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BANCO
CARREGOSA

Conflict of Interest

Policy

August-2022

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Conflict of Interest Policy

Board of Directors

I. Versions Index

Date	Version	Description
Oct.2008	1.0	Creation of document.
Oct.2010	2.0	Add paragraph 4.3 on the safeguard of conflicts of interest relating to the activity of Preparation of Investment Studies, Financial Analyses and other Investment Recommendations; Recast paragraph 1 – Purpose and Scope, with the addition of a reference to tied agents; Amend paragraph 4.2 (i) to better clarify the conflict of interests resulting from the “Research” activity; Amend last paragraph of paragraph 4.4 to better clarify responsibilities in controlling potential conflicts of interest; Change the verb “could” to “may” in paragraph 4.4 Procedures and controls (i); Add, in paragraph 4.4 Procedures and Controls, a reference to the Regulation on the Execution of Employee Transactions
Jan.2018	3.0	Full recasting of the document so as to integrate it in the Banco Carregosa’s new document organisation and bring it into line with new regulatory requirements.
Sept.2018	4.0	Recasting of the Policy so as to cover conflicts of interest involving entities other than clients.
May.2019	5.0	Include the “White Paper on financial sector regulation and supervision” in “Legislative sources and reference documents”; Clarify the definition of “Related Party”; Revise the concept of Key Function Holder; Increase the list of situations that may constitute conflicts of interest; Establish the criteria for determining materiality in conflicts of interest; Mention that all transactions with related parties, even if considered non-material, must be made known to the Supervisory Committee. Determine the circumstances in which the General Meeting approves transactions with related parties, consequently amending the provisions that cannot be amended by the Board of Directors. Add a reference to the “Policy for the Selection and Assessment of the Members of the Management and Supervisory Bodies and Key Function Holders”, with respect to conflicts of interest concerning MOAF and KFH. Introduce examples of job-related donations and benefits. Clarify the elements to be communicated to those responsible for assessing conflicts of interest.
Oct.2019	6.0	Correct clerical errors; Amend the order of Articles 6 and 7; Clarify, in current Article 7(1)(d), that the identified conflict refers to cases in which the Bank is the purchaser. Review Article 8(7)(f). Add Article 10(5). Amend reference in Article 10(7).
Jun.2020	7.0	Clarification of the wording; Add, in Article 5, a reference to potential conflicts of interest in the role of depositary of Collective Investment Undertakings; Add, in Article 10, references to procedures implemented within the role of depositary of

Date	Version	Description
		Collective Investment Undertakings to control and prevent potential conflicts of interest.
May.2021	8.0	Recasting of Policy, adapting it to the current format of Banco Carregosa's Code documents; Update Section I Legislative Sources and Reference Documents; Remove the concept of Group entities; Review the concept of Related Parties; Review the description of Competences under the Policy; Recast the rules provided for in the current Sections E. Transactions with Related Parties and F. Other Transactions Subject to Special Approval Procedures.
Aug.2022	8.1	Adapt the document to the Bank's new template. Update the referred legislation. Clarify the concept of large debtor. Exclusion of participation in events promoted by the Bank to take into account the sums that imply communicating the benefits. Provision for communicating to the EC or the BoD the assessments of conflicts of interest made by the CD.

II. Properties

Proprietorship

Board of Directors

Proponent

Executive Committee

Contributors

Supervisory Committee and Compliance Department

Approval

Board of Directors, on 30 August 2022

Banco Carregosa Code

Rules of Conduct | 2.04

Entry into Effect

31 August 2022

Scope of Disclosure

Public

III. Legislative Sources and Reference Documents

1.02 – Internal Policy for the Selection and Assessment of the Suitability of Members of the Management and Supervisory Bodies and Key Function Holders.

1.15 – Remuneration Policy for Members of Management and Supervisory Bodies.

1.16 – Remuneration Policy for Management Bodies, Supervisory Bodies and Employees.

1.30 – Regulation of the Risk Management and Compliance Functions.

1.31 – Regulation of the Internal Audit Function.

1.34 – Rules for the Delegation of Operational, Commercial and Pricing Powers.

2.01 – Code of Conduct.

2.03 – Personal Transactions Policy.

Portuguese Companies Code, approved by Decree-Law No. 262/86, of 2 September, as amended by subsequent legal instruments.

