



DESCRIPTIVE SUMMARY

This Policy establishes the guidelines for Anti-Money Laundering and Combating the Financing of Terrorism of Safra Conglomerate.

1. Introduction

The Management Board and the Board of Directors of the Safra Conglomerate (Safra) formalize this Policy to be complied with by all of its employees and professionals who act on its behalf on their duties.

Hereafter, the terms “Money Laundering and Financing of Terrorism” will be referred as ML/FT and their prevention as AML/CFT.

This Policy applies to the whole Safra Conglomerate, including its subsidiaries, branches or international units, which must also comply with local legislation and regulation.

2. Objectives

To reinforce the commitment of senior management to:

- i) The compliance with the legislation and rules, which apply to AML/CFT, with the highest ethical standards in conducting business, establishing and maintaining customer relationships;
- ii) The effectiveness and continuous improvement of the procedures and internal controls related to AML/CFT;
- iii) The guidance and protection of the Conglomerate, its shareholders, managers and employees from the risk of misuse of its products and services for ML/FT purposes.

To define the guidelines for the fulfillment of the requirements established in internal and external standards, as well as in the legislation of AML/CFT.

To establish that it is the duty of all managers, employees and service providers of Safra to be adherent to the legislation, rules and codes in their procedures and avoid, among others, the risks:

- i) **Image risk** – which may negatively affect the reputation of Safra, its shareholders, managers, employees, and customers;
- ii) **Legal risk** – occurs from non-compliance with applicable laws and regulations, which may result in legal or regulatory sanctions and financial losses.

3. Guidelines

3.1. Corporate Governance and Practices



This Policy establishes the following roles and responsibilities related to its fulfillment:

Management Board

- i) To approve the AML/CFT Corporate Policy.
- ii) To be aware of the Internal Risk Assessment and Effectiveness Assessment, as well as the action plans established to solve the identified deficiencies.

Financial Crime Prevention Committee

- i) To be aware of the Internal Risk Assessment.

Audit Committee

- i) To be aware of the Internal Risk Assessment and Effectiveness Assessment, as well as the action plans established to solve the identified deficiencies.

AML/CFT Director

- i) To approve the Internal Risk Assessment;
- ii) To be aware of the Effectiveness Assessment, as well as to monitor the action plans established to solve the identified deficiencies;
- iii) To approve the following Internal Procedures: - Know Your Customer; - Transaction Monitoring, Selection and Analysis of Suspicious Activities;
- iv) To approve the guidelines and procedures established by the AML/CFT area;
- v) To act as a last instance for decision-making in high-risk situations of ML/FT related to the beginning or maintenance of relationships with customers, employees, partners and suppliers when requested by the AML/CFT Executive Superintendent.

Whenever necessary, the effective fulfillment of the actions and decisions resulting from these responsibilities may be delegated to the AML/CFT Executive Superintendence, given the timing of the business progress.

AML/CFT Executive Superintendence

- i) To implement and monitor compliance within this Policy;
- ii) To establish guidelines and procedures to be observed by all companies and segments of the Conglomerate, which ensure the adherence of the products and services to the applicable legislation and complementary regulation;
- iii) To appoint AML/CFT managers and establish their responsibilities;
- iv) To act as a decision-maker in high-risk situations of ML/FT related to the beginning or maintenance of relationships with customers, employees, partners and suppliers;
- v) To lead the processes of Internal Risk Assessment and Effectiveness Assessment, as well as the implementation of the action plans to solve the identified deficiencies;
- vi) To act as delegated authority of the AML/CFT Director when necessary.



3.2. Risk-based Approach

Safrabank uses the risk-based approach to ensure the adoption of management and mitigation controls according to the identified risk. Therefore, it must guarantee the recurring internal assessment in order to identify and measure the risk of use of products and services in ML/FT practices, considering at least the following risk profiles:

- i) Customers;
- ii) Conglomerate, including its business model and the geographic area of operation;
- iii) Operations, transactions, products and services, including all distribution channels and use of new Technologies;
- iv) The activities performed by the employees, partners and outsourced service providers.

3.3. Effectiveness Assessment

Safrabank must periodically evaluate the effectiveness of this Policy, the procedures, and the internal controls related to AML/CFT in order to guarantee compliance with its responsibilities, as well as to establish and monitor action plans created to solve any identified deficiencies.

3.4. Prior evaluation of new products and services

All new products and services, as well as the use of new technologies applied to relationship and commercialization channels, must be evaluated according to the AML/CFT perspective prior to their implementation.

3.5. Customer Relationship

All business relationships must be submitted to a ML/FT risk assessment, either individually or through procedures comprehensive to relationship profiles. Safrabank must not maintain relationships with:

- i) Legal entities which are not duly authorized to operate under the legislation applicable to their business environment or with those in which it is not possible to determine with reasonable confidence that their activities are legitimate and legally framed;
- ii) Individual or legal entity operating on behalf of intervening persons;
- iii) Individuals or legal entities suspected of exercising or financing activities connected to terrorism, such as those on restrictive lists issued by national or international organizations;
- iv) “shell banks” – financial institutions which are not controlled or affiliated with a financial conglomerate subjected to banking regulation and supervision, and which maintains no physical presence in the country where it is established;
- v) “shell companies” – legally constituted companies which have no physical structure, present inconsistencies in their economic-financial information, activities, corporate



purpose and/ or share capital, and which it is not possible to know and identify the ultimate beneficial owner of the resources to be transacted or used.

