## Summary

Establishes the Customer Acceptance Policy

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1. FRAMEWORK

According to the general principles of anti-money laundering and in accordance with the domestic and EU laws and with the recommendations issued by the Basel Committee, and considering the best practices in how perform in markets, the companies within the consolidation perimeter of Group Banco Comercial Português (hereinafter referred to as “Companies”) should put in place policies, practices and procedures compliant with high ethical and professional standards so as to prevent the use, intentional or not, of an institution for criminal acts or other acts that may subject the Companies to significant operational and reputation risk.

The fundamental elements of those practices must include control and management rules for the most relevant risks and, specifically regarding the relation with the customers (particularly natural and legal persons or legal arrangements\(^1\), their representatives or operations, must include Know Your Customer programs and be included in four fundamental policies in this area: (1) the Customer Acceptance Policy; (2) the Customer Identification Policy; (3) Policy on the assessment and monitoring of high risk entities and accounts; and (4) the Policy for Risk Management in terms of Anti Money Laundering and Counter Terrorism Financing.

Therefore, the Companies must:

i. define the type of Clients that they are willing to accept in terms of ML risk;

ii. objectively and rigorously obtain their identification and update the identification records and the information obtained throughout the business relation, after it begins;

iii. monitor the transactions processed in their accounts and verify if they are in line with the expected profile for the type of account in question;

iv. set forth measures to manage risk and control procedures that involve, among other things, regular and extensive audits and reviews.

2. CUSTOMER ACCEPTANCE POLICY - OBJECTIVES

Within the scope of the procedures of anti-money laundering and counter terrorism financing, and in accordance with the regulations and recommendations made by the relevant international entities, the Companies should develop clear policies and procedures for accepting Customers, including the description of the types of Customers that may eventually bear a higher risk for the Companies themselves. Within the scope of these policies and procedures, they must take into account some factors that are relevant to define the Customers' risk level, namely the country of origin or residence, the professional profile and the Customer's eventual participation in political activities, the Customer's business area and the accounts that may be related to him/her/it.

Hence, this document aims to define the set of criteria that will serve as guidelines for the entire Group to accept or refuse a relation with potential Customers, to define criteria for a conditioned acceptance of Customers and to define criteria to assess the Customer's risk level at the moment of the acceptance.

3. CATEGORIES OF POTENTIAL CUSTOMERS WHOSE ACCEPTANCE SHOULD BE REFUSED

Seeking to protect the Companies of practices that may jeopardize their activities and in order to protect their reputation, the Companies refuse all potential customers that fit into any of the following categories:

i. people whose reputation in the media or in the market are usually associated with criminal activities;

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\(^1\) As per article 7 (4) of Law 25/2008 dated 5 June.

\(^2\) As per article 9 (1) (e) of Law 25/2008 dated 5 June.
ii. people whose activity or way of life make it difficult or impossible for the Companies to know the origin of their assets;

iii. people who do not cooperate with the Companies by not providing the information required;

iv. casinos, entities involved in gambling or betting activities or other similar activities, if not authorized by a member-state of the European Union or by a third country with an equivalent regime in terms of anti-money laundering and counter terrorism financing;

v. shell banks.

For the entities whose acceptance as Customer is denied, the Companies shall prepare a refusal process including all the information gathered on the entity, as well as a statement justifying the reasons for the refusal. The process shall be sent to the Compliance Office, which will ponder, based on the information rendered, on the eventual subsequent actions under the terms of the applicable legislation.

4. CATEGORIES OF POTENTIAL CUSTOMERS WHOSE ACCEPTANCE SHOULD BE CONDITIONED TO A SPECIAL AUTHORIZATION PROCESS

The Companies shall create a particular acceptance process, subject to special authorization, for potential Customers that fall into one of the following categories:

i. people whose activity or source of income is, directly or indirectly, dealing in weapons or other equipment used for war purposes;

ii. people whom the Companies believe to be associated with criminal activities;

iii. People classified by the Companies as having high money laundering risk level;

iv. casinos, entities involved in gambling or betting activities or other similar activities, if authorized by a member-state of the European Union or by a third country with an equivalent regime in terms of anti-money laundering and counter terrorism financing;

v. exchange offices or any other establishments that undertake, internal or cross-border, trade in currencies;

vi. Politically Exposed Persons (PEPs), as per the following number;

vii. correspondent banks.

The conditioned acceptance process comprises the cases wherein the potential Customer is a manager, shareholder, or owner of any entity that pursues any of the above-mentioned activities.

The potential Customer that is in any of the situations mentioned in this number will always be expressly warned of the conditions to which his/her/its acceptance by the Companies is subject.

The decision to accept or refuse a Customer shall be adopted by the Companies by means of a proposal made by the respective commercial hierarchy, which will be submitted to the Compliance Office, for cognizance; it will be assumed that there is a non-opposition if the same is not reported to the commercial structure within two working days.

When there are divergences of opinion between these two organic units, the Group Head of Compliance shall be immediately informed of that fact and will endeavor all efforts deemed necessary to solve the situation.
5. POLITICALLY EXPOSED PERSONS (PEP)

The Customer conditioned acceptance process mentioned in the previous number especially comprises:

i. the Politically Exposed Persons (PEP) who intend to be customers of the Companies in their country of origin, or out of it;

ii. the closest relatives of the PEP, including the persons that live with him/her in a domestic partnership;

iii. other persons, legal or natural, that recognizably have established with the PEPs or respective family members close corporate or commercial relations;

iv. other persons that hold other political offices or relevant public positions.

