

Reference	PL-ATL-21-003	Publication Date	21/02/2022	Version	02
Owner	Compliance Office (COF)				

Related Party Transactions Policy

Content

TITLE I - PURPOSE.....	2
TITLE II – LEGAL AND REGULATORY FRAMEWORK	2
TITLE III – DEFINITION OF RELATED PARTY.....	3
TITLE IV – OTHER DEFINITIONS	5
TITLE V – CONDITIONS FOR TRANSACTION NEGOTIATION AND EXECUTION.....	7
TITLE VI – PROCESS FOR APPROVAL OF TRANSACTIONS BETWEEN RELATED PARTIES ..	8
TITLE VII – PARTICIPATION AND VOTING IMPEDIMENTS.....	8
TITLE VIII – DUTY TO NOTIFY THE COMPLIANCE DEPARTMENT	9
TITLE IX – IDENTIFICATION, CHARACTERIZATION AND REGISTRATION OF RELATED PARTIES.	9
TITLE X – INTERNAL CONTROL AND AUDIT DEPARTMENT COMPETENCES	10
TÍTULO XI – BOARD OF DIRECTORS COMPETENCES	10
TITLE XII – APPROVAL, DISSEMINATION AND ENTRY INTO FORCE.....	10

TITLE I - PURPOSE

This Policy aims to:

- (i) Aggregate and enforce compliance with current legal and regulatory provisions and internal rules and procedures established Banco Millennium Atlântico, SA (“hereinafter ATLANTICO”), applicable to transactions with Related Parties, in accordance with best practices, being a contribution to the strengthening of the governance model;
- (ii) Establish the rules and procedures to be observed for the identification, analysis, control and monitoring of operations and decisions involving Related Parties, in accordance with the concept set out herein, in order to ensure equality and transparency in such transactions;
- (iii) Contribute to compliance with the International Accounting Standard (IAS) 24 and to ensure that ATLANTICO's financial information conveys an authentic, reliable and true image of its economic and financial position.

TITLE II - LEGAL AND REGULATORY FRAMEWORK

Several legal provisions and internal regulations of ATLANTICO, which establish the rules and procedures aimed at preventing risks arising from certain transactions to be carried out with Related Parties, were taken into cognizance in the preparation of this policy, namely:

External Documents/Regulations:

- Act nr. 14/2021 of 19 May – Law on the General Regime for Financial Institutions;
- Notice nr. 01/2022 – Corporate Governance Code of Banking Financial Institutions;
- [Notice Nr. 02/2014](#), of 20 March - Stipulates general information duties in the provision of financial services and products;
- [Notice Nr. 10/2014](#), of 10 December - Regulates the characteristics and requirements of guarantees of which financial institutions are beneficiaries;

[Notice Nr. 06/2020](#), of 10 March - Granting of Credit to Holders of Qualifying Shareholdings;

- International Accounting Standard (IAS) 24 - Related Party Disclosures.

Internal Documents/Regulations:

- ATLANTICO Articles and Memorandum of Association - article 26, sub-paragraph b) and article 27 sub-paragraph r) of number 5;
- [Audit Committee Regulations](#) – sub-paragraphs a) and b) of number 2 of article 2;
- [Credit Regulations](#) - subparagraph a) of number 12 of article 2; subparagraph b) of number 1 and number 2 of article 11 and subparagraph c) of number 10 of article 18;
- Conflict of Interest Prevention and Identification Policy- subparagraph a) of point 2.2, subparagraphs a), b) and c) of point 3 and subparagraphs a), b), g), h), i), j), m) p) from the point 3.1.

TITLE III - DEFINITION OF RELATED PARTY

Pursuant to point 39 of article 3 of the Law on the General Regime of Financial Institutions and subparagraph b) of article 3 of [Notice Nr. 06/2020](#), Related Parties are: *“holders of qualified or non-qualified shares, entities that are directly or indirectly in a control or group relationship, members of the management and supervisory bodies of financial institutions and their spouses, descendants or parents up to the second degree of the direct line, considered as ultimate beneficiaries of the transactions or assets”.*

Accordingly, for the purpose of this Policy, the following are considered to be Related Parties:

1. All entities holding qualified shareholdings that directly or indirectly hold a percentage equal to or greater than 2% of the equity of ATLANTICO;
2. All entities that are directly or indirectly held by over 10% by the shareholders referred to in foregoing paragraph 1 or in which they are effective beneficiaries;