Portuguese Securities Code, approved by Decree-Law No. 486/99, of 13 November, as amended by subsequent legal instruments.

Decree-law 109-E/2021 of 9 November, creating the National Anti-Corruption Mechanism and establishing the general scheme for the prevention of corruption.

Directive 2014/65/EU of the European Parliament and of the Council of 15 May on markets in financial instruments, known as DMIF II.

Legal Framework for Collective Investment Undertakings, approved by Law 16/2015, of 24 February, as amended by subsequent legal instruments.

White Paper on financial sector regulation and supervision.

EBA guidelines on internal governance (EBA/GL/2021/05), published in [BdP Circular Letter CC/2021/0000057](#).

Legal Framework of Credit Institutions and Financial Companies (RGICSF), approved by Decree-law No. 298/92, of 31 December, as amended by subsequent legal instruments.

Regulation (EU) No. 575/2013 of the European Parliament and of the Council of 26 June on prudential requirements for credit institutions and investment firms, known as CRR (Capital Requirements Regulations).

Commission Delegated Regulation (EU) No. 2017/565 of 25 April 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

IV. Definitions, Abbreviations, and Acronyms

Bank or Banco Carregosa: Banco L. J. Carregosa, S.A..

Activities of an associative nature: membership of the governing bodies of social solidarity institutions, trade unions, professional associations, sports or recreational clubs, and others of a similar nature.

Activities of a political nature: the signing of nomination documents for political applications; performing campaign management; participating in political conventions as delegate; performing executive functions in a political party; speaking at political rallies and meetings; door-to-door canvassing campaigns; publication of

dissemination of political declarations (including comments in newspapers, on the radio, television and the media).

Client: any natural or legal person to whom the Bank provides, has provided or will provide investment or ancillary services, including professional clients as defined in Annex II of Directive 2014/65/EU (DMIF II).

Employees: any person with employment ties to the Bank, irrespective of the hierarchical function or nature and duration of this tie, covering, pursuant to applicable legal, regulatory or contractual provisions, agents, commissioners and permanent or one-off service providers under an outsourcing arrangement.

CRAV: Remuneration and Assessment Committee.

CRR: Capital Requirements Regulation.

ICF: Internal Control Functions.

MOAF: Member or members of the Management and Supervisory bodies.

Related Parties: the entities identified in the list provided in paragraphs 13 and 14, which includes, at least:

- i. Holders of shares in the Bank's capital in excess of 10% or who have been classified by Banco de Portugal as such;
- ii. Entities that share economic interests with the Bank, in particular those with which the Bank has a relationship of economic interdependence due to their cross-bonded shareholdings with other entities, or which, because they are so closely linked to the bank, of one of them were to experience financial problems, the Bank would also experience financial difficulties;
- iii. Depositors whose aggregate deposits of the economic group to which they belong exceed 10% of own funds;
- iv. Creditors whose aggregate amount of credit of the economic group to which they belong exceed 10% of own funds;
- v. Debtors whose aggregate amount of the debts of the economic group to which they belong exceeds 10% of their own funds, excluding:
 - a. any short-term claims arising from transactions with other credit institutions;
 - b. asset items constituting claims on central governments, central banks or public sector entities to which a 0% risk weight pursuant to the CRR would apply if such assets were unsecured;
 - c. asset items constituting claims on international organisations or multilateral development banks to which a 0% risk weight pursuant to the CRR would apply if such assets were unsecured;
 - d. asset items constituting claims carrying the explicit guarantees of central governments, central banks, international organizations, multilateral development banks or public sector entities, if a risk weight of 0% pursuant to the CRR were to be applied to the unsecured exposures to the entity providing the guarantee;
 - e. other exposures to or guaranteed by central governments, central banks, international organizations, multilateral development banks, or public sector entities, if a risk weight of 0% pursuant to the CRR were to be applied to an unsecured exposure to the entity to which the exposure is attributable or for which it is guaranteed;
 - f. asset items constituting claims on regional governments or local authorities of Member States whenever a risk weight of 0% pursuant to the CRR is applied to such claims, and other exposures to or guaranteed by such regional governments or local authorities;

- g. asset items representing claims on companies whose shares are admitted to trading on a regulated market in the European Union or for which the equivalence of the legal and supervisory framework has been determined in accordance with Directive 2014/65/EU.
- vi. MOAF, employees, spouses, unmarried partners, first degree relatives, companies or other collective entities in which they are directly or indirectly in control, as well as companies and other legal entities in which MOAF and its related entities exercise management positions, as well as entities that are controlled, directly or indirectly, by entities managed by MOAF and its related entities;
- vii. The SROC, the ROC representing it and all persons who work for the SROC and take part in the Bank's audit;
- viii. KFHS;
- ix. Entities in which the Bank has an interest and in which it holds direct or indirect control, as well as companies or other legal entities in which an entity controlled by the Bank exercises management functions.

