

Conflict of Interest Policy

BIR Bank, SA

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Legislation/Regulation to support the Sub-Process:

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CA.OS.016.2022	October 28	Regulation of the Code of Ethics and Conduct
Notice No 01/2022	January 28	Code of Corporate Governance of Financial Institutions
Notice No. 06/2020	March 10	Granting of loans to holders of participations
Law No 01/04	February 13	Commercial Companies law
Law No 14/2021	May 19	Law on the General Regime of Financial Institutions
Law No 22/15	August 31	Law approving the Securities Code
Regulation No 1/15	May 15	Regulation applicable to Securities Investment Services and Activities
Notice No 08/2021	June 18	Prudential Requirements Capital Requirements Supervision and Risk Management Process Market Discipline

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CHAPTER I - SCOPE OF APPLICATION AND OBJECTIVES

I. SCOPE AND OBJECTIVES OF THE POLICY

This Conflict of Interests Policy applies, across all units of structure and employees of Banco de Investimento Rural, S.A. (hereinafter referred to as "BIR" or "Bank"), shareholders, members of the Management and Administration Bodies and other members of the Social Bodies, as well as third parties who in any event act in the name and/or on behalf of the Bank.

The occurrence of conflicts of interest may jeopardize the impartiality and independence of the Bank's action and it is therefore a priority to guide its intended actions with an appropriate degree of independence.

This document sets out Bank BIR's internal rules and procedures for the management of conflicts of interest, with the following main objectives:

- the adoption of preventive measures regarding potential conflicts of interest with regard to shareholders, management and administration members, board members, employees, customer and related parties;
- prevent the occurrence of situations of conflict of interest, misuse of inside information by Bank Employees and transactions for their own benefit;
- ensure adequate identification, management and resolution of conflict of interest generated within the Bank's activity;
- Ensure regular monitoring and evaluation of the adequacy, effectiveness and compliance of the adopted measures and procedures, as well as address any identified deficiencies.

The BIR Bank provides all employees with adequate information and training, so that they are aware of the principles and rules contained in this Policy, and that they take all necessary measures for the proper prevention and/or management of situations of conflict of interest.

The responsible for this document is the *Directorate of Compliance* (DCOMP), subject to the opinion of the Legal Directorate (LD) and formal approval of the BIR Board of Directors (BD).

Amendments/updates to this Manual are to be approved by the Governing Board on a proposal from the *Directorate of Compliance* (DCOMP), after advice from the Legal Directorate (LD).

CHAPTER II - FRAMEWORK

I. APPLICABLE LAWS AND REGULATIONS

The rules set out in this Policy adopted by Banco BIR are in line with the principles established in the General Regime of Financial Institutions (Law No. 14/2021, May 19) and the Securities Code (Law No. 22/15, August 31), as well as with the regulatory requirements defined by the National Bank of Angola ("BNA") regarding Corporate Governance of Financial Institutions, through Notice No. 01/2022, January 28.

In accordance with the regulations in force, the Board of Directors of the Bank must formalize and implement a set of policies and processes for the identification, monitoring and mitigation of conflicts of interest, involving shareholders, customer, corporate bodies and employees, as well as the Bank's relations, services, activities and transactions.

A. Concepts

For the purposes of clarifying this Policy, the following definitions are adopted:

Ultimate Beneficiaries of the Credit - holders of participations, entities that are directly or indirectly in a domain or group relationship, members of the Management Body and member of the Supervisory Board and their spouses, Descendants or Ascendants up to the second degree of the straight line.

‘Conflicts of interest’ means a situation in which shareholders; members of the board or employees have their own interests in the relationship of the Institution with third parties from which they expect to benefit;

- **‘employee’** means all persons who have an employment relationship with the Bank under the applicable labour law, members of its governing bodies, as well as service providers and all persons working on behalf of the Bank, regardless of the type of relationship and the type of activity pursued, including subcontracted third-party entities;

