



GRUPO **BPF**

Customer Acceptance Policy

2021

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Customer Acceptance Policy

1. Framework

Portugal Capital Ventures – Sociedade de Capital de Risco, S.A. (“Portugal Ventures”) is a venture capital firm based in Portugal and, as such, is deemed an obliged entity for the purposes of Law No. 83/2017 of 18 August 2017, as amended by Law No. 58/2020 of 31 August 2020 (“Law No. 83/2017”), and other applicable anti-money laundering and counter-terrorist financing laws (hereinafter referred to as “ML/TF”).

Accordingly, the purpose of this Customer Acceptance Policy is to define and clarify the factors and criteria to be taken into account in the risk assessment of a customer or counterpart with whom Portugal Ventures establishes a relationship (jointly referred to as “Customers”), to define any measures to be taken based on the respective risk score assigned, and to identify the circumstances or factors that determine and substantiate the non-acceptance of a customer and/or transaction.

This document was prepared in accordance with applicable law, inter alia, Law No. 83/2017 and other supplementary legislation, including the recommendations, guidelines, methodology and procedures issued by the Financial Action Task Force (FATF-GAFI), an intergovernmental body that designs and promotes national and international policies for preventing and combating ML/TF. It is also based on a risk management model that, in addition to ML/TF risks, also includes the risks associated with Portugal Ventures’ business and activity.

2. Customer Acceptance Policy

Customer acceptance is based on the internal score assigned to each customer following a risk assessment and the subsequent determination of measures to be applied.

The risk assessment and score are based on the information provided in the Identification Form (KYC – Know Your Customer) and all information and documents provided by the customer. As such, all customers are required to complete the form and provide any additional information and supporting documents requested by Portugal Ventures in a timely manner so as to enable the assessment to be carried out before entering into the agreement or executing the transaction, without prejudice to additional internal due diligence.

2.1. Risk Levels

Portugal Ventures has defined the following internal risk levels, each with a set of due diligence measures to be implemented internally:

Risk Levels	Numerical equivalent	Applicable measures
Low risk	1	Simplified due diligence
Medium risk	2 and 3	Normal due diligence
High risk	4	Enhanced due diligence
Very high risk	5	Customer not accepted

2.2. Risk factors/criteria

For the purpose of clarification, below are situations indicative of potentially low risk, medium risk, high risk or very high risk:

A. Low risk

Customer/Counterpart	Public companies listed on a regulated stock exchange and subject to disclosure requirements, either by stock exchange rules or through law or other enforceable means, which impose requirements to ensure adequate transparency of beneficial ownership.
	Public administrations or enterprises.
	Entities subject to supervision by the Portuguese Securities Market Commission (CMVM), Banco de Portugal, or the Portuguese Insurance and Pension Fund Supervisory Authority.
	Customers residing in lower-risk geographical areas, as identified in the geographical location section below.
Products, services, transactions or delivery channels and the source of funds	Products where the risks of money laundering and terrorist financing are managed by other factors, such as purse limits or transparency of ownership, including certain types of electronic money.
	Life insurance contracts and pension funds or similar savings products, the annual premium or contribution of which are reduced.
	Insurance contracts associated with pension plans, provided they do not contain a redemption clause and cannot be used to secure loans.
	Pension, superannuation or similar schemes that provide retirement benefits to employees, where contributions are made by way of deduction from wages and that prevent beneficiaries from transferring rights.
	Limited and clearly defined financial products and services aimed at increasing the level of financial inclusion of certain types of customers.

Geographical location	EU Member States
	Third countries which have effective systems for preventing and combating money laundering and terrorist financing.
	Countries or jurisdictions identified by credible sources as having a low level of corruption or other criminal activities.
	Third countries which, on the basis of credible sources such as mutual evaluations, detailed assessment reports or published follow-up reports, have requirements to combat money laundering and terrorist financing consistent with the revised FATF Recommendations and effectively implement those requirements.

B. Medium risk

All those that are not specifically identified as potentially low risk, high risk or very high risk.
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C. High risk

Customer/Counterpart	Customers domiciled in offshore jurisdictions or high-risk geographical areas, as identified below in the geographical location section.
	Customers whose business relationships take place under irregular circumstances.
	Legal persons or arrangements that are personal asset-holding vehicles.
	Companies with nominee shareholders or whose share capital is represented by bearer shares.
	Customers with ownership or control structures that seem unusual or overly complex, taking into account the nature of their business.
	Customers that carry out activities involving cash-intensive transactions.
	Customers that are third country nationals who apply for residence rights or citizenship in Portugal in exchange of capital transfers, purchase of property or government bonds, or investment in corporate entities in national territory.
	Customers about whom news articles have been published in the press or other credible sources of information relating to their suspected involvement in illegal activities and/or crimes, including the appropriation of public funds (adverse media), and customers known to be under investigation or charged in criminal proceedings.

