

ANTI MONEY LAUNDERING AND TERRORIST FINANCING POLICY

HEED CAPITAL SGOIC, S.A.

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Anti Money Laundering and Terrorist Financing Policy

I. Preamble

This Anti Money Laundering and Terrorist Financing Policy ("Policy") aims to define, at an internal regulatory level, the key elements to be observed in the detection and prevention of money laundering and terrorist financing activities, and was drafted in accordance with a number of laws, regulations and recommendations, namely:

- a. Article 368-A (Money Laundering) of the Portuguese Criminal Code;
- b. Law No. 36/1994, of September 29th (Measures to Combat Corruption and Financial Crime);
- c. Law No. 5/2002, of January 11th (Measures to Combat Organised Crime);
- d. Law No. 52/2003, of August 22nd (Combating Terrorism);
- e. Law No. 83/2017, of August 18th (Measures to Combat Money Laundering and the Financing of Terrorism);
- f. Law No. 89/2017 which approves the Legal Regime of the Central Beneficial Owner Register, transposing Chapter III of Directive (EU) 2015/849, of the European Parliament and of the Council, of 20 May 2015, and amends Codes and other legislation;
- g. CMVM Regulation No. 2/2020 and CMVM Regulation No. 2/2007 (updated by CMVM Regulation No. 12/2018);
- h. Regulation (EU) 2018/1672 of the European Parliament and of the Council of 23 October 2018 (Oversight of cash entering or leaving the European Union);
- i. Regulation (EU) 2015/847 of the European Parliament and of the Council of 20 May 2015 (on information related to transfer of funds);
- j. 40 Recommendations, issued by the "FATF/GAFI" in 2012, which constitute a set of guidelines aimed at combating money laundering and terrorist financing;
- k. Ordinance No. 310/2018 (Regulates the provisions of Article 45 of Law No. 83/2017, of August 18th);
- l. Ordinance No. 233/2018 (Regulates the Legal Regime of the Central Beneficial Owner Register, approved by Law No. 89/2017, of August 21st).

Heed Capital's compliance policy is particularly relevant in the prevention and combating of money laundering, since the person in charge of that area is also in charge of coordinating our internal control procedures, as well as their respective reporting.

Heed Capital declares its compliance with all applicable anti-money laundering and

anti-terrorist financing legislation regarding real estate investments.

II. Scope of application

This Policy applies to all members of Heed Capital's governing bodies, employees and collaborators, in accordance with the provisions of Article 2 of Heed Capital's Internal Regulations.

Knowledge and acceptance of this policy must be expressly accepted in writing by all the executive members of the corporate bodies of Heed Capital and respective employees, in accordance with the Statement form provided in the Internal Regulations of the company (Annex II-I).

With regard to the other Heed Capital collaborators, Heed Capital will inform, by the appropriate means, this policy, in accordance with the Communication form provided in the Internal Regulations of the company (Annex II-II).

III. Definitions

For purposes of this Policy, the following definitions shall apply:

- a. Money Laundering: the process by which the perpetrators of some criminal activities conceal the origin of illicitly obtained assets and income (benefits), transforming the cash derived from these activities into legally reusable capital by disguising the origin or the true owner of the funds, and may encompass three distinct and successive phases, in order to seek to hide the ownership and origin of these illicit benefits, maintain control over them and give them the appearance of legality:
 - i. Placement: assets and income are placed in financial and non-financial circuits, e.g. through deposits in financial institutions or investments in profitable activities and high-value assets;
 - ii. Circulation: assets and proceeds are subject to multiple and repeated operations (e.g. transfer of funds), with the purpose of distancing them even further from their criminal origin by eliminating any trace of their provenance and ownership;
 - iii. Integration: assets and income, already recycled, are reintroduced into legitimate economic circuits by using them, e.g. to purchase other assets and services.
- b. Terrorism Financing: a mechanism by which anyone, by any means, directly or indirectly and deliberately, provides or raises funds with the

intention that they be used or in the knowledge that they are to be used, in full or in part, with a view to committing any other act intended to cause death or serious bodily injury to a civilian, or to any person not directly taking part in hostilities in a situation of armed conflict. The purpose of such an act, due to its nature or context, is to intimidate a population or to compel a government or an international organisation to perform or abstain from performing any act.