PEPs are considered to be, regardless of the name effectively given to the function exercised, the natural persons that perform or have occupied high positions with a public or political nature, including Heads of State or Government, ministers, members of parliament, members of the constitutional courts, courts of accounts or other senior courts, members of administration or supervision bodies of central banks, heads of diplomatic missions or consulates, high ranked officers of the Armed Forces, members of the administration or supervision bodies of companies, establishments or foundations the capital of which is fully or almost completely public, members of the executive bodies of the European Union, United Nations or other organizations ruled by international law.

Close relatives are the spouse or the domestic partner, the parents, children and respective spouses or domestic partners.

Regardless of the KYC special process applicable to these categories of Customers, the acceptance of a PEP as a Customer of the Companies always depends upon the authorization to be granted by the individual responsible for the respective commercial network with the highest hierarchical level.

“Holders of other political or public positions” are the natural persons that, although not qualified as PEP, perform or performed during the last twelve months in the national territory, any of the following positions:

i. the positions described in article 4 (1) (2) (a) and (3) of the Law 4/83 of 2 April \(^3\), when they do not determine the qualification of the respective holder as a PEP;

ii. member of an executive or of a representative body of the metropolitan area and of other form of municipal association.

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\(^3\) Law on Public Control on the Wealth of Holders of Political Positions, as per Article 4 (1) of Law 4/83:

- President of the Republic;
- President of the Parliament;
- Prime-minister;
- Members of Parliament;
- Members of the Government;
- Representative of the Republic in the Autonomous Regions;
- Members of the Constitutional Court;
- Members of the governmental entities of the Autonomous Regions;
- Members of the European Parliament;
- Members of the constitutional bodies;
- Civil Governor and vice civil governor;
- Municipal Mayor and deputy Mayor, in accordance with article 4 (2) (a):
- Members of the permanent national and autonomous regions’ management bodies of the executive political parties, in accordance with article 4 (3):
- Public Managers;
- Members of the managing body of a company wherein the State holds a stake, when appointed by the State;
- Members of the executive bodies of companies part of the local entrepreneurial sector;
- Members of the management bodies of public institutes;
- Members of independent public entities foreseen in the law or in the Constitution;
- Holders of 1st degree management positions or similar.
6. CRITERIA FOR THE ATTRIBUTION OF A HIGH-RISK DEGREE AT THE MOMENT WHEN CUSTOMERS ARE ACCEPTED

The factors that may eventually aggravate the risk degree applicable to a determined customer are:

i. the place where the potential Customer resides or where he/she/it exercises his/her/its activities or the origin/destination of the funds to be credited/debited in the context of a business relation or single transaction 4;

ii. the Customer has been subject to an acceptance-conditioned process, in accordance with item 4 above;

iii. the circumstance that a specific entity, due to its respective activity or line of business, is subject to the application of the anti-money laundering laws5;

iv. the existence of any other factors or circumstances whatsoever that have been defined, for that purpose, by the Compliance Office.

For the purposes of the previous paragraph:

A. Risk geographies are: (i) all those subject to embargos or to other types of sanctions enacted by any entities ruled by International law empowered for such acts and (ii) all those that cannot be qualified, in terms of money laundering or terrorism financing, as having a regime similar to the national one (“equivalent third country”);

B. Without prejudice to others, the following entities, activities or professions are subject to the anti-money laundering legislation: financial entities; concession-holders of casinos’ operating licenses; entities that pay lottery prizes; entities that exercise real estate mediation activities; shop owners whose operations are carried out in cash, in amounts above € 15,000.00; chartered accountants, auditors, tax consultants; notaries public, registrars, lawyers, solicitors, acting individually or by means of a partnership, which intervene in operations mentioned in the anti-money laundering legislation; other service providers.

The attribution of a risk degree is carried out, considering the various relevant factors, by the Compliance Office area responsible for anti-money laundering.

7. KEY ELEMENTS IN THE CUSTOMER IDENTIFICATION AND KNOW YOUR CUSTOMERS (KYC) POLICIES

Before accepting any customer or making any occasional transaction, the Companies must verify the identification of the Customer and, if that is the case, of his/her/its representatives and/or ultimate beneficial owners8.

In the specific case of the opening of a deposit account, the banks shall never allow the making of any debit/credit entries in the account, shall never render available any payment instruments on that account or the introduction of any changes in its respective holders without making a full and accurate verification of the Customer’s identity.9

Within the scope of the customer identification and KYC process, the Banks shall necessarily and without prejudice to any other relevant issues, evaluate the following:

i. The purpose of the account to be opened;

ii. The expected transaction profile;

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4 As per Law 25/2008, article 9 (1) (c), dated 5 June
5 As per Law 25/2008, article 2 (1), dated 5 June
6 As per Law 25/2008, article 2 (8) dated 5 June.
7 As per Law 25/2008, article 4, dated 5 June.
8 As per Article 8 (1) of Law 25/2008, dated 5 June.
9 As per Article 8 (3) of Law 25/2008, dated 5 June.
iii. The income sources;

iv. The coherence and consistency of all the existing information on the Customer.

In the case of accounts opened by legal persons, the Banks will necessarily have to include in its KYC process, the clear and objective identification of the ultimate beneficial owners of those entities, in accordance with the legislation in force.

8. PERIODIC REVIEW

The Companies shall, at least once a year, revise the Policies adopted on risk management in terms of Anti-Money Laundering and Counter Terrorism Financing\(^\text{10}\).