- **"Inside Information"** means use of information that is not publicly available to gain an advantage in negotiations.
- **"Management and Administration Body"** means a person or group of persons, elected by the members or shareholders, who are responsible for representing the company, deliberating on the matters and performing all acts for the fulfilment of its corporate purpose. It includes, in particular, the managers of limited liability companies and the members of the board of directors as provided for in the Commercial Companies law;
- **'Social Bodies'** means the Bureau of the General Assembly and the Administrative and Supervisory Bodies as provided for in the Commercial Companies law;
- **"Related Parties"** means Qualifying Holders, entities that are directly or indirectly in a domain or group relationship, members of the administrative and supervisory bodies of Financial Institutions and their spouses, descendants or ascendants up to the second degree of the straight line, considered as ultimate beneficiaries of the transactions or assets.
- **"Qualifying Participation"** the ownership, directly or indirectly, of a percentage equal to or greater than 10% of the share capital or voting rights of the participating company, or any other reason that allows for significant influence over the management of the participating institution. For the purpose of this definition, the provisions of article 17 of the General Rules for Financial Institutions (GRFI) regarding the calculation of voting rights shall apply.
- **"Relevant persons"** for the purposes of implementing the Policy, the concept of relevant persons includes:
 - a) related parties;
 - b) Employees involved in the conduct or supervision of financial intermediary activities or operational functions that are essential to the provision of services;
 - c) Spouse or person with whom the Relevant Person has lived in a life partnership with, dependent descendants or other family members who have lived with the Relevant Person for more than one (1) year;
 - d) any third party or person acting in the name and/or on behalf of the Bank.

- **‘Economic group’** means a group of financial institutions, both banking and non-banking, where there is a controlling relationship of a financial institution over the others.

CHAPTER III - GENERAL PRINCIPLES

I. FAIRNESS, INTEGRITY AND TRANSPARENCY

BIR Bank is guided, in the exercise of its activity and relationship with its customers, by the principles of fairness, integrity and transparency, committing itself to prioritizing the interests of customers in relation to their own interests, as well as in relation to the interests of the members of the social bodies or their Employees.

II. SEPARATION OF FUNCTIONS

The various organizational and functional units of the Bank operate independently and autonomously, ensuring the separation of confidential information in accordance with established corporate governance rules.

III. COMPENSATION POLICY

In order to prevent potential conflicts of interest, the Bank adopts a Remuneration Policy which allows an appropriate degree of independence to be ensured in order to prevent the occurrence of conflicting situations and excessive risk-taking.

IV. UPDATE AND EFFECTIVENESS

The adequacy, effectiveness and compliance of the measures set out in this Policy are regularly monitored and evaluated and appropriate corrective measures should be taken in a timely manner.

V. PROHIBITION OF COLLUSIVE PRACTICES

The Administrative and Management Bodies of the BIR Bank are prohibited from concluding contracts and agreements or adopting collusive practices of any kind intended to secure a dominant position on the money, financial or foreign exchange market or to bring about changes in the normal conditions of its operation, as well as systematically applying discriminatory conditions in comparable transactions.

They are also prohibited from requiring their customers, as a condition for benefiting from their services, to purchase goods and products or to contract services from them or from another company which is their subsidiary or in which they hold a participation in.

CHAPTER IV - CONFLICTS OF INTEREST

I. TYPICAL SITUATIONS OF CONFLICT OF INTEREST

Conflicts of interest may potentially arise between BIR, Relevant Person, Third Party Representatives, Contributors and/or Customers and Suppliers.

Given the nature of the financial intermediary activities of the BIR Bank, the following situations of potential risk of conflict of interest can be identified in a non-exhaustive manner, namely:

- Participation of BIR in business and trading activities in financial instruments for its own portfolio and/or for the account of customers and, at the same time, other customers are trading in the same financial instruments on the same markets;
- the provision of services and activities related to the purchase and sale and the realization of government debt securities products, directly or indirectly, to customers;
- the provision of investment research on individual firms or groups to which it also provides investment advice;
- acting as the counterpart of the Customer or executing orders in financial instruments of Customers on their behalf;
- Integration by Relevant Persons of the Bank of the Board of Directors of other issuers of financial instruments that may be subject to transactions by Customers;
- Dealing on own account;
- portfolio management on behalf of others;
- provision of financial services to undertakings, including underwriting or placing of financial instruments, and advice on mergers and acquisitions;
- Provision of financial intermediary services to different Customers operating in the same sector;
- Provision of portfolio management services where the financial intermediary is also an issuer of securities traded on the market.

II. ABUSIVE USE OF INSIDER INFORMATION

Employees must refrain from the abusive use of information to which they have access in the performance of their duties or as a result of such performance, in accordance with applicable legislation.

Employees who become aware of inside information in the course of the performance of their duties, in particular those who, although not yet made public, may, by their nature or content, have an influence on liquidity and the price of securities, are prohibited in any event from transmitting it outside the normal scope of their duties or from using it before it is made public.

When, in the course of their duties, they become aware of information, in particular from customers' orders or transactions carried out on their behalf, which may have an impact on the value of the financial instruments concerned, they are prohibited from carrying out or recommending transactions in their own interest or in the interest of third parties, including transactions carried out before or at the same time as the client in the same financial instrument, and from disclosing such facts to third parties.