3.6. Transaction Monitoring, Selection, Analysis and Reporting

3.6.1 Subjective Criterion

Safra must use tools and information systems appropriate to the size and complexity of its operations, as well as establish procedures and criteria to monitor the financial transactions of customers. It must also monitor, select, analyze and report to the corresponding Financial Authority the suspicious activities within the service level agreement established in the current regulation.

The business areas must, within the scope of their activities, be aware of the operations carried out by their customers and inform the AML/CFT area when any suspicious activity is detected.

3.6.2 Objective Criterion

Safra must report to the corresponding Financial Authority, in a timely manner, the operations described in the existing regulations, identifying all those involved, according to the current regulations, and consider in its monitoring mechanisms initiatives that make it possible to identify attempts to avoid established controls.

3.7. Training and Promotion of Organizational Culture

Safra must offer a continuous AML/CFT training program for the managers and all employees, as well as the employees of the correspondent banking service providers, independent investment brokers and relevant service providers.

3.8. Registration – customer identification and qualification

The registration of Safra's customers must comply with the current regulation, through processes of collection and registration of information, which are described in internal procedures, ensuring thoroughness in the identification, verification and validation of the customer's information, included verifying:

- i) If the customer is considered to be a Politically Exposed Person (PEP);
- ii) The Ultimate Beneficial Owner (UBO) of legal entities.

The maintenance of the registration base must ensure that the qualification of the customers is permanently reassessed, according to the development of the business relationship and risk profile.



Business relationships must not be initiated before the procedures of identification and qualification of the customer have been carried out according to their respective risks.

3.9. Know Your Customer (KYC)

The “Know your customer” procedures must be applied, proportionally to the risk, through the perspective of new business relationships or through situations in which it is necessary to get additional information about the customer’s profile and/ or activity.

3.10. Know Your Employee (KYE)

Safra must ensure the adoption of specific procedures to know its employees and any risk factors inherent to their profile, in order to employ management actions and controls to mitigate them.

3.11. Know Your Products and Services (KYPS)

The “Know your products and services” procedures must gather enough information about the products and services to be offered, prior to their availability to the market in order to subsidize the weighting of risks arising from its misuse.

3.12. Know Your Partner (KYP) and Know Your Supplier (KYS)

The “Know your partner” and “Know your supplier” procedures must ensure the identification, qualification, and classification of ML/FT risks of the activities carried out by the partners, suppliers, and service providers in order to protect the institution from maintaining a relationship with commercial partners, correspondent banks or the like, considered unfaithful, suspect of involvement in illegal activities or which do not have adequate AML/CFT controls.

3.13. Sanctions

When applicable, Safra must comply with the established procedures in the sanctioning resolutions of the United Nations Security Council – UNSC, as provided by Brazilian Law No. 13.810 of 8 of March 2019, or the designations of its Sanction Committees which establish the unavailability of assets of any value, of ownership, direct or indirect, of individuals or entities, according to legal provision, without prejudice to the duty to comply with judicial orders or resulting from local legislation.

It must also ensure due caution in cross-border operations, in order to avoid transactions with parts and counterparts sanctioned by different countries or external/ internal agents, considering the best national and international practices on the subject.



3.14. Confidentiality

Safra must observe the duty of confidentiality regarding any and all information from its customers, their proposals, operations and/ or reports made to the regulators.

3.15. Technologies

The AML/CFT procedures and controls must be supported by updated computerized systems, compatible with the complexity and risks associated with the operations and products offered by Safra and with the level of sophistication observed in the market allowing:

- i) The collection, verification, validation and update of the registration information, aiming to get to know the customers, employees, business partners and outsourced service providers;
- ii) The register of the operations and financial services;
- iii) The report of the proposals, operations, or suspicious activities to Coaf;
- iv) The storage for a minimum period of ten years of documents and information related to the evaluations carried out in the AML/CFT computerized systems.

4. Whistleblowing Channels

Safra must maintain free-access whistleblowing channels for all managers, employees, partners and outsourced service providers, as well as guarantee proper treatment of the reports made and the confidentiality of whistleblowers and the reported ones.

5. External Regulation

Safra must comply with the current Brazilian legislation applicable to AML/CFT – Law No. 9.613/98 and its amendments, as well as with the regulations issued by the Central Bank of Brazil – BACEN, the Securities Commission – CVM and the Private Insurance Superintendence – SUSEP, related to AML/CFT.

The complete and current framework must be consulted on the website of the Brazilian Financial Intelligence Unit – Coaf (<http://www.fazenda.gov.br/orgaos/coaf>).

Safra must also adhere to the best international practices on AML/CFT, in accordance with FATF's 40 recommendations, which serve as the basis for international AML/CFT regulations.

6. Glossary



Prevention: to prepare someone or something to avoid something; prevent it from happening; anticipate unwanted information or consequences; warn about something; warn (adapted from the Aurélio B Holanda Dictionary)

Money Laundering – Legal definition: hide or conceal the nature, origin, location, disposition, movement or ownership of goods, rights or values arising, directly or indirectly, from a criminal offence (Article 1 of the Brazilian Law No. 9.613/98)

Financing of Terrorism: is the act or action of helping or encouraging a person or group to provide or collect funds, by any means, directly or indirectly, with the illicit intention of using it in whole or in part, to carry out a terrorist act, for the very subsistence of the organization or of an individual terrorist.

Validity: Year 2021

Revision: February / 2022