CIB: Collective Investment Bodies.

Policy: this Conflict of Interest Policy.

ROC: Statutory Auditor.

SROC: Statutory Audit Firm.

KFH – Key Function Holders: as identified in the “Internal Policy for the Selection and Assessment of the Suitability of the Members of the Management and Supervisory Bodies and Key Function Holders”.



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A. Purpose, Objective Scope and Subjective Scope

1. This Policy aims at identifying the types of potential conflicts of interest that arise in the course of the Bank's activity, their causes and the procedures and controls in place to avoid them, which must be managed fairly and diligently.
2. The Policy applies to all entities referred to in paragraph 3, namely the members of the Management and Supervisory Bodies and employees, within the meaning of IV | Definitions, Abbreviations, and Acronyms, whenever their activity results or is likely to result in making a financial gain, or avoid a financial loss, at the expense of the Bank itself or of a client, or when a client may obtain a gain or avoid a financial loss at the expense of another client.
3. This Policy applies to:
 - i. To the MOAF, the SROC, the ROC and to those who perform audit work on behalf of the SROC, and to employees;
 - ii. Subsidiaries, branches, representative offices and other Banco Carregosa group entities and all of its employees, where applicable, as approved by the respective bodies and own structures and after the introduction of any required adaptations;
 - iii. Other entities covered by the concept of Related Parties;
 - iv. Other relations established with clients and suppliers, where these may result in conflicts of interest.
4. The persons referred to in sub-paragraphs i. and ii. of paragraph 3 must avoid any situations likely to give rise to conflicts of interest.
5. Without prejudice to the provisions in the preceding paragraph, the entities referred to in sub-paragraphs ii. to iv. of paragraph 3 are not required to report conflicts of interest that concern them and, in such cases the discovery and reporting of conflicts of interest shall be ensured by the entities referred to in sub-paragraph i. of paragraph 3.
6. Compliance with the Policy shall not exempt the entities from complying with the legal and regulatory provisions in force. The entities referred to in sub-paragraph i. of paragraph 3 shall also have to comply with the remaining applicable internal rules.
7. The Policy aims at addressing the conflicts of interest arising from the activities of the Bank and/or of the group's entities, in particular:
 - i. Between the Bank and its shareholders;
 - ii. Between the Bank and its clients;
 - iii. Between the Bank and other group entities; and
 - iv. Between the Bank's clients.
8. Furthermore, the Policy also covers conflicts of interest concerning Related Parties where their private interests conflict with those of the institution.
9. The following situations may be considered conflicts of interest where the aforementioned parties:
 - i. Are in a position to make a financial gain or avoid a loss at the expense of a client or of the Bank;
 - ii. Have an interest in the results arising from a service provided to the client or from a transaction carried out on the client's behalf which conflicts with the client's interest in such results;
 - iii. Have an interest in the results arising from a service provided which conflicts with the Bank's interest in such results;

- iv. Receive a financial or other benefits to favour the interests of another client over those of the client in question;
 - v. Carry out the same activities as those of the client; or
 - vi. Carry out an activity that, given their relationship with the Bank, is likely to conflict with the Bank's interests.
10. For the purposes of this Policy, the concept of conflict of interest encompasses actual, potential and apparent conflict situations.

B. Defining Objectives

11. The Policy is primarily defined by the following objectives:
- i. To identify, in relation to the various services carried out by or on behalf of the Bank, the circumstances that constitute, or are like to give rise to, conflicts of interest likely to be detrimental to the interests of a client or of the Bank itself;
 - i. To describe the procedures to be followed and the measures to be adopted to prevent and manage conflicts of interest;
 - ii. To estimate the means for managing and disclosing information on unavoidable conflicts of interest to clients; and;
 - iii. To define the process of documenting conflicts of interest discovered and implement the means for eventually reporting them to Banco de Portugal and/or the Portuguese Securities and Market Commission.