	Customers whose registered office/domicile are at addresses that cannot be considered effective/habitual (e.g. post office boxes).
	Politically exposed persons or public or political office holders
	Customers widely and publicly known to maintain a close relationship with someone included in official lists related to preventing money laundering and terrorist financing or whose assets and economic resources have been frozen as a result of the restrictive measures imposed by the United Nations Security Council, by the European Union or by the United States.
	Customers who use intermediaries or agents with broad representation powers for the purposes of establishing or managing the business relationship.
	Customers with insufficient financial resources to carry out the proposed transactions.
Products, services, transactions or delivery channels and the source of funds.	Payment received from unknown or third parties unassociated with the customer or business pursued.
	Products or transactions that might favour anonymity.
	New products and new business practices, including new delivery mechanisms and payment methods, and the use of new or developing technologies for both new and pre-existing products.
	Non-face-to-face business relationships or transactions, without certain safeguards, such as electronic identification means, relevant trust services as defined in Regulation (EU) No 910/2014 of the European Parliament and of the Council of 23 July 2014 or any other secure, remote or electronic, identification process regulated, recognised, approved or accepted by the relevant national authorities.
	Private banking.
	Transactions related to oil, arms, precious stones and precious metals, tobacco products, cultural artefacts and other items of archaeological, historical, cultural and religious importance, or of rare scientific value, as well as ivory and protected species.
	Products or services associated with virtual assets.
	Countries or jurisdictions identified by credible sources, such as mutual evaluations, detailed assessment reports or published follow-up reports, as not having effective AML/CTF systems, in particular those listed as “Jurisdictions under Increased Monitoring” ¹

¹ Countries identified by the Financial Action Task Force (FATF) as Jurisdictions under Increased Monitoring, as per the list available at <https://www.fatf-gafi.org/publications/high-risk-and-other-monitored-jurisdictions/documents/increased-monitoring-february-2021.html>. The list refers to the most recent review by the FATF in June 2021, and is updated periodically.

Geographical location	Countries or jurisdictions identified by credible sources as having a significant level of corruption or other criminal activities.
	Countries or jurisdictions subject to sanctions, embargoes, other restrictive measures or additional countermeasures imposed, namely, by the United Nations and the European Union, and by the United States.
	Countries or jurisdictions providing funding or support for terrorist activities or acts, or that have designated terrorist organisations operating within their country.
	Countries, territories and regions with clearly more privileged and favourable tax arrangements ² , offshore countries and non-cooperative tax jurisdictions ³ .
	Jurisdictions that have not implemented the Common Reporting Standard for automatic exchange of information developed by the Organisation for Economic Co-operation and Development (OECD).

D. Very high risk

Customer/Counterpart	Customers included in official lists related to the prevention of money laundering and terrorist financing and/or included in lists published for such purpose by the United Nations Security Council, the European Union and the US authorities (OFAC - Office of Foreign Assets Control).
	Customers who do not provide identification information and the required supporting identification documents to verify their identity and that of their representative and beneficial owner, including information to determine the status of beneficial owner and their ownership and control structure.
	Customers who do not provide information on the nature, object and purpose of the business relationship or about the source and destination of funds transferred related to the business relationship, or any other information or documents requested by Portugal Ventures and which are regarded as essential.
	Customers whose assets and economic resources related to terrorism, the proliferation of weapons of mass destruction and the

² List of countries approved by Ministerial Implementing Order No. 150/2004 of 13 February 2004, as amended by Ministerial Implementing Order No. 292/2011 of 8 November 2011 and by Ministerial Implementing Order No. 309-A/2020 of 31 December 2020 (the latter excludes Andorra from the existing list), available at <https://dre.pt/web/guest/pesquisa/-/search/146525/details/normal?!=1>.