IV. Heed Capital Duties

Duty to identify and refuse

Heed Capital is subject to a duty to demand and verify the identity of its Clients and their legal representatives:

- a. when establishing business relationships;
- b. in the context of occasional transactions, when transactions amounting to €15,000 or more are carried out, or a transfer of funds amounting to €1,000 or more is carried out, whether the transaction is carried out in a single operation or in several operations that appear to be linked;
- c. when it suspects that transactions, whatever their value and whatever the exceptions or thresholds, may be related to the crime of money laundering or terrorist financing, by considering their nature, complexity, atypical or unusual character in relation to the profile or activity of the agent, the amounts involved, frequency, place of origin and destination, economic and financial situation of the agents involved or the means of payment used; or
- d. when there are doubts about the veracity or suitability of previously obtained Client identification data.

Verification of identity will be done by obtaining all the information/documentation mentioned in paragraph 5.2.

When the client is a legal entity or a legal arrangement or, in any case, whenever there is knowledge or reasonable suspicion that a client is not acting on its behalf and name, the entities subject to the transaction must obtain information from the client that allows the identity of the beneficial owner to be known, and appropriate measures must be taken to verify so, depending on the risk of money laundering or terrorist financing.

Where it is known or there is a reasonable suspicion that the agent is not acting on its own behalf, Heed Capital shall obtain from the agent's information about the

identity of the person on whose behalf it is actually acting. In the case of legal representatives, the document that entitles them to act on behalf of their clients is verified.

Where transactions, whatever their value, are likely to be related to the perpetration of a money laundering crime, taking into account, in particular, their nature, complexity, unusual nature in relation to the Client's business, the amounts involved, their frequency, the economic and financial situation of those parties involved or the means of payment used, Heed Capital shall, to the best of its ability, identify the Clients and, where appropriate, their legal representatives or other persons acting on their behalf.

Heed Capital shall file copies of the documents made available to it under paragraph 5.2 to each of the contracts entered into with its Clients, ensuring data confidentiality at all times.

Heed Capital shall refuse to enter into any business relationships, occasional transactions or any operation when:

- a. it does not obtain the identification details or the identification of the person on whose behalf it is effectively acting in accordance with the previous paragraphs, including information to ascertain the status of beneficial owner as well as its ownership and control structure;
- b. it does not obtain information on the purpose and intended nature of the business relationship and on the origin and destination of funds to ensure that it is in accordance with its knowledge of the client's activities and risk profile;

In addition to the situations described above, whenever, in any case, it is not possible to comply with the other identification and due diligence procedures, the business relationship shall be terminated and the reason for not obtaining the documents must be analysed. Any findings regarding such situations must be put in writing.

This information must be stored for a period of seven years after the end of the business relationship, on paper in the client's folder and in a computer file with restricted access and available for the compliance officer. Such data must be permanently available to the applicable Sector Authorities.

Whenever the respective assumptions are verified, the compliance officer should send information to the Portuguese Central Department of Investigation and Prosecution of the Attorney General's Office and to the Financial Intelligence Unit.

Due diligence duty

In addition to identifying Clients, counterparties, legal representatives and beneficial owners, Heed Capital's employees shall:

- a. Take appropriate measures to understand the ownership and control structure of the client when the client is a legal entity or a legal arrangement;
- b. Obtain information about the purpose and intended nature of the business relationship;
- c. Obtain information, whenever the features of the transaction or the client's risk profile justify so, on the origin and destination of the funds used within the scope of a business relationship or in an occasional transaction;
- d. Continuously monitor the business relationship to ensure that transactions are consistent with Heed Capital's knowledge of the client's activities and risk profile; and
- e. Keep the information obtained in the course of the business relationship up-to-date.

Except where there is suspicion of money laundering or terrorist financing, Heed Capital is exempt from the duties referred to in the preceding paragraph in the following situations:

- a. When the customer is a financial entity established in any Member State of the European Union, or in any of the jurisdictions deemed an "equivalent third country";
- b. When the client is a listed company whose securities have been admitted to trading in a regulated market in any Member State of the European Union, as well as companies listed in third country markets and which are subject to disclosure requirements equivalent to those required by the EU legislation, according to a publication to be made by the supervisory authority of the respective sector;
- c. When the client is the State, the autonomous regions or municipalities or a legal entity of public law, of any nature, integrated in a central, regional or local administration;
- d. When the client is a public authority or organisation subject to transparency and oversight regarding accounting practices, including the institutions foreseen in the Treaty that established the European Community and others that may be listed in a list to be published by an Executive Order of the Government responsible for the area of finance; and
- e. When the client is the entity that provides postal services or the Instituto de Gestão da Tesouraria e do Crédito Público, I.P.