C. Competences

12. The approval of this Policy shall lie with the BoD, after consultation with the CD and the SC.
13. The CD shall submit each quarter a list of related parties to the BoD, which shall include the name or denomination of the related party, the tax identification number or corporate entity identification number or equivalent, and the respective percentage of all direct and indirect shareholdings.
14. The BoD is responsible for approving the list referred to in the preceding paragraph and for communicating it to the SC.
15. The General Meeting shall define the transactions the approval of which falls within its powers, and the BoD shall ensure that such definition is included in this Policy.
16. The supervision of the implementation of the contents of this Policy shall lie with the BoD.

D. Conflicts of Interest

17. The Bank believes that there are situations that can constitute or give rise to conflicts of interest and that potentially, but not necessarily, could entail the risk of material damage to the interests of a client or of the Bank itself, including, but not limited to the following:
- i. The Bank may provide investment recommendations through its area responsible for Preparation of Investment Studies, Financial Analyses and other Recommendations ("Research") to issuers to whom it provides other services;

- ii. The Bank acquires, changes or disposes of positions in financial instruments on its own recommendation;
- iii. The Bank is interested in maximising trading volumes with a view to increasing its earnings in commissions, which might be incompatible with the client's own objective to minimise trading costs;
- iv. The entities identified in sub-paragraphs i. to iii. of paragraph 3 are aware of orders from clients to buy or sell a large quantity of a specific financial instrument, and anticipate that transaction;
- v. The Bank acts as the client's counterparty, thus assuming opposing and conflicting positions and interests;
- vi. The Bank provides assistance and placement services to issuers/offerors whose interests oppose and conflict with those of investment clients trading in financial instruments placed;
- vii. As part of the advisory services on capital structure and corporate strategy, the Bank is interested in promoting the provision of banking and financial intermediation services;
- viii. The Bank is interested in recommending, within the preparation of investment studies or investment advisory, financial instruments for which it acts as producer/distributor;
- ix. The Bank receives benefits from third parties, as set out in section H | Incentives and Donations;
- x. The persons identified in sub-paragraphs i. to iii. of paragraph 3 receive a financial or other benefit as a result of their position or relationship with the Bank;
- xi. The Bank acts as depository of CIU in which it participates or in respect of which it assumes any other potentially conflicting functions;
- xii. An employee or MOAF can influence the Bank's business opportunities by taking relevant management decisions in such a way that it generates benefits for itself or for a close person;
- xiii. The financial or other interest of the employee or MOAF in a given transaction or business relationship influences, or is likely to influence, their ability to make objective judgements regarding their duties or responsibilities;
- xiv. One of the Bank's departments favours its interests at the expense of another department in a way that is detrimental to the Bank's interests;
- xv. An operation is carried out or a contract is entered into between the Bank and a shareholder or between entities of the Bank's group due to the close relationship between the parties;
- xvi. An employee or MOAF performs or has performed over the last two years relevant functions in a competitor Bank;
- xvii. An employee or MOAF maintains or has maintained in the last two years personal relationships likely to negatively influence compliance of their duties and responsibilities;
- xviii. As part of their functions in the Bank – e.g. as commercial manager –, an employee maintains a relationship with and is a member of a political party.

E. Transactions with Related Parties

- 18. Any transactions with Related Parties are subject to this Policy and shall be carried out under market conditions and on terms similar to those applicable to clients of a similar profile and risk.
- 19. Specific situations that do not fall within the Bank's normal activity shall be analysed in detailed, as they may be atypical either due to non-recurrence or to the existence of financial compensations much different from those applicable to clients, suppliers or similar service providers.