CHAPTER V - RELATED PARTY TRANSACTIONS

I. IDENTIFYING AND ASSESSING RELATED PARTIES

In the process of monitoring related party transactions, BIR must ensure that the terms of the financial products contracted by each related party are identical to those of non-related parties, taking into account the specificities of the transactions and the level of risk associated with them.

In order to avoid conflicts of interest, the BIR Bank determines the following:

- Employees, Executive Board and Board members are prohibited from holding potentially conflicting positions in other companies;
- Administrators must inform the other members of the Management Board in good time whenever a matter may arise or has arisen which gives rise to a conflict of interest, and must refrain from participating in the associated decision-making procedures.
- An effective process should be ensured before the Governing Board takes a decision that ensures that these decisions do not give rise to conflicts of interest by identifying and assessing related party transactions.

CHAPTER VI - PROCEDURES FOR PREVENTING AND MANAGING CONFLICTS OF INTEREST

I. CONFLICTS OF INTEREST CONCERNING EMPLOYEES

The employees of the Bank must be free from any interest, financial or otherwise, that may be considered conflicting or incompatible with their integrity and objectivity in the performance of their duties.

Employees must inform the Chief *Compliance Officer* in writing about the composition of their portfolio of financial instruments (identifying the type of financial instrument and its issuer) and update them on a quarterly basis.

Employees may not disclose or use information to which they have access in the course of their duties for the benefit of private financial transactions which may influence the financial position or reputation of the Bank.

Employees may not intervene in the assessment and decision of transactions in which they are directly or indirectly concerned, their spouse or unmarried partner, relatives or the like in the first degree, or companies or other collective entities which they directly or indirectly dominate.

Placing personal interests above the interests of the Bank through practices such as nepotism, indirect hiring or self-contracts, facilitating credit approvals, currency purchases, engaging in improper relationships, and abusing trust are some of the practices that constitute conflicts of interest which employees are prohibited from engaging in.

We also refer to Articles 15, 22 and 35 of the Code of Ethics and Conduct Regulation.

II. PROCEDURES FOR THE PREVENTION AND MITIGATION OF CONFLICTS OF INTEREST

When a conflict of interest arises, the necessary resources must be promptly mobilized to resolve it in a manner that ensures transparent and equitable treatment of the Relevant Persons.

For the purpose of preventing and managing conflicts of interest, the Bank adopts the following procedures:

- The organizational and functional structure of the BIR Bank is defined in accordance with the current corporate governance rules, ensuring the independence and segregation of potentially conflicting functions, including information confidentiality and the non-involvement of the same person simultaneously or sequentially in different financial intermediary activities;
- effective procedures for the prevention and control of the exchange of information between Relevant Persons involved in activities or who are actively or passively involved in transactions, where directly or indirectly this implies a risk of a potential conflict of interest and could harm the interests of one (1) or more customer;
- The control system put in place by the Bank ensures that the management of conflicts of interest situations is conducted by units of structure/persons other than those directly or indirectly involved in the conflict situation;
- the existence of mechanisms to monitor the activity of relevant persons whose principal functions involve carrying out activities on behalf of, or providing services to, customers

where their interests may diverge from those of the customers, so as to prevent inappropriate influence on the way a relevant person provides financial intermediary activities;

- BIR Bank adopts mechanisms for identifying and managing situations of conflicts of interest caused by employees;
- The identification of relevant conflicts of interest that may arise in the context of the provision of services, including the definition of the preventive and mitigation/management measures of possible conflicts, which include rules on communications to be made to Customers in the event of a conflict of interest;
- the existence of adequate remuneration policies to avoid conflicts of interest;
- monitoring and regular evaluation of the adequacy and effectiveness of the measures taken and the adoption of appropriate measures to remedy any deficiencies found and/or to adjust, review or amend any such measures;
- Reporting to the *Compliance Directorate* of all identified conflict of interest situations;
- recording all cases of conflicts of interest arising in the context of the provision of the service and the treatment of the service;
- Employees with financial intermediary functions enjoy technical independence in the performance of their duties and are not subject to any improper conduct that may interfere with the way they provide their services.

III. MANAGEMENT AND RESOLUTION OF CONFLICTS OF INTEREST

Employees who identify an actual or potential conflict of interest situation should report this to the respective Head of the Directorate/Office (if they are not involved parties) and the Directorate of *Compliance*, with the knowledge of the respective Directors of the portfolio.

The Directorate for *Compliance* must review the communication received and draw up a proposal for a resolution of the situation. They must seek the advice of the Legal Directorate and submit it to the Executive Board for deliberation.