³ List of non-cooperative tax jurisdictions published by the European Union and available at <https://www.consilium.europa.eu/pt/policies/eu-list-of-non-cooperative-jurisdictions/>

	funding thereof, as per Laws No. 83/2017 and No. 97/2017 of 23 August 2017, have been frozen as a result of the restrictive measures imposed by the United Nations Security Council or by the European Union.
	Customers engaged in illegal activities or about whom information available suggests that they may be engaged in criminal activities.
Geographical location	Countries or jurisdictions identified by credible sources, such as mutual evaluations, detailed assessment reports or published follow-up reports, as not having effective AML/CTF systems, in particular those listed as “High-Risk Jurisdictions subject to a Call for Action” ⁴

2.3. Customer risk score

A customer’s risk score is determined taking into account the weighting and level of risk assigned to each of the factors/criteria to which the customer is exposed, as listed in paragraph 2.2 above.

The factors/criteria are assessed based on all aspects and stakeholders involved in the transaction concerned, that is, the risk factors/criteria are assessed with regard to:

- (a) the customer and their beneficial owners or proxies/agents/representatives;
- (b) the activity carried out by the customer and the sectors in which they operate, the products, services or transactions associated with the customer, and the activity, products, services or transactions from which the funds used in the transaction are generated, where Portugal Ventures is in doubt as to the source of said funds;
- (c) the address/registered office or place of business of the customer, beneficial owner, or proxies/agents/representatives, and the registered office or place of business of the financial institution from which the funds are received, or where the customer carries out their activity.

Ideally, each customer’s risk score should be determined using parameterised software that assigns a risk level (score) to each of the criteria assessed, where the overall risk assessment corresponds to the weighted average resulting from the assessment of each of these criteria. Until the aforementioned software is available for use at Portugal Ventures, the risk ratings of customers/counterparts will be determined using the risk matrix indicated in paragraph 2.3.1. below.

Portugal Ventures has the right to not accept customers where any of the factors/criteria listed under section 2.2 D. “Very high risk” are identified and where any customer (or potential customer)

⁴ Countries identified by the Financial Action Task Force (FATF) as High-Risk Jurisdictions subject to a Call for Action, as per the list available at <https://www.fatf-gafi.org/countries/#high-risk>. The list refers to the most recent review by the FATF in June 2021, and is updated periodically.

falls within any of the situations listed above or where there is evidence suggesting that a customer falls within such situations.

2.3.1. Risk matrix

Customer:			
Factors/criteria assessed		YES/ NO	Such as?
Relating to:			
<ul style="list-style-type: none"> • Customer • Beneficial owner • Proxy/agent/representative 	Are there any factors/criteria that suggest a low risk?		
	Are there any factors/criteria that suggest a high risk?		
	Are there any factors/criteria that suggest a very high risk?		
	Are there any factors/criteria to consider?		
	Weighting to be assigned (1 to 5)		
Factors/criteria assessed		YES/ NO	Such as?
Relating to:			
Activity carried out, sectors, products, services or transactions associated with the customer or the source of their funds	Are there any factors/criteria that suggest a low risk?		
	Are there any factors/criteria that suggest a high risk?		
	Are there any factors/criteria that suggest a very high risk?		
	Are there any factors/criteria to consider?		
	Weighting to be assigned (1 to 5)		
Factors/criteria assessed		YES/ NO	Such as?.
Relating to:			
Geographical locations associated with the customer,	Are there any factors/criteria that suggest a low risk?		
	Are there any factors/criteria that suggest a high risk?		

source of funds or any other stakeholder in the transaction	Are there any factors/criteria that suggest a very high risk?		
	Are there any factors/criteria to consider?		
	Weighting to be assigned (1 to 5)		
Factors/criteria assessed Relating to:		YES/ NO	Such as?
Portugal Ventures' business or reputational risk	Are there any factors/criteria to consider?		
Overall weighting (1 to 5)			
Observations			
Measures to be taken			

When weighting each category of factors/criteria and assigning a risk score to a customer, not only the type of criteria concerned but also the number of criteria with a certain level of risk that may be associated with the customer must be taken into account.

The reasoning behind the weighting assigned to the factors/criteria for determining a customer's overall risk score shall always be provided.

The overall risk score of a customer may be assessed and determined by the Board of Directors where there are any doubts not related to the ML/TF risk assessment.

Portugal Ventures may, as resolved by its Board of Directors and duly substantiated, deem as a very high risk any other situation or circumstance that, when specifically assessed, suggests that a customer or transaction exposes Portugal Ventures to too high a business or reputational risk.

The situation or circumstance identified by Portugal Ventures may be deemed as a very high risk irrespective of whether it falls within any of the situations listed under section 2.2 D "Very high risk" and provided the principle of equality is observed, in its various dimensions, in the resolution taken.