20. The Related Party may not interfere in the assessment and decision of a transaction in which it is directly or indirectly interested.
21. The Bank does not grant, directly or indirectly, credit to MOAF or companies they control, in accordance with Article 85 of the RGICSF, with the exception of that resulting from the use of credit cards.
22. The granting of credit, directly or indirectly, to shareholders of qualified holdings complies with the requirements and limits of Article 109 of the RGICSF.
23. Without prejudice to the provisions of paragraph 27, the approval of transactions with related parties requires a favourable vote of at least two-thirds of the BoD, after a favourable opinion of the SC and the opinions of the CD and RD.
24. Transactions included in the banking and intermediation business, such as making deposits, receiving and executing orders and portfolio management, are excluded from the provisions of the preceding paragraph, provided that they are executed in accordance with the price list established by the Bank or whose price changes are covered by levels N1 and N2 of document 1.34 – Rules for the Delegation of Operational, Commercial and Pricing Powers.
25. The exception provided for in the preceding paragraph shall not cover credit operations and the Bank's role as counterparty to the client.
26. With regard to the provision by the Bank of depositary services for CIU managed by an entity part of the group, the general conditions for the provision of such services by the Bank may be established through the decision-making process described in paragraph 23. The EC may issue letters of acceptance in respect of new CIU, provided that the limits established are respected and the CD and the RD do not object to such acceptance.
27. Any transactions with MOAF, employees or holders of qualified holdings, their spouses, unmarried partners, first degree relatives, companies or other collective entities in which they are directly or indirectly in control, that exceed 10% of the Bank's own funds shall without fail be submitted by the BoD to the General Meeting for approval.
28. Transactions which, pursuant to the preceding paragraph, must be approved by the General Meeting shall be preceded by the decision-making referred to in paragraph 23.

F. Other Transactions Subject to Special Approval Procedures

29. The CD shall review all the Bank's credit operations and all the services provided as depositary for investment funds, and shall issue an opinion regarding conflicts of interest.
30. Without prejudice to the general obligation referred to above, the CD shall thoroughly examine, in addition to the situations foreseen in paragraph 18, the credit operations involving:
 - i. The employee, their spouse, unmarried partners, first degree relatives, companies or other collective entities in which they are directly or indirectly in control, except in cases where the Bank establishes a Credit Granting Policy for Employees, and the financing complies with all the rules provided therein;
 - ii. A natural or legal person that holds, directly or indirectly, a qualified holding in entities in which the Bank has an interest and in which it holds direct or indirect control, as well as companies or other legal entities in which the entity controlled by the bank exercises management duties.
31. When following the analysis carried out pursuant to the preceding paragraph the CD indicates that the intervening parties are able to influence decision-making, or that the conditions of the transaction indicate that conflicts of interest will occur, the CD shall inform the RD, the SC and the BoD of its opinion. In these cases, the procedure described in paragraph 23 shall apply.

32. The procedures set out in paragraph 23 shall also apply to transactions:
- i. Not part of banking operations (e.g. the acquisition or divestment of real estate property, as well as the acquisition of any products or services by the Bank), in which employees, their spouses, unmarried partners, first degree relatives, companies or other collective entities in which they are directly or indirectly in control are involved as the Bank's counterparty, whenever such operations exceed or are expected to exceed, within the period of one year, the amount of €50,000;
 - ii. In which the Bank acts as counterparty to clients in the acquisition or divestment of financial instruments, in transactions exceeding €500,000 per month, except when the client is recognised as an eligible counterparty or where there are simultaneous purchase and sale transactions, as part of the institutional brokerage business.

G. Specific Duties of MOAF, KFH and Supporting Bodies

33. In the performance of their duties in the Bank, without prejudice to other rules defined in 1.02 – Internal Policy for the Selection and Assessment of the Suitability of the Members of the Management and Supervisory Bodies and Key Function Holders, the MOAF:
- i. Shall forthwith and in writing communicate to CRAV and the body to which they belong the information referred to in paragraph 62(i) regarding any circumstances likely to give rise to conflicts between their interests, those of their family members, of persons closely related to them, or of any companies to which they are related, and the Bank's interests;
 - ii. May not, under the duty of loyalty as laid down in Article 64(1)(b) of the Portuguese Companies Code, take advantage of business opportunities obtained when carrying out their functions at the Bank for their own gain and which are of interest to them;
 - iii. Must inform CRAV and the body to which they belong when they, their spouse or unmarried partner, or first degree relatives own, individually or in aggregate, holdings of more than 5% in a company that has business relations with the Bank;
 - iv. Must inform or obtain authorisation from Banco de Portugal when they hold more than 5% or 10%, respectively, in the Bank's equity capital;
 - v. Depend on the opinion of CRAV for performing subsequent administration or management functions in other companies;
 - vi. Without prejudice to the provisions in their regulations, the MOAF shall report conflicts of interest to the body to which they belong, and abstain from participating in the discussion and voting on matters in which they have, for their own account or on behalf of a third party, a potential or actual conflict of interest with the Bank, and shall not have access to the documents related to the identified/communicated conflict of interest.
34. Regarding the KFH, all requirements resulting from 1.02 – Internal Policy for the Selection and Assessment of the Suitability of the Management and Supervisory Bodies and Key Function Holders the Management and Supervisory Bodies and Key Function Holders shall apply, particular those concerning independence and availability.
35. Regarding the KFH responsible for ICF, the provisions of 1.30 – Regulation on Risk Management and Compliance Functions and of 1.31 – Regulation on Internal Audit Function shall apply.
36. Without prejudice to the regulations of the respective bodies, the members of any supporting bodies shall communicate to their body any conflicts to which they are subject, shall abstain from participating in the decisions, and shall not have access to the documents related to the identified/communicated conflict of interest.