Heed Capital's employees shall apply increased due diligence measures in relation to its Clients and transactions which, by their nature or characteristics, may reveal a higher risk of money laundering or terrorist financing, more specifically:

- a. Operations that may favour anonymity;
- b. Operations with Politically Exposed Persons residing outside the national territory; and
- c. Correspondent banking operations with credit institutions established in third countries.

As for business relationships or occasional transactions with Politically Exposed Persons residing outside the national territory, authorisation must be obtained from the immediate line manager before establishing business relationships with such Clients. The necessary steps must be taken to determine the origin of the assets and funds involved in the business relationship or occasional transactions, and there must be increased ongoing monitoring of such a business relationship.

Duty to keep information current

Heed Capital undertakes periodic due diligence and procedures to ensure the up-to-dateness, accuracy and completeness of the information that it already has, or should have, regarding:

- a. the identification details of its clients, legal representatives and beneficial owners and all other documents, data and information obtained in the course of the identification and due diligence;
- b. Other information items;
- c. the means of proof of the items referred to in the previous subparagraphs.

The frequency such information should be updated is defined in accordance with the degree of risk associated with each client by the obliged entity, with time intervals varying in reverse order of the degree of risk identified. In case of low-risk clients, information should be updated within and not exceeding five years.

Heed Capital will immediately take the necessary steps to update its Client data whenever it has reasons to doubt its veracity, accuracy or up-to-dateness or has suspicions of practices related to money laundering or terrorist financing.

Documentary evidence of the information to be updated can be made by simple copy. However, obliged entities must request the presentation of original documents, in print or electronic form, or certified copies thereof, or alternatively,

obtain electronic information with equivalent value, whenever:

- a. The information in question has never been subject to any previous verification;
- b. The items provided by the clients for data updating are doubtful;
- c. Due diligences related to the update of such data were performed due to suspicions of money laundering or terrorist financing;
- d. It stems from a specific risk identified or other circumstance deemed relevant by the obliged entity or Sector Authority.

Data preservation duty

Heed Capital shall retain, for a period of seven years from the time such an identification takes place or, in the case of business relationships, after the termination of such relationships, copies of or references to the documents evidencing compliance with the duty of identification and due diligence.

Definition and updating of the risk associated with clients

Clients are classified according to their level of risk, analysed in accordance with the following criteria:

- a. Low risk, if the entities, origin of assets and funds involved are easily identifiable or whose operations are usually adequate and in apparent conformity with the actual profile of the client, whether an individual or a corporate entity, and therefore as regards risk rating, they are rated as Clients in risk category 1;
- b. Medium risk, when factors exist that may lead to the increase of a risk considered non-negligible, such as the Client's profession or activity, the entity's business purpose, the non-existence of some identification details and the transactional profile in the use of products and services, rating clients as Clients in risk category 2;
- c. High risk, for all entities that meet the criteria defined for applying increased due diligence measures in relation to Clients and to operations that, due to their nature or characteristics, may reveal a greater risk of money laundering or terrorism financing, such as geographical criteria, the status of politically exposed persons (PEP) and all situations in which it is found that the origin of the assets and funds involved, identity and operations are not clear. This includes Clients who refuse or do not cooperate in providing the required information, or those that by their nature may reveal, directly or

indirectly, a greater risk for committing illicit acts. These Clients are rated as Clients in risk category 3.

Client and operation monitoring regarding identified risks

The aim of our oversight measures is to protect Heed Capital from various risks and to monitor the performance of transactions, ensuring their compliance with the legal framework, the predefined internal policies and procedures. This involves analysing the profile of the Client, allowing the detection of transactions with relevant indications or suspicions for the purposes of money laundering and terrorism financing.

Monitoring and control activities include the following practices:

- a. Monitoring and control of clients and transactions with a high level of risk;
- b. Monitoring and control of transactions involving high-risk countries;
- c. Monitoring and control of complex and/or extraordinary transactions;
- d. Monitoring consistency between transactions and the information collected on the Client's activity, risk profile and financial assets;
- e. Control of the completion and updating of the Client's data and documents that must be kept on paper or in digital form, as well as additional information that must be included in wire transfers.

