

**Anti Money
Laundering
and Terrorist
Financing
Policy**



Money Laundering and Terrorist Financing Prevention Policy

1. Scope

This Policy aims to define, at the level of internal regulations, the essential elements to be observed by Power Parity S.A. ("Goparity") in the direction and prevention of money laundering and terrorist financing activities.

This document has been prepared in accordance with the provisions of the applicable legislation¹, namely:

- a) Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers;
- b) Law No. 102/2015 of 24 August, which establishes the legal framework for crowdfunding.
- c) Law No. 83/2017, of 18 August, which establishes measures to combat money laundering and terrorist financing;
- d) CMVM Regulation No. 1/2016, of 25 May, on equity or loan crowdfunding;

This Policy applies without exception to all Goparity employees and must guide all the company's activity.

This Policy must remain available for consultation on the platform (in www.goparity.com).²

2. Definition of money laundering and terrorist financing

Money laundering is a crime³, and can be described as the "process by which the perpetrators of some criminal activities conceal the origin of illicitly obtained assets and income (advantages), transforming the liquidity from these activities into legally reusable capital, by concealing the origin or true owner of the funds".⁴

Money laundering also means the acquisition, possession or use of property with the knowledge, at the time of receipt, that it is the result of a criminal activity or participation in such an activity, as well as the actual participation in those acts, the association to carry out that act, the attempt and complicity in the commission of such an act, as well as the fact that it facilitates its execution or advises someone to practice it.

¹ In its versions currently in force.

² Pursuant to CMVM Regulation No. 1/2016, of 25 May

³ In Portugal, it is provided for and punished by Article 368-A of the Penal Code.

⁴ Cf. <https://portalbcft.pt/pt-pt/content/branqueamento-de-capitais>

3. Legal obligations and controls applied by Goparity

3.1. Introduction

Given Goparity's activity as the owner and manager of a loan crowdfunding platform, the prevention of money laundering and terrorist financing corresponds, in general terms, to the observance of what are the best practices in terms of Know Your Customer ("KYC"), monitoring and monitoring of transactions and compliance with other legal and regulatory duties in this regard.

Therefore, under the terms of the law⁵, Goparity registers, electronically, for each funded crowdfunding campaign, the following elements of information and respective supporting documentation:

- i. Full identification of natural and legal persons - investors and beneficiaries/promoters - who assume the position of lenders and borrowers;
- ii. Amounts invested, individualized by investor and by operation;
- iii. Dates of realization of investments, including dates of total or partial amortization;
- iv. Full identification of the persons who carry out the total or partial depreciation of the amounts invested whenever such operation is not carried out by the promoter;
- v. Value of remuneration earned, individualized by investor.

All payments, transfers and withdrawal of funds on the Goparity platform are ensured by MangoPay S.A., ("MangoPay"), a payment and electronic money service provider, an entity headquartered in Luxembourg and supervised by CSFF (Commission de Surveillance du Secteur Financier), registered with the Bank of Portugal, under the freedom to provide services under No. 7830.

As a regulated entity, for the provision of its payment services, MangoPay is subject to its own obligations in terms of the prevention of money laundering and terrorist financing, applying the necessary control mechanisms in accordance with the legislation applicable to it and the General Terms and Conditions of Use of Mangopay Payment Services, applicable to customers and made available in www.goparity.com.

3.2. Responsible for the Compliance Officer

The Compliance Officer is the person responsible for the compliance function with the regulatory framework applicable to Goparity's activity as well as with the applicable internal and external policies and procedures, and who is responsible for ensuring the proper performance of the tasks incumbent on this function.

⁵ Cf. article 144 of Law no. 83/2017, of 18 August.

The Compliance Officer is assigned the functions resulting from article 16 of Law 83/2017, of 18 August, of which the following stand out, among others:

- a) Participate in the definition and issue a prior opinion on policies and procedures and controls aimed at preventing money laundering and terrorist financing;
- b) To continuously monitor the adequacy, sufficiency and timeliness of policies and procedures and controls in relation to the prevention of money laundering and terrorist financing, proposing the necessary updates;
- c) Participate in the definition, monitoring and evaluation of the internal training policy;
- d) To play the role of interlocutor of the judicial, police and supervision and inspection authorities, namely by complying with the duty of communication provided for in article 144, paragraph 4 of Law 83/2017 and ensuring the exercise of other communication and collaboration obligations.

Goparity, through the Compliance Officer, has the duty to provide the assistance required by the judicial or supervisory authorities, namely by providing all the information and presenting all the documents requested by those entities and, in any way, collaborating with those entities in everything that is deemed appropriate.

3.3. In-house training

Goparity shall adopt the necessary measures so that corporate bodies, relevant employees and employees whose functions are directly related for the purposes of preventing money laundering, have adequate knowledge of the obligations imposed by the legislation and regulations in force.

3.4. Duty of Identification and Due Diligence ("KYC")

The duty to require identification falls under KYC - Know Your Customer practices and applies to all customers before the start of operations.

Goparity's clients are the promoters (legal persons) who seek financing and the investors (natural or legal persons) who provide this financing by way of loan. Between these entities there are financial transactions operated through the MangoPay platform, which is integrated with Goparity's crowdfunding platform.

Goparity ensures the collection of information and documentation necessary for KYC compliance, namely by supervising customer behavior through the business and operations area and, if unusual situations are detected in terms of transactions without satisfactory justification, notifies the electronic money institution.