H. Incentives and Donations

37. Whenever the Bank provides portfolio management services and independent advisory services, it shall not receive any remuneration, commissions or monetary incentives granted by third parties or other persons acting on its behalf for services provided to clients.
38. In providing such services, the Bank shall only retain insignificant non-monetary benefits likely to improve the quality of the service provided and also those considered reasonable in the light of market usage and practices.
39. Employees shall refrain from accepting or making available any donations, offers or benefits, except those which are customary.
40. Granting or receiving any donations from clients and partners, with the exception of those related to the activity performed and not exceeding €150, require the authorisation of:
 - i. The BoD, when MOAF are involved;
 - ii. The EC, in other cases.
41. Donations are considered to be the benefits or incentives granted by clients and partners, that include, but are not limited to, the following:
 - i. Access to free research by services other than portfolio management or independent consultancy;
 - ii. Access to non-independent research and other commercial communications as defined in Article 36(2) of Delegated Regulation No. 2017/565;
 - iii. Participation in colloquia, conferences, training actions and other events for promoting products and services;
 - iv. Hospitality at colloquia, conferences, training actions and working meetings of professional bodies;
 - v. Receiving gifts on festive dates, paying for meals, invitations to cultural or sporting events or obtaining merchandising material, when they do not exceed the amount referred to in the preceding paragraph.
42. The granting or receiving of donations, even if permitted under paragraphs 39 to 41, shall always be reported to the PCD and the CD when, in the same calendar year, the aggregate amount received from or offered to a single client or group of connected clients exceeds €450, as well as when an employee has received or offered in the same calendar year, even from unrelated entities, gifts in excess of €1,200.
43. The preceding paragraph shall not apply to gifts accorded with social custom, which are made in accordance with the Bank's usual criteria and previously defined, such as the participation in events organised by the bank or sending gifts during festive seasons.

I. Procedures and Controls

44. The Bank has in place procedures and measures for the prevention and management of conflicts of interest, in particular:
 - i. A Remuneration Policy that avoids granting employees incentives likely to promote actions contrary to the interests of clients for the benefit of employees or the Bank;
 - ii. Preventing the MOAF and KFH from exercising other professional activities by adopting a Selection and Assessment Policy that provides for the control of situations, current or subsequent, likely to constitute conflicts of interest;

