this Policy, the following are considered Relevant Persons:

- a) The members of the Governing Bodies, Executive Committee or other management body of any of the banking entities involved
- b) All employees of the Bank with established employment contracts
- c) Service providers and all persons who carry out activities for and on behalf of the Bank, regardless of the type of relationship and the type of work carried out, including subcontracted entities.

3. CONFLICT OF INTEREST PREVENTION AND MANAGEMENT

When identifying, preventing and managing conflict of interest situations, the following aspects must be considered:

- a) The primary objective is to identify the relationships, services, activities, and transactions in which conflicts of interest may arise and to prevent their occurrence
- b) If a situation of conflict of interest is identified (potential or real), the Bank shall ensure that it is handled in accordance with the legal and regulatory criteria laid down
- c) Awareness of the existence of potential or real conflicts of interest shall be emphasized among employees.

For the purpose of compliance with the requirements for identification of potential conflicts of interest and establishment of appropriate measures and procedures for their mitigation and management, the following must be taken into account:

- a) The dimension, organization, nature and complexity of the activity in question; it shall be ensured that such assessment encompasses all areas/units of the Bank's organizational structure (including, among others, branches, representative offices) and third parties acting for and/or on behalf of the Bank (including, among others, subcontracted entities) which participate in the conduct of business related to the Bank's operations.

- b) Circumstances that may give rise to conflicts of interest arising from the structure and commercial activities of other companies in the Group that the Bank is a part (if any)
- c) The level of risk of occurrence of a situation of conflict
- d) The type and extent of the foreseeable damage(s).

Once a situation of conflict of interest occurs, the resources required for its proper resolution must be promptly mobilized.

3.1. General Procedures

The Bank carries out the following procedures to prevent and/or manage potential conflict of interest situations:

- a) The Compliance Office is responsible for monitoring all potential or actual situations of conflict of interest
- b) The Bank's various organs work independently and autonomously, with strict segregation of confidential information
- c) The Bank considers rules of segregation of functions between its Bodies that allow the restriction of the flow of information that could potentially circulate between them
- d) The Bank ensures physical separation between the areas/units responsible for the provision of financial intermediation services and the service areas related to the provision of investment research and consulting
- e) The Bank, adopts mechanisms to identify and manage situations of conflicts of interest caused directly or indirectly by Relevant Persons inside or outside the Bank
- f) There are procedures for monitoring information exchange between employees of the areas mentioned in the foregoing paragraph, as well as procedures for other areas that may indicate conflicts of interest between them, with regard to possible advantageous/conflicting customer relations information
- g) Relevant Persons are subject to communication rules on transactions on financial instruments that they carry out, in order to avoid possible conflicts
- h) The control system deployed by the Bank ensures that the management of conflict of interest situations is done by different structures/persons than those that created the conflict situation
- i) The Bank keeps all documentation relating to identified situations of conflict of interest on file, and guarantees an adequate security environment for the prevention and management of situations of conflict of interest
- j) When necessary, the Bank may request the Relevant Person to abstain from participating actively or passively, directly or indirectly, in certain transactions, thus avoiding a potential conflict of interest situation;
- k) The Bank keeps updated records of all the investment and financial intermediation services and activities carried out by it or on its behalf, in the scope of which situations of potential or effective conflict of interest with risk of material damage to the interests of one or more clients have been detected. The purpose of this

information is to facilitate the correct identification and management of any potential conflict of interest situation;

- l) When a conflict of interest situation has been or is identified, there are procedures in place that ensure that all the organs necessary to resolve or avoid the situation are called upon at all and at various levels of the organization to issue their opinion
- m) All the Bank's organs, particularly those providing financial intermediation and loan concession services, must keep an updated list of all conflicts of interest that occur within the scope of the provision of services related to them
- n) Members of the corporate organs and employees are prohibited from holding potentially conflicting positions in other companies, as well as providing any type of paid consultancy in matters likely to conflict with the interests of the Bank and its customers
- o) Loan granting to Members of the governing bodies complies with the provisions of the Framework Law for Financial Institutions, i.e., the loan operations to members of the Bank's management and supervisory organs must have a social character or purpose (housing, automobile, health, renovation, etc.) or else must comply with the credit policy for staff and normal market conditions, as set out in of Notice 01/2013
- p) Members of the Management and supervisory bodies, Directors, employees, consultants and agents of the Bank shall not be involved in the assessment and decision of transactions in which they, or their spouses, relatives or first-degree kin (mother, father, children, mother-in-law and father-in-law), or companies or other legal persons that are directly or indirectly controlled by them (mother, father, children, mother-in-law and father-in-law)
- q) The provision of loans or guarantees to shareholders/partners of the Bank can only be done where they are shareholders holding less than 10% of the capital or of voting rights
- r) Internal operational risk management mechanisms are in place to detect, assess and reduce operational risk, including that arising from the violation of established ethical behavior
- s) There is a complaints service to receive and analyze complaints from investors and clients in general, which ensures the receipt, analysis, treatment and response to all complaints, with the exception of those with low vocabulary (offensive words, etc.) and/or outside the minimum standards of mutual respect
- t) Whereby it is not possible to resolve the situation of conflict of interest, there are mechanisms in place for the Bank to refuse to provide such services
- u) Employees who identify a situation of conflict of interest, must immediately communicate this situation to the Compliance Office without needing to follow their hierarchical order.