3. All entities in which ATLANTICO directly or indirectly holds at least 10% of equity or voting rights of the held company or that, for any reason, makes it possible to exercise control and/or significant influence in the management of the held institution;
4. Any person or entity that has a relationship with the holder of a qualifying shareholding of one of the following types:
 - a) Spouse or person living in concubinage, parents, grandparents, children, grandchildren and people living with them;
 - b) Entities in which some of the persons listed in subparagraph a) above have qualifying shareholding;
5. Entities that are directly or indirectly in a controlling or group relationship with ATLANTICO (cf. definitions in paragraphs 5 and 6 of Title IV below);
6. Members of the management and supervisory bodies, as well as any person or entity, regardless of their legal status, that is related to a member of the management or supervisory body in any of the following ways:
 - a) Spouse or person living in concubinage, parents, grandparents, children, grandchildren or people living with them;
 - b) Entities controlled by a member of the ATLANTICO management body, supervisory bodies and entities in which they have qualified shareholding;
 - c) Entities controlled by one of the persons listed in subparagraph a) and/or in which they have qualified shareholding.
7. Entities in which the members of the management and/or supervisory body perform management or supervisory functions.
8. Key management personnel of ATLANTICO and their relatives: first-line Directors, their spouses, descendants or parents up to the second degree of the straight line;

9. Entity hired by ATLANTICO to provide post-employment benefit plans for ATLANTICO employees.

TITLE IV - OTHER DEFINITIONS

1. **Credit:** act by which a Banking Financial Institution, acting for consideration, places or promises to place funds at the disposal of a natural or corporate entity against the latter's promise to repay such on the due date.
2. **Conflict of interest:** occurs when ATLANTICO, its shareholders that have qualified shareholding, members of its management and supervisory bodies (to be consistent with point 6. of TITLE III) or its employees have their own interests in a relationship between the institution and third parties and from which they expect to derive benefits.
3. **Market conditions:** are the conditions that must be observed during the negotiation, conclusion and formalization of the transaction, namely the principles of competitiveness (prices and conditions that are compatible with those prevalent in the market); compliance (use of services provided under the contractual terms and responsibilities of ATLANTICO); and transparency (proper reporting of the conditions agreed upon with due application, as well as their reflection in ATLANTICO's financial statements).
4. **Standard contract:** are contracts with clauses that are pre-prepared and do not require prior negotiation; that is, the recipients are restricted to either accept or not to accept.
5. **Controlling relationship:** the following is construed as entity with a controlling relationship:
 - (i) A natural or legal person who holds majority voting rights of a company;
 - (ii) A partner of the company who has the right to appoint or dismiss more than half of the members of the management or supervisory body;
 - (iii) A natural or legal person that can exercise a controlling influence over the company by virtue of a contract or clauses of its articles of incorporation;
 - (iv) A partner of the company that controls the majority of voting rights, alone, by virtue of an agreement concluded with other partners;

- (v) A person who has a shareholding equal to or greater than 20% equity interest in the company, provided that he effectively exercises a dominant influence over the company, or has the power to direct the entity's management policies, or both are placed under a single management (paragraph V, subparagraph a), paragraph 43 of article nr. 3 of the LRGIF, subparagraph n) of article nr. 2 of the Securities Code (CVM) and article 469 of the Companies Act (LSC).

6. **Group relationship:** when two or more companies are in a relationship of control or reciprocal shareholding, as well as bound by means of a subordination contract, parity group, or other equivalent effect under the Companies Act.

7. **Transaction:** the following is considered as a transaction for the purposes of this policy:

- (i) The granting of loans (including approval and renewal of lines);
- (ii) The placement or subscription of securities not issued by ATLANTICO or in which ATLANTICO is a distributor and which are not part of the product offer accessible to the same type of customers;
- (iii) Engaging in transactions involving real estate, including the acquisition, sale or giving in lieu;
- (iv) The conclusion of contracts or awarding of contracts for the supply of goods and services.

Loan operations to first-line Directors, which are of a social nature/purpose, namely loans for the purchase of permanent personal housing and for the payment of health expenses, are not considered as "Transactions", provided they are granted under conditions that contractually stipulated for most Bank employees.

8. Whenever carried out under market conditions, the transactions designated below are excluded from the approval circuit, and must be brought to the attention of the Executive Committee, the Audit and Internal Control Committee and the Supervisory Board, on a quarterly basis:

- (i) Travel exchange;
- (ii) Family Allowance and other education and health support;

- (iii) Purchase and sale or subscription of securities issued by ATLANTICO;
- (iv) Purchase and Sale or subscription of securities on the stock exchange;
- (v) Borrowing/Assignment of Funds;
- (vi) Exchange Transactions (Buy/Sell);
- (vii) *Spot/Forwards*;
- (viii) Import Bills;
- (ix) Chattels securities.

In all transactions set forth the foregoing paragraph 8, market conditions will be guaranteed, updated at the time of execution, without benefits for Related Parties.

All transactions or contracts not mentioned in point 8 must follow the approval levels of this Policy.

