

ATTESTATION ON AML/CTF PROGRAM

To Whom It May Concern

BFF Bank S.p.A. (hereinafter "BFF" or "the Bank") is an Italian financial institution engaged in banking activities. It has its registered and head office at via Domenichino 5, 20149 Milano, Italy and is subject to applicable laws and regulations in Italy.

Bank of Italy regulates BFF, in quality of Italian Supervisory Authority.

BFF, as a listed company, is also supervised by CONSOB.

Furthermore, Italy is one of the charter members of the Financial Action Task Force (FATF/GAFI) – the main international coordinating body – and, as a member of the European Union, is subject to EU regulations concerning the prevention and combatting of money laundering and terrorism financing.

The recommendations of FATF/GAFI provide that the private sector and public authorities identify and evaluate the risks of money laundering and terrorist financing (hereinafter "ML/TF risks") that they are exposed to in order to adopt adequate mitigation measures.

The prevention and combatting of money laundering is manifest by introducing controls aimed at ensuring full awareness by the customer, the traceability of financial transactions and the identification of suspicious transactions.

The intensity of the prevention and combatting controls is modulated in accordance with a risk based approach, focused on hypotheses worthy of greater scrutiny and carried out by making the monitoring more effective and making the allocation of resources more efficient.

This approach represents the cornerstone of the behaviour of the obliged parties and the control actions by the Authorities.

In the context of this regulatory framework, BFF strictly complies with:

- the EU Regulations;
- the Legislative Decree n. 231/2007 (hereinafter "AML Decree"), as amended by Legislative Decree no. 125 of 4 October 2019, Italian transposition of Directive (EU) 2018/843 of the European Parliament and of the Council of 30 May 2018 on the prevention of the use of the financial system for the purposes of money laundering or terrorist financing (V AML Directive);
- the Provisions issued by Bank of Italy.

BFF is strongly committed to adopt monitoring measures to prevent the use of BFF's products/ services by clients for the criminal aims of money laundering or terrorist financing, promoting a

culture based on full compliance with prevailing law and the efficient fulfilment of passive cooperation obligations in order to guarantee greater awareness by customers, storage of the documents relating to the transactions carried out and active cooperation in order to identify the suspicious transactions. BFF is furthermore committed to take appropriate measures should its clients use the Bank's services to finance criminal conduct.

GOVERNANCE

The Board of Directors has to identify governance policies for the risks that are adequate with respect to the extent and type of risk profiles that the Bank's business is actually exposed to, taking into account the outcomes from the self-evaluation process applied to the ML/TF risks which represents the necessary condition for the definition and maintenance of the controls over these risks. The CEO prepares the procedures needed to implement said policies; the AML Function continuously checks the suitability of the procedures in order to ensure adequate monitoring of said risks, coordinating with the other corporate control functions. The Internal Audit Function continuously monitors the level of adequacy of the corporate organisational set-up and its compliance with the applicable regulations, and monitors how well the overall system of internal controls functions.

PROCEDURES

The "*Provisions applicable to organisation, procedures and internal controls aimed at preventing the use of intermediaries for the purpose of money laundering and financing of terrorism*" issued by the Bank of Italy with a regulation dated 26 March 2019 (hereinafter also "Provisions") provide for the obligation, for the corporate bodies of each recipient, to define and approve a reasoned policy which must indicate the measures that the recipient has adopted in the area of organisational structures, procedures and internal controls, proper data auditing and storage.

In order to fully comply with the Provisions – issued by the Supervisory Authority pursuant to article 7 of the AML Decree – the Bank has adopted the AML Policy and the AML Manual.

In particular, the principles of the BFF AML Manual are also detailed in the following three Procedures:

- Customer due diligence and recording and recordkeeping of information;
- Suspicious transaction reporting;
- Obligations related to the transfer of funds.

The main goals of the AML Policy is to define:

- the measures to be actually adopted in terms of organisational structures, procedures and internal controls, proper data auditing and storage, consistent with the principle of proportionality and with the actual exposure to ML/TF risks;
- the governance rules and roles and responsibilities for combatting the ML/TF risks to be adopted by BFF;
- the principles for the management of relationships with the customers who are classified as high risk.

The Procedures identify roles and responsibilities of the organizational structures in order to ensure the correct management of the obligations related to the customer due diligence, the recording and the recordkeeping of information, the suspicious transaction reporting and the transfer of funds.

CUSTOMER DUE DILIGENCE

One of the key principles of the system for the prevention and detection of money laundering transactions is that all employees must have adequate knowledge of their customers from the beginning of the business relationship, or when occasional transactions are carried out ("Know Your Customer" or "KYC"). The most recent regulatory changes have resulted in the move from a mere customer identification obligation – essentially consisting in obtaining information on the customer's identity – to a wider range of verification requirements, which extend to the continuous and constant assessment of the transactions conducted during the business relationship, according to the evolution of the customer's intended economic purpose. Customer due diligence therefore consists of a series of measures, some concentrated at the beginning of the relationship and others to be applied continuously throughout the entire duration of the relationship.