Furthermore, special attention will be given to all conducts and/or activities whose characteristics may worsen the risk or susceptibility of being related to the crimes of money laundering or terrorism financing. Information and documentary evidence of the conformity and economic rationale of the transactions must be collected and submitted for analysis.

Examination and reporting duty

Heed Capital shall examine with special care and attention, according to its professional expertise, transactions whose features make them particularly susceptible of being related to money laundering or terrorist financing.

Hence, the following items are of particular relevance:

- a. the nature, purpose, frequency, complexity, unusualness of the conduct, activity or operation;

- b. the apparent absence of an economic purpose or legal purpose associated with the conduct, activity or operation;
- c. the amount, origin and destination of the funds that are being used;
- d. the place of origin and destination of transactions;
- e. the means of payment used;
- f. the nature, activity, the *modus operandi* and the profile of those parties involved;
- g. the type of transaction or products that may favour anonymity in particular.

The result of this examination shall be written and stored for at least seven years, and shall be available to auditors and supervisory and oversight bodies.

If such an examination, under the terms of the preceding paragraphs, or by any other means, gives rise to the suspicion that an operation likely to be associated with the perpetration of money laundering or terrorism financing crimes has taken place, is in progress or has been attempted, the compliance officer shall immediately inform the Office of the Attorney-General and the Financial Intelligence Unit.

The information provided under the terms of the previous paragraph may only be used in criminal proceedings and the identity of the person who provided it cannot be disclosed.

Duty to abstain and suspension powers

Heed Capital is bound by a duty to abstain, which consists of a prohibition on carrying out transactions that are suspected of being related to the perpetration of money laundering and/or terrorist financing crimes.

When Heed Capital suspects that a transaction may be related to the perpetration of money laundering and/or terrorism financing crimes, it shall immediately inform the Office of the Attorney-General and the Financial Intelligence Unit that it has abstained from carrying out the transaction by reporting the suspected entity.

Cooperation duty

Heed Capital is obliged to provide all cooperation required by the Office of the Attorney-General and the Financial Intelligence Unit, for the performance of its functions, and by the judicial authority responsible for conducting the process or any competent authority for the oversight of compliance with the duties set out in

this framework. This includes the provision of all information and submission of all documents requested by those entities.

Non-disclosure duty

Heed Capital, through the members of its governing bodies, its directors or managers, employees, agents and other persons who provide services to it on a permanent, temporary or occasional basis, shall not disclose to a client or any third party that a criminal investigation is in progress or that it has shared information with any competent authorities. This duty does not prevent the disclosure of information to entities of the same corporate group, as long as it is for money laundering prevention purposes.

Duty to report real estate activities

Heed Capital reports to the Instituto dos Mercados Públicos, do Imobiliário e da Construção, I.P. ("**IMPIC**"):

- a. the details of each real estate transaction in which they are involved;
- b. Details related to lease agreements whose monthly rent is equal or superior to €2,500.00.

The data that make up the communications on real estate activities are those contained in the forms approved as Annex A and Annex B to this IMPIC Regulation No. 603/2021.

Such communications shall be made exclusively by electronic data transmission to IMPIC, via www.impic.pt, using the forms with the templates and structure made available in the respective restricted areas. Communications submitted by any other means shall be deemed invalid.

Duty to set up oversight and training mechanisms

Heed Capital shall define and implement internal policies and procedures that are necessary and appropriate for the fulfilment of the duties set out in this Policy, particularly with regard to internal control, risk assessment and management, in order to prevent money laundering and terrorist financing.

Heed Capital will provide its Employees with appropriate training to recognise transactions that may be related to the perpetration of money laundering and terrorist financing crimes to enable them to act in accordance with the provisions of this Policy.

Compliance by third parties

In the event of recourse to a marketing entity of collective investment undertakings, Heed Capital ensures compliance with the provisions of Article 41, Law No. 83/2017, of August 18th. Heed Capital ensures the sufficiency and adequacy of the identification and due diligence procedures of the marketing entity to which it intends to deal with, obtaining information thereof for this purpose and assessing it. Heed Capital also ensures the regular receipt of information on increased risks, the application of enhanced due diligence measures and the results of such periodic assessment.