TITLE V - CONDITIONS FOR TRANSACTION NEGOTIATION AND EXECUTION

the following rules and conditions shall be observed in transactions with Related Parties:

- a) Be concluded at normal market rates, observing the principle of fair value, and in accordance with the procedure laid down herein, without precluding the observance of other ATLANTICO codes and policies;
- b) Present evidence of verification that they occurred under similar terms and conditions, when compared to others entered into with Independent Parties, that is, unrelated parties in accordance with the concept set out herein;
- c) Be concluded in writing, specifying their main characteristics and conditions, such as amount, price, commissions, timeline and guarantees;

Documentary support of transactions shall be duly filed in a folder on the network;

- d) Transactions shall be clearly disclosed in ATLANTICO's annual financial statements;
- e) Transactions shall be clearly disclosed in ATLANTICO's annual Corporate Governance and Internal Control Report

TITLE VI – PROCESS FOR APPROVAL OF TRANSACTIONS BETWEEN RELATED PARTIES

Concurrently with the observance of the rules and conditions set forth in the foregoing article, the approval of transactions involving Related Parties shall follow the following levels of approval, under the terms of Process no. 741:

1. **Level I-** The transaction requires a favorable opinion of the Directors of the Business Division and the Credit Division. Transactions other than credit operations require a favorable opinion from the Board that has approval competence on such matters.
2. **Level II-** Approval by the Executive Committee (EC): the transaction requires the approval of members of the Executive Committee.
3. **Level III-** Approval by the Audit and Internal Control Committee. The transaction requires the approval of members of the Audit and Internal Control Committee.
4. **Level IV –** Approval by the Supervisory Board (CF): the transaction requires the approval of members of the Supervisory Board.
5. **Level V-** Approval of the Board of Directors (CA): transactions will be approved by a simple majority of the members of the Board of Directors, provided they are preceded by a favorable opinion issued by at least 3/4 (three quarters) majority of the members of the Executive Committee, otherwise such shall require the approval at least 3/4 (three quarters) majority approval of members of the Board of Directors.

TITLE VII - PARTICIPATION AND VOTING IMPEDIMENTS

Members of ATLANTICO's management/supervisory bodies are barred from participating in the appraisal or decision-making process of any transactions with companies or other legal entities of which they are managers or in which they directly or indirectly have qualified shareholdings. They shall also be barred from participating in the assessment or decision of any other transactions in relation to which there are situations of conflict of interest. Such impediment shall be included in the minutes of the meeting that decides on such transaction. The majorities referred to in the previous chapter apply to members who are not barred from voting.

TITLE VIII - DUTY TO NOTIFY THE COMPLIANCE DEPARTMENT

Under the terms set out in Title III regarding the definitions of related parties who are performing their duties, ATLANTICO Compliance shall be informed about any transactions in which they are found in a situation of conflict of interest or in which a person or entity that is a Related Party of ATLANTICO due to the relationship that he has with such person or entity.

TITLE IX - IDENTIFICATION, CHARACTERIZATION AND REGISTRATION OF RELATED PARTIES

1. Persons/entities that fall under the various types of Related Parties shall be identified and classified in the Bank's computer system or according to the method that the Bank deploys and that safeguards the objective of their identification and monitoring.
2. Whereby the Business Divisions, the Talent Management Division (DGT), the Credit Division (DCR), the Legal and Credit Recovery Division (DJR), Investor Relations (IR) and the Assets and Services Division (DPS) identify counterparts considered as ATLANTICO's Related Parties, as set forth herein, they shall immediately inform the ATLANTICO Compliance Office.
3. The Compliance Office will be responsible for obtaining the information required for the identification of Related Parties among shareholders, members of corporate/supervisory bodies and first-line Directors, and shall carry out the registration and update in the database of entities or persons that fall within each type of Related Parties that are identified or on which it is notified.
4. The Compliance Office shall request information and updates on the respective list of Related Parties from the abovementioned ATLANTICO Departments every six months.
5. The Departments referred to in point 2 above are obliged, at any moment in time, to notify the Compliance Office on any new data that they may have access to on the Related Parties.

TITLE X – POWERS OF INTERNAL CONTROL AND AUDIT DEPARTMENT COMPETENCES

1. ATLANTICO's Internal Control is responsible for monitoring compliance with this Policy and may request inspection and auditing actions that it deems fit.
2. The Audit Department (DAU) is responsible for assessing compliance with this Policy within the scope of its periodic assessments, and shall report the results of such assessment to the Audit and Internal Control Committee and shall recommend possible measures to improve its adequacy and effectiveness.

TITLE XI - COMPETENCES OF THE BOARD OF DIRECTORS

The Board of Directors shall ensure that information on operations with Related Parties is disclosed in the annual Report and Accounts, namely:

- (i) Details of subsidiaries, associates and joint ventures and respective transactions;
- (ii) Details of loans and other operations granted and balances related to shareholders, members of the Board of Directors and key management personnel and family members;
- (iii) Details of the remuneration of members of the Board of Directors and contributions to the pension fund;
- (iv) Details of the shareholder position of members of senior management and Supervisory bodies;
- (v) Other transactions identified with Related Parties, which have been brought to the attention of the EC;

The Board of Directors shall ensure that the annual Corporate Governance and Internal Control Report discloses all approved transactions that were subject to control in the year in question.

TITLE XII - APPROVAL, DISCLOSURE AND ENTRY INTO FORCE

1. The Board of Directors shall be responsible for approving this Policy.
2. This Policy shall be disclosed to ATLANTICO employees and shall be effective on the date of its publication, and shall be reviewed on an annual basis.

Banco Millennium Atlântico
Executive Committee