Documents proving identification and compliance with due diligence shall be kept for a period of 10 years.

3.5. Identification of the beneficial owner

Where the client is a legal person, it shall identify the beneficial owner of the organisation. The following are considered beneficial owners:

- the natural person or persons who ultimately own or control, directly or indirectly, a sufficient percentage of shares or voting rights or participation in the capital of a legal person;
- the natural person or persons exercising control by other means over that legal person;
- the natural person or persons holding the top management, if, after exhausting all possible means and provided that there are no grounds for suspicion;

For the purposes of assessing the status of beneficial owner, the following indications should be considered: i) direct ownership of the holding, by a natural person, of holdings representing more than 25% of the client's share capital; ii) indirect ownership: the holding of shareholdings representing more than 25% of the client's share capital, by a corporate entity that is under the control of one or more natural persons, or several corporate entities that are under the control of the same person or the same natural persons; iii) other circumstances that may indicate control by other means.

3.6. Obligations relating to particular project promoter clients

In addition to the procedures referred to in points 3.4 and 3.5 above, Goparity also observes the following procedures regarding project promoters/borrowers who propose to finance their project through the Goparity platform:

- i. verification that the project promoter is not based in a non-cooperative jurisdiction, as recognised by the relevant Union policy, or in a high-risk third country⁶;
- ii. Collection of a criminal record certificate issued by the jurisdiction of the project promoter's registered office showing that the same person has no criminal record with regard to infringements of national law on companies, insolvency, financial services, anti-money laundering⁷;
- iii. Collection and analysis of information on the client's capital ownership and control structure, when it is a legal person, through the analysis of the client's corporate documentation;

⁶ Cf. Article 5(2) – b) of Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers.

⁷ Cf. Article 5(2) – a) of Regulation (EU) 2020/1503 of the European Parliament and of the Council of 7 October 2020 on European crowdfunding service providers.

- iv. Collection and analysis of information on the nature and purpose of the project that is intended to be financed by loan through the Goparity platform;
- v. Ensure that the funds raised (borrowed capital) are transferred to a bank account held by the project promoter/borrower, with a bank entity based in the country of the registered office of the project promoter/borrower;
- vi. Keep copies, references or any durable media, with the same probative value, of the supporting documents and records of the operations, in order to allow the reconstitution of the financing approval operation, for a period of 10 years.

In this sense, whenever compliance with the procedures identified above results in information that is suspected to be related to the practice of a money laundering crime, Goparity shall:

- i. refrain from providing crowdfunding services to the entity in question;
- ii. Consider, if there are sufficient grounds, to proceed with the communication provided for in point 3.7 below.

The heads of Goparity's business and compliance areas have the obligation to analyse with special attention, and document in writing, any conduct, activity or operation whose characteristics make it particularly likely to be related to money laundering, in particular:

- The apparent absence of an economic objective or a lawful purpose associated with the conduct, activity or operation;
- The amounts, origin and destination of the funds moved;
- The nature, activity, operating pattern, economic and financial situation and profile of the stakeholders;
- Any other risk elements identified in the operation;

3.7. Duty to Report Suspicious Transactions

Goparity has a legal duty to immediately inform the Central Department of Investigation and Criminal Action (DCIAP) and the Financial Intelligence Unit (FIU) whenever it knows, suspects or has sufficient grounds to suspect that certain funds or other assets, regardless of the amount or value involved, come from criminal activities or are related to terrorist financing.

Goparity, through the members of its governing bodies, its employees and any other person who provides services to Goparity, does not disclose to the client, or to third parties, that a suspicious activity has been reported or that a criminal investigation is underway, nor the fact that it has transmitted any information to the authorities, or any other information, of an internal or external nature, whenever the prevention, investigation and detection of money laundering depends on it.

3.8. Measures to prevent and combat fraud in financial transactions

Goparity - as the managing entity of the crowdfunding platform www.goparity.com - and MangoPay - as the payment service provider and responsible for the platform that operates the payment accounts through which the transactions inherent to the crowdfunding services are operated - apply, separately and jointly, by integration of both platforms, computer fraud prevention controls activated on the platform.

These controls are applied according to criteria such as the amount of the transaction, frequency of use of the same card, ownership of the cards used for transactions, among others.

4. Processing and archiving of personal data

Personal data is processed by GOPARITY for the purposes of complying with this Policy and the legislation identified in point 1 of the same, they are processed under the terms of (1) the General Data Protection Regulation (GDPR) of the European Union (Regulation No. 2016/679 of 27 April) and the Data Protection Law (Law No. 58/2019, of August 8) (2) Goparity's Privacy Policy available in www.goparity.com, whose reading and acceptance precedes the creation of an account on the platform, and (3) in accordance with MangoPay's Privacy Policy, available in the General Terms and Conditions of Use of Mangopay Payment Services available in www.goparity.com.

5. Contacts

If you have any questions about the interpretation or application of this Policy, as well as for reporting suspicious activity, please contact compliance@goparity.com.

6. Updating this policy

Goparity must ensure that this Policy is kept up to date and implemented internally by the teams and in the services. The Policy may be amended following (1) periodic internal review and/or improvement of procedures, (2) legislative, regulatory or supervisory imposition, (3) changes to the operating and technological model, including those resulting from the services provided by the payment service provider.

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