- iii. Determining, on a contract, the limitations to the pursuit of other professional activities, especially when they compete with the Bank;
 - iv. Preventing the inappropriate exercise of influence, by third parties or by any person identified in paragraph 3, sub-paragraph i. who performs functions in external entities, on the manner in which the Bank carries out its activities or provides services;
 - v. Segregating potentially conflicting functions, by assigning them to different organic units and creating special reporting lines to the BoD;
 - vi. Implementing barriers to information, in particular by physically separating organic units that carry out conflicting functions, and restricting access on a need-to-know basis;
 - vii. Including, in the respective rules of procedure, mechanisms for the control of situations likely to result in conflicts of interest for the depositary of collective investment bodies.
45. If the SROC, the ROC or whomever on behalf of the SROC carries out auditing services identifies a conflict of interest involving them, they shall forthwith inform the SC in writing, which the latter shall assess.
46. If the competent body concludes that there is a conflict of interest, this and the remedial measures implemented or to be implemented shall be communicated, in accordance paragraph 62, to the CD, so that it can be registered.
47. If an employee discovers a situation likely to give rise to conflicts of interest, they shall forthwith inform the Director of their Department, who shall provide the CD in writing the information as foreseen in paragraph 62, sub-paragraph i. for effective verification of the conflict of interest. If the Director of the Department is the person concerned in the conflict of interest, they shall inform the CD directly of this fact.
48. Regarding conflicts of interest identified in paragraph 36, the liaison body shall communicate such conflicts to the CD.
49. If there is indeed a conflict of interest as per paragraphs 47 and 48, the CD shall:
- i. Define the measures to be implemented, with a view, wherever possible, to remedying it, in accordance with the Policy principles;
 - ii. Register the facts causing the conflict of interest, as well as all the steps involved in the resolution procedure;
 - iii. Continuously monitor the events that, although not constituting a single event, nevertheless occur permanently;
 - iv. Assess, together with the RD, its materiality and determine its degree of significance and acceptability;
 - v. When the conflict of interest involves clients, and where it is not possible to resolve it, the CD shall communicate the conflict of interest to the clients in an appropriate and prompt manner, pursuant to paragraph 57;
 - vi. Report the information resulting from the preceding sub-paragraphs to the EC or the BoD, according to the body on which the entity in question depends.
50. Without prejudice to the Specific Procedures and Controls provided for in paragraphs 18 to 28, those provided for in paragraphs 44 to 49 shall apply to relations with Related Parties.

J. Investment Studies, Financial Analyses, and Other Recommendations

51. Whenever the Bank prepares Investment Studies, Financial Analyses, and Other Recommendations ("Research"), it shall adopt the means necessary to control any conflicts of interest that this activity may give rise to, ensuring that investment recommendations are objective, and the independence of its financial analysts. To this end, the Bank ensures their adequate training and updating for their professional and independent performance to which they are bound.

K. Political Relations

52. Participation in activities of a political and associative nature by any of the persons identified in paragraph 3, sub-paragraph i. is covered by this Policy.
53. Participation in activities of a political and associative nature are permitted provided that:
- i. The procedures and controls provided for in this Policy are met, on such terms that they allow the impartial performance of functions as Bank employees;
 - ii. They are not carried out at the workplace.
54. The use of the Bank's name or image in the performance of political or associative activities by the persons identified in paragraph 3, sub-paragraph i) is expressly prohibited.
55. Situations in which the employee participates in activities of associations to which the Bank belongs and on behalf of the bank are exempt from the provisions of the preceding paragraph.
56. The provisions of paragraph 54 do not prevent the disclosure of employee's curriculum references, made available as part of their political and associative activities, in which reference is made to their professional connection with Banco Carregosa.

L. Communication of Conflicts of Interests

57. When an inevitable conflict of interest is identified, before or during the performance of any service, the Bank shall give clients, in writing or on another durable medium, a description of the facts of such conflict that gave rise to thereto.
58. In such cases as referred to in the preceding paragraph, the client shall expressly state in writing that they were informed of the conflict of interest and still intend to continue said service.
59. The Bank shall communicate to the client, in good time prior to the conclusion of any contract, the Conflict of Interest Policy.
60. The Policy shall always be available on the Bank's website.

M. Assessment of Conflicts of Interest

61. The CD, working closely with the Directors of the Departments concerned and with CRAV, shall document and keep an up-to-date record of the conflicts of interest and, in the case of MOAF, the potential conflicts of interest discovered in the course of the Bank's service provision and activities.
62. The assessment shall cover the following aspects:
- i. At the identification phase:
 - a. The actual situation found;
 - b. The identification of the service in which the conflict arose;

- c. The date of the event; and
 - d. The identification of the affected client, if applicable.
 - ii. At the management phase:
 - a. The identification of the causes that gave rise to the conflict of interest;
 - b. The identity of the persons involved; and
 - c. The estimated consequences.
 - iii. At the settlement/resolution phase:
 - a. The opinion of the CD or CRAV;
 - b. The description of the decision taken; and
 - c. The date on which the conflict of interest ended, when resolved.
- 63. At the communication phase to the client, where applicable:
 - i. The contents of the communication sent to the client, including a reference to the date on which it was sent; and
 - ii. Express statement by the client, in accordance with paragraph 58 of the Policy, where applicable.

N. Non-compliance

- 64. Failure to comply with the principles of this Policy shall result in disciplinary action, to be assessed in accordance with general rules.