V. Procedures and information systems

Heed Capital has procedures and systems in place to, inter alia:

- a. record identification data and other details of clients, their legal representatives and beneficial owners, as well as any updates thereof;
- b. the detection of circumstances liable to parameterisation that should justify the updating of those identification data and elements;
- c. the definition and updating of the risk profile associated with clients, business relationships, occasional transactions and operations in general;
- d. monitoring clients and operations against identified risks, including timely detection;
- e. the detection of the acquisition of the status of politically exposed person or holder of other political or public office, as well as of any other specific status that should motivate the intervention of a senior management member or another member of a higher hierarchical level;
- f. the detection of persons or entities identified in any determinations issued by Sector Authorities;
- g. the blocking or suspension of the establishment or continuation of a business relationship, as well as the carrying out of an occasional transaction or operation in general, whenever they depend on the intervention of a senior management member or another member of a higher hierarchical level;
- h. The blocking or suspension of operations.

Heed Capital applies appropriate risk-based procedures or information systems to assess or detect the capacities of a "politically exposed person" (PEP), "close family member" and "person closely associated" (PCA):

- a. Before the business relationship is established or the occasional transaction takes place;
- b. During the course of the business relationship, when there is a supervening acquisition of any of those capacities.

The status of "holder of another political or public office" is known before the business relationship is established or the occasional transaction takes place, as well as the supervening acquisition of that status in the course of the business relationship.

Heed Capital shall adopt the means and mechanisms necessary to ensure compliance with restrictive measures adopted by the United Nations Security Council or adopted by the European Union for the freezing of assets and economic resources related to terrorism, proliferation of weapons of mass destruction, and the financing thereof, against a designated person or entity.

VI. Approval, application, oversight, adequacy and effectiveness of this policy

The Board of Directors is responsible for the implementation of policies, procedures and oversight mechanisms on the prevention of money laundering and terrorist financing in particular with regard to:

- a. The approval of policies, procedures and oversight mechanisms as well as their updates;
- b. Having adequate knowledge of the money laundering and terrorist financing risks to which the company is exposed, and of the processes used to identify, monitor and control those risks;
- c. Ensuring that the organisational structure is appropriate and has the necessary knowledge for the proper compliance with the approved policies and procedures, preventing conflicts of interest and ensuring the proper segregation of functions, taking into account the nature, size and complexity of the activities developed;
- d. Promoting a culture of prevention of money laundering and terrorism financing which encompasses all employees, underpinned by high standards of ethics and integrity;
- e. Monitoring the activity of senior management members who oversee business areas that are or may be exposed to money laundering and

terrorist financing risks.

The Compliance and Risk Management Department is responsible for centralising, processing and overseeing this Policy.

The adequacy, effectiveness and compliance with the measures established in this Policy or within the scope of its application (evaluation of effectiveness) must be monitored and evaluated on a regular basis; i.e. at least annually:

- a. through unrestricted and timely access to all internal information relevant to these assessments;
- b. appropriate to the nature, size and complexity of the activity pursued by obliged entities;
- c. with a frequency appropriate to the risk associated to each business area of the obliged entity or other frequency determined by regulation.

In case any deficiencies are found, the policies, procedures and oversight mechanisms adopted for the prevention of money laundering and terrorist financing should be strengthened by taking the necessary corrective measures to remove these deficiencies, including appropriate measures to:

- a. correct any deficiencies found; or,
- b. adjust this Policy, as well as the measures adopted thereunder, according to any changes in the assumptions on the basis of which it was defined.

Otherwise, the results of any assessments regarding the adequacy, effectiveness and compliance with the measures established in this Policy or within the scope of its application will have to be included in a report prepared under this Policy, made permanently available to Sector Authorities.

VII. Breach of/incidents regarding this policy

Abusive use, disclosure to third parties of any information, as well as the use of non-comprehensive information outside the scope expressly permitted in this Policy, shall subject the breaching party to the applicable legal liability. That is, in the case of a low-ranking employee, this may lead to the opening of a disciplinary procedure, or, in the case of a senior-level employee, to the lodging of a professional responsibility process that may culminate in the termination of such an employment relationship.

The liability provided for in the preceding paragraph is independent from any existing civil, administrative or criminal liability, which, if any, shall be reported to

the competent authorities pursuant to law.

The addressees of this policy shall immediately report any breach of this policy of which they become aware to the compliance officer.

Breaches related to this Policy, as well as any incidents associated therewith, must be included in a Report drawn up by the compliance officer within 10 days of its occurrence. This report shall include a summary description of the facts, with an indication of the persons involved and, if justified, the indication of a recommendation to prevent the repetition of the incident or breach. This report shall be submitted to the Board of Directors of Heed Capital, in accordance with the report template provided in the Internal Regulations of the company.