



OBJECTIVE

The Management Board and the Board of Directors of Safra Conglomerate (SAFRA), in accordance with the best practices of Corporate Governance, formalize this Policy, to be complied with by all.

This policy confirms the commitment of the High Administration with all legal and regulatory requirements applicable to Anti-Money Laundering and Combatting Terrorism Financing (AML/CTF), emphasizing the high ethics standards on conducting business, establishing and maintaining customer relationship.

Hereafter the terms “Anti-Money Laundering” and “Combatting Terrorism Financing” will be referred as AML and CTF.

The main objective of this AML Policy is to prevent SAFRA, its shareholders, managers, and employees, from from products and services for money laundering, terrorist financing or other financial crime.

This policy applies for SAFRA, including its subsidiaries, branches or international units, which must comply with local legislation and regulation.

This document confirms to be commitment of all SAFRA staff to comply with the legislation and regulation in the bank procedures, in order to avoid the risk of:

- **Image** – may affect negatively the reputation of SAFRA, its shareholders, employees and customers.
- **Legal** – occurs from non-compliance with the law and regulations. It can apply financial sanctions and financial losses.

GUIDELINES

1.1. Current Regulation and Best Practices

Ensure that SAFRA is in compliance with legal and regulatory requirements in force, and with the best practices of AML and CTF.

Take action with regulatory agencies, answering enquires about the compliance with “AML/CTF” legal and regulatory requirements and the mitigation of the risks of the product and services being used for Money Laundering or Financing Terrorism.

Adopt an approach based on the money laundering risk rating, both for costumers and for SAFRA products and services.

1.2. Costumer Relationship

Avoid any relationship with:

- Individual or corporate entities that presents evidences of operating on behalf of someone;
- Individual or corporate entities suspected of practicing or financing activities related to terrorism, or anyone that have their name on restraining lists issued by national or international Regulator Agency;



- Individuals or corporate entities sentenced, in final instance, for Money Laundering crimes;
- “Shell bank” – Financial Institution unaffiliated and not controlled by financial conglomerate, subject to Banking regulation and supervision, and that has no physical presence in the country established;
- “Shell company” – Company legally constituted and has no physical structure, also, presents contradiction in its economic-financial information, activities, share capital, and is not possible to identify the ultimate beneficial owner of the resources to be transacted or used/operated.

Guarantee the application of enhanced procedures and special attention on the beginning and maintenance of relationship with costumers in special situations, with increased risk, in accordance with internal rules and current regulations.

Maintain strict secrecy about any information of customers, its proposals, transactions and/or communications to the Regulators.

1.3. Monitoring

Establishing adequate processes and systems designed to monitor continuously clients' accounts must be implemented to detect unusual transactions.

1.4. Analysis

Establishing procedures and criteria of analysis of unusual or suspect cases identified through the monitoring of customer's financial activity through any other source.

1.5. Reporting of suspicious transactions:

Such transactions must be reported to the competent authorities according to local law. AML/CTF department will monitor costumers transactions, also must be informed about all suspicious events, if not explicitly prohibited by local regulation. The purpose is to ensure that all suspicious activity and transactions will be reported to COAF (Conselho de Controle de Atividades Financeiras), when applied.

1.6. Training

Elaborate and implement AML and CTF training and awareness programs for all employees. Adherence to the Conglomerate Safrá AML Program is the responsibility of all employees.

1.7. Controlling

Establish criterias to protect and maintain historical records of customer's transactions, analysis (reports) elaborated by “AML/CTF” department, transactions reported to COAF, and documents with customer's information (customers reference files), in terms of current regulations.

1.8. Registration

Ensure that costumers' base of SAFRA complies with current legal and regulatory requirements through procedures for collecting and recording information, according with internal policies.

Develop and conduct Adequacy Tests of reference files, as established in the current regulation and in accord with the best practices, disseminated by Regulatory Authority.



1.9. Know Your Customer (KYC)

Disseminate in the SAFRA the concept of Know Your Customer (KYC), which is considered the most important principle of "AML/CTF".

Establish criterias for classify the relationship with customer as PERMANENT or EVENTUAL, on terms of current regulation and intern policies.

Estabilish procedures risk based approach for the acceptance and maintenance of a customer relationship.

1.10. Know Your Employee (KYE)

Adopt criterias to select, to train and to monitor employees, as well training focused on AML and CTF.

Guarantee ongoing monitoring of the employees' financial transactions and activities, the same way as in tracking customers' transaction.

1.11. Know Your Product and Services (KYP)

Protect the SAFRA, its shareholders, Directors, Employees, Customers, from the risks resulting from improper use of its products and services.

Ensure that the products or services available are in compliance with internal regulations.

1.12. Know Your Partners (KYP)

Protect the institution from maintaining relationship with business partners, with correspondent banks or similar considered disreputable, suspected of involvement in illegal activities or that do not have appropriate controls for the "AML/CTF", through procedures and controls for proper identification and acceptance of its partners, in accordance with internal rules and regulations in force.

1.13. Know Your Supplies (KYS)

Protect SAFRA and its shareholders, Directors, Employees, Customers, the risks of contracting suppliers without due observation of the guidelines contained in the internal procedures and the legislation applicable to "AML/CTF".

1.14. Technology

Ensure the use of technological resources to assure the automation and the sustainability of monitoring, analysis, communication, controlling, registration and training.

EXTERNAL REGULATION

SAFRA is in compliance with Brazilian current legislation related to AML and CTF, such as Law 9.613/1998 and Circular 3.461/2009 of the Brazilian Central Bank, as well as other regulations, which refer to these laws. The complete framework of law, normatives, resolutions and circular letters must be consulted on the site of COAF (<http://www.fazenda.gov.br/orgaos/coaf>).

SAFRA is also in compliance with the AML international best practices, according to the FATF's 40 recommendations, which serve as a basis for international AML regulations, such as the regulations administered by the U.S. Treasury Department's Office of Foreign Assets Control ("OFAC"), the United Nation Security Council and



other international regulation. In addition, SAFRA has appropriate policies and procedures designed to comply with the prohibitions and restrictions mandated by OFAC as well as other applicable sanctions authorities.

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