Customer due diligence may be: standard, simplified or enhanced, applicable on a risk-based approach principle and depending on the circumstances. More specifically, each prospect has to be identified before entering into a business relationship - including beneficial owners - and documentary evidence of their identity is held. Thus, the Bank enforces standard, simplified or enhanced due diligence measures depending on the degree of risk associated to the client categories and/or the degree of risk of the offered products and services and of the transactions associated to those.

The Bank monitors the development of the customer's risk profile through different measures and frequency according to the risk-based approach principle.

The Bank shall not open and shall not operate anonymous accounts or accounts for which the beneficial owner's identity is not known and properly documented, or accounts in which in the chain of control there are fiduciaries, trusts, anonymous entities (or controlled through bearer shares) based in high-risk third countries.

The Bank shall not enter into correspondent relationship with "shell banks" (i.e. a foreign bank without any physical presence in any country and that is unaffiliated with a regulated financial group) or with credit institutions which are known to allow "shell banks" to use their accounts.

Any such relationship, if exists, shall be terminated.

If the Bank finds it objectively impossible to perform due diligence on the customer, it cannot start, continue or pursue the relationship, transactions or professional services (known as the obligation to abstain) and, if necessary, must terminate the business relationship already in place and decide whether to make a suspicious transaction report to the UIF, Italian Financial Intelligence Unit (hereinafter "FIU").

Enhanced Due Diligence

BFF applies the enhanced due diligence measures, consistent with legal requirements and industry best practices, to the times and to the circumstances described here below:

- in case of high risks related to:
 - the customer, its representative and its beneficial owner (e.g. politically exposed persons);
 - products, services, transactions or distribution channels;
 - geographic risks;
- in case of opening of correspondent accounts with a credit institution or corresponding financial institution residing in a third country¹;
- when there is a suspicion of money-laundering, regardless of any derogation, exemption or applicable threshold, based also on indicators of anomalies and patterns that are representative of abnormal behaviour, issued by the FIU in compliance with the AML Decree;
- the behaviour of the Customer – in the phase of customer due diligence – is not cooperative (ex. reluctance to provide customer due diligence information/data);
- when there are doubts on the completeness, reliability or truthfulness of the information or documentation previously acquired by the customers.

RECORDING AND RECORDKEEPING OF INFORMATION

The Bank maintains all documents, data and information regarding the customer's activities and identity in an appropriate manner, because the documents may be used as evidence during Audit or Supervisory Authority's inspections. According to the AML Decree, the documents, data and information shall be maintained for (10) ten years after the end of the business relationship or the execution of occasional transaction.

COOPERATION WITH AUTHORITIES AND SUSPICIOUS TRANSACTION REPORT

In accordance with applicable laws and regulations, including privacy and data protection laws, BFF fully co-operates with governmental and law enforcement authorities, strictly complying with any information request from those authorities to which customers' information and documentation may be made available upon request.

BFF procedures and practices also aim at preventing, detecting and reporting suspected ML/TF activities to the FIU.

In order to ensure the correct fulfilment of the obligations and prohibitions provided under prevailing law on anti-terrorism matters, the Bank controls the names of the payer and the payee of a transfer of funds on the lists of parties designated by the UN Security Council, the European Union and the Office of Foreign Asset Control (OFAC) of the US Treasury Department refusing to carry out any transactions that involve parties on those lists.

¹ Country not belonging to EEA.

The Bank will inform the FIU of the measures applied in accordance with Legislative Decree 109/2007 (and further modifications), indicating the parties involved, the amount and nature of the funds or economic resources, within thirty days from the date of entry into effect of the EU regulations, the decisions of international bodies and the European Union, and decrees by the Ministry of Economic Affairs and Finance, or if later, from the date the funds or economic resources have been held.

TRANSFERS OF FUNDS

BFF, as payment service provider (PSP) of the payer/ payee and intermediary payment service provider (IPSP), complies with the requirements of FATF/GAFI in relation to electronic transfers (R16), as addressed in the Regulation (EU) 847/2015 on information accompanying transfers of funds, laying down rules for payment service providers to send information on the payer throughout the payment chain for the purposes of prevention, investigation and detection of money laundering and terrorism financing.

BFF ensures that transfers of funds are accompanied by information in accordance with this Regulation and, as the case may be, complete information on the payer (i.e. name, address and account number) and on the payee (i.e. name and account number).

AML/CTF TRAINING

BFF applies high standards regarding the staff recruitment, including with regard to their reputation and integrity. The Bank organizes periodical training programs for the employees.

The training program is addressed to the entire personnel of the Bank.

The Bank also conducts formal staff training programs, which are held periodically, at least annually, in order to ensure that staff is aware of its responsibilities and is kept updated with the developments in the field. The training program has as purpose to develop the professional competencies of the Bank's employees, to prevent the use of the Bank for money laundering or other illegal activities and to maintain the Bank's activity in compliance with the legal requirements in force.

COMPLIANCE ASSESSMENT AND TESTING

The control of compliance with the internal provisions is performed according to the internal control procedures and the internal audit activity.

Compliance AML/CTF regulations are subject to the control and supervision of the Supervisory Authority.

Yours faithfully,



BFF Bank S.p.A.
Group Chief Executive Officer
Massimiliano Belingheri