The objective is to ensure that even if an activity may pose a risk of conflict of interest, such risk can be eliminated or minimized by being able to establish conditions where the Relevant Persons involved in that activity do not experience such conflict (for example, by division of duties, by not being aware of the

conflicting interest, or by subjecting them to predefined criteria of action that exclude the consideration of illegitimate interests).

3.2. Specific Measures Against Conflicts of Interest in Investment Research

In terms of investment research or advice, the Bank adopts the following special measures:

- a) The Bank, through its own means and mechanisms, protects the objectivity and independence of financial analysts and of the investment research they produce, in order to control the conflicts of interest that may emerge from the production and dissemination of material that is submitted as investment research
- b) The means and mechanisms referred to in the preceding paragraph shall ensure that financial analysts enjoy an adequate level of independence from the interests of persons whose responsibilities or business interests may reasonably be considered to conflict with the interests of the persons at whom investment research is targeted;
- c) Persons, whose responsibilities or business interests may reasonably be considered to conflict with the interests of the persons to whom the investment research is directed, are employees and all persons involved in sales and transacting on behalf of clients or the company
- d) Exceptional circumstances under which financial analysts and other persons connected with the Bank and engaged in the production of investment research may, with prior written approval, undertake personal transactions with the instruments to which the research relates, and shall include those circumstances where, for personal reasons relating to the serious financial situation, the financial analyst or other person shall liquidate a position.

3.3. Specific Measures Against Conflicts of Interest in Financial Intermediation

Financial Intermediation is one of the services most prone to conflicts of interest. For this reason and in order for the Bank to prevent such occurrences, the following specific measures have been put in place:

- a) The Bank guarantees that, within the scope of its Financial Intermediation operations, there is a separation between its own intermediation services and intermediation services for others, with respect to the procurement, sale, distribution, placement, brokerage, commission or negotiation of securities
- b) There is monitoring and control in the exchange of information between the employees of the services mentioned in the above paragraph, in which e-mails may be recorded or audited and telephone conversations may be recorded, in order to serve as a means of conflict resolution or for other purposes that they may be used for
- c) The Bank also provides different reporting units for the services in question, although they may have the same maximum hierarchy. Employees that provide

the aforementioned services, as well as all employees of the Bank, are subject to the rules on the treatment of confidential information and to the duty of secrecy regarding orders received in relation to the handling of securities, both on behalf of the Bank's and on behalf of customers.

3.4. Specific Measures on the Use of Confidential Information

The Bank respects the principle of confidentiality of all information it obtains about its customers and operates a restricted access policy on the need-to-know basis, in compliance with all applicable laws on the handling of information obtained.

Access to confidential information is restricted and is granted according to the requirements that justify access to such information, in conformity with the defense of the legitimate interests of clients and/or the Bank.

Information obtained by the Bank during each operation is treated as confidential and may not be disclosed or used in other operations that could result in a conflict of interest.

The Bank structures its business in such a way as to manage conflict of interest by creating and maintaining Chinese walls that must exist between the different areas of the Bank, thus restricting the flow of information that could potentially circulate between them.

4. IDENTIFICATION OF CONFLICT OF INTEREST

For purposes of identifying conflict of interest, the Bank shall assess the specific circumstances in which its activities are carried out, taking particular care to identify potential or real situations of conflict of interest.

The Bank is exposed to potential conflicts of interest that may arise in its different areas of business. The Bank's operating principles are based on the need to take all reasonable measures to identify potential conflicts of interest between the Bank and its clients and/or between one client and another, as well as to have rules in place to ensure that such conflicts do not adversely affect the interests of such clients.

Conflicts of interest may occur in a wide variety of situations and/or locations, and are most susceptible in the following:

- a) Conduct of investment surveys and consulting
- b) Taking of company equity acquisition position
- c) Portfolio management
- d) Negotiation of own financial instruments
- e) Reception, transmission and execution of orders on financial instruments on behalf of clients.

Specifically, it is the duty of the Board Members to disclose any issue or fact that may give rise to or has given rise to conflicts of interest between the

Banks' position and its external plans or interests, and shall refrain from participating in associated decision-making processes.