When drafting the motion for a resolution, the *Compliance Directorate* must request information/elements from the Head of the area in which the conflict of interest has been identified and/or from other staff of the Bank, if necessary.

In the motion for a resolution, the Directorate for *Compliance* should propose mitigation or remedial measures, as well as appropriate procedures to prevent similar situations from arising in the future.

If a conflict of interest arises between BIR and one or more customers, before carrying out the transaction on behalf of the customers, the Bank must provide them with generic information about the potential sources of the conflict and will only provide the service after obtaining their consent.

The *Compliance Directorate* of BIR should monitor and regularly assess the adequacy and effectiveness of this Conflict-of-Interest Policy and the measures and procedures implemented.

IV. RECORD OF CONFLICTS OF INTEREST

An *up-to-date record* of detected potential or actual conflicts of interest with a risk of material damage to the interests of one (1) or more customers must be maintained by the Bank, *Directorate for Compliance*.

The following information has to be recorded:

- Identified Conflict of Interest (reason for the conflict and circumstances in which it was detected);
- Investment services/activities and intermediary carried out in which the potential or actual conflict of interest has been identified;
- the date on which the conflict was identified;
- Persons/Entities involved;
- expected consequences;
- Where applicable, connection with other situations of conflict of interest;
- Unit of organizational structure in which the conflict arose/which identified the situation;
- Decision;
- Date of completion;
- Recording of the communication to the Customer and their consent to the execution of the transaction (if applicable);
- Corrective measures implemented.

All documentation regarding the identified conflict of interest situations should also be archived by the DCOMP, both physical and digital, in order to ensure the correct identification and management of any potential future conflict of interest situation.

CHAPTER VII - GRANTING OF LOANS

I. SHAREHOLDERS/MEMBERS OF THE BODIES/EMPLOYEES AND RELATED PARTIES

The Executive Board, the Board of Directors, the Supervisory Board and the Directors may not intervene in the proposal, appraisal, grant and decision of credit transactions in which they are directly or indirectly concerned, in any form or manner, including in the provision of collateral, or to companies or other collective entities directly or indirectly dominated by them.

An indirect grant of credit must be presumed to exist where the beneficiary is the spouse, relative up to the second degree or close associate in the first degree of any of the members of the administrative or supervisory bodies or a company directly or indirectly dominated by any of those persons.

Credits to shareholders, members of bodies, employees or related parties must be provided under normal market conditions, taking into account their level of risk.

Only loans granted to members of bodies and employees having a social character, such as loans for the purchase of permanent owner-occupied housing and for the payment of medical expenses.

II. ASSESSMENT AND DECISION

The approval of credit operations to entities in which the members of the administrative or supervisory body directly holds a participation or a position in management is subject to: (i) approval in the administrative board by a two (2) thirds majority of the other members of the administrative board, no members affected by the conflict of interest taking part in the deliberation; (ii) a favourable opinion of the supervisory board or equivalent.

The Executive Committee, Board of Directors, Supervisory Board and Directors may not intervene in the proposal, assessment and decision of credit transactions in which they, their

spouses, relatives up to the second degree or the like in the first degree, or entities dominated by them, are directly or indirectly concerned;

The acquisition by BIR Bank of shares in companies or other collective entities, directly or indirectly dominated by members of the Bank's Board of Directors or Supervisory Board and related parties, must be treated as the granting of credit.

The approval of credit operations with Related Parties shall always be done at the level of the Executive Board, and shall follow the provisions of the Bank's internal rules, in accordance with the following procedure:

- a) Commercial Directorate - prepare the proposal and issue its commercial opinion on the Customer;
- b) Compliance Directorate - responsible for the management and reporting of the Related Parties, depending on the information provided by the Commercial Directorate;
- c) Risk Management Directorate - responsible for solvency ratio, regulatory own funds, review large exposure limits as applicable regulations, depending on available information;
- d) Directorate Credit - credit risk assessment and reasoned opinion in accordance with current practices, methodologies and regulations, subject to available information;
- e) Supervisory Board - issue an opinion on credit transactions involving Related Parties, depending on the information available;
- f) Executive Board - collegiate body responsible for the final decision on the credit proposal and all transactions within its assigned competence, depending on the information available;
- g) Legal Directorate - responsible for drafting contracts, formalizing guarantees and safeguarding contracts.

Members of the Board of Directors, the Supervisory Board, the Directors, employees, advisers and agents of the Bank may not participate in the assessment and decision-making process of transactions in which they, their spouses, first-degree relatives, or related entities, directly or indirectly, have an interest.