4.1. Conflict of Interest Situations between the Bank and Clients

A conflict of interest may occur between the Bank and a client where the Bank, a third party acting on its behalf or a Relevant Person:

- a) may obtain a financial gain or avert a financial loss, to the detriment of the client
- b) has an interest in the outcome of a service provided to a client or a transaction carried out on behalf of the client, which conflicts with its interest in such outcome
- c) has a financial or other incentive to act in favor of a different client or group of clients, to the detriment of the interests of another client.
- d) receives or will receive, from an entity or individual other than the client, an unlawful benefit relating to a service provided to the client in the form of money, goods or services, other than the commission or normal fees for such service, in order to act in favor of the interests of another client over the interests of the client in question
- e) is engaged in the same economic activity as the client

4.2. Examples of Potential Conflict of Interest Situations

Based on these premises, and in view of the Bank's activities, the following situations of potential conflict of interest can be identified:

- a) The Bank may enter into business and activities related to the trading of securities for its own portfolio and/or on behalf of clients and simultaneously other clients are operating in the same markets trading on same securities
- b) The Bank may provide investment advisory or discretionary portfolio management services to its clients and, at the same time, recommend to those same clients and/or buy/sell for same portfolios under its management, products issued directly or indirectly by it or its associates
- c) The Bank carries out and makes available investment research on a company or group for which it also provides financial advisory services
- d) The Bank, or a Relevant Person, receives gifts or inducements (including non-monetary inducements) that may influence its behavior in such a way as to conflict with the interests of its clients. The Bank has appropriate procedures to identify and resolve cases in which it and/or the Relevant Person offers a gift to a client that could be considered an inducement
- e) The Bank is the discretionary manager of more than one investment portfolio of a client and/or Fund, and particularly when defining investment models and respective asset allocation
- f) The Bank provides financial intermediation services to different clients operating in the same sector

- g) The Bank provides services to financial instruments issuance institutions, which can be transacted by the Bank's clients.

In case of doubt, employees shall seek guidance from their supervisor or the Compliance Office.

5. MONITORING OF CONFLICT OF INTEREST

The Compliance Office is responsible for monitoring compliance with the rules set out in this Policy and other complementary internal regulations on matters related to ethics, conduct and prudential matters, such as the Code of Conduct and Ethics and the Regulations on Financial Intermediation Operations.

In the event of willful non-compliance, the Compliance Office shall issue an opinion on the potential damage that such willful non-compliance may cause as well as the risk to which the Bank is exposed with the implementation of the act in conflict, both in legal and reputation terms. The opinion shall include the present or future consequences that the client's economic status may suffer, as the case may be.

The opinion referred to in the foregoing paragraph is sent to the Director in charge of Compliance, with a copy to the Audit Committee, in order to receive the treatment that best suits the Bank's interests.

The Heads of the company's governing bodies shall inform their team members on the content of this Policy with particular focus on areas related to the services listed in section 4.1. on matters likely to generate conflict of interest.

Without precluding the duty to record provided in section 7, the Compliance Office also prepares a quarterly report of all situations of conflict of interest that have occurred and mentions in the same report the outcome of each case.

The above mentioned report is for statistical purposes and serves as a support for the Executive Committee to have a general evaluation of the level of performance, efficiency of mechanisms employed, and to quantify the number of occurrences during the period.

6. REPORTING

When a situation of real or potential conflict of interest is identified, the Compliance Office shall be informed on it for due analysis.

Depending on the information gathered, the Compliance Office, which may request the opinion of other departments, specifically of the Legal Department, issues an opinion proposing mitigation and/or correction measures, as well as appropriate procedures to prevent the occurrence of similar situations in the future. This opinion is sent to the Director in charge of Compliance and to the Audit Committee by the Compliance Office.

The Director in charge of Compliance is responsible for assessing and deciding on the actions to be taken on the conflict situation identified.

Whereby the resolution to be made by the Bank is not sufficient to assure, with reasonable confidence, that risks that are harmful to the client will be avoided, the Bank shall:

- a) Inform the client, prior to taking such measures, of the existence of conflict and request for client's consent to provide the services in question
- b) Whereby the client does not give his consent the Bank may propose and advise such client to viable alternatives to such intention.
- c) The Bank may decide not to provide the service requested by the client in order to avoid unnecessary risks and prevent harming its own interests and to those of the client.

Communication to the client shall be made via lasting medium and contain sufficient details appropriate to the type of client to enable him to make an informed decision regarding such activity or service, both in terms of investment and Financial Intermediation and/or portfolio management.

. The Bank shall ensure that the client's consent is also given in lasting medium in order to avoid reputation risk such as defamation or any type of bad reference that the client may make against it.

7. FILING

All information obtained by the Bank regarding its clients and transactions carried out or ordered by it is kept confidential, and access to it is permitted only to the extent necessary for business and in accordance with criteria for protecting the legitimate interests of customers.

The Compliance Office keeps a file of the situations of conflict of interest identified in the course of its work for a period of ten 10 (ten) years- Such records shall be filed by client and date.