

# ID FINANCE

## CRIMINAL COMPLIANCE POLICY

### ID Finance Group

(ID Finance Investments, S.L., ID Finance Spain, S.A.U., ID Finance Plazo, S.L.U. and Plazo Credit, S.L.U., Lending Go, S.L.)

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## CHANGE CONTROL

Edition	Description of change	Reviewed by:	Approved by:	Date of approval:
V. 1.0	Creation of original document	Dept. Compliance	Management body	03/2020
V. 2.0	Inclusion of the crime of degrading treatment (173.1 CC) and the crime of sexual harassment (Art. 184.1,2,3,4 and 5 CC) for which legal persons may be liable	Dept. Compliance	Compliance Committee	10/2022
V. 3.0	Adaptation of the Policy to the ISO 37001 Standard and the UNE 19601 Standard	Dept. Compliance	Management body	11/2022
v.4.0	Inclusion of point 1.4 Scope of the document, 1.6 List of Crimes and point 3 Activities of the Companies.	Dept. Compliance	Management body	03/2024
v.5.0	Inclusion of Commitment and Requirements in a Compliance Management System	Dept. Compliance	Management body	04/2024
v.6.0	Lending Go, S.L is included	Dept. Compliance	Management body	06/2026

This section will include the successive changes that might be made to this Policy.

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# 1 PURPOSE AND SCOPE OF APPLICATION

## 1.1 Purpose

This document forms part of the scope of good corporate governance and Compliance policies of all companies in Spain that make up the **ID FINANCE Group**, including **ID Finance Investments, S.L.**, **ID Finance Spain, S.A.U.**, **ID Finance Plazo, S.L.U.**, **Plazo Credit, S.L.U.** and **Lending Go, S.L.** (hereinafter, “ID FINANCE” or “the Group”). The grounds for this are to establish the commitments on the part of ID FINANCE concerning Compliance, showing its complete rejection and “zero tolerance” as regards any illicit or illegal action, including any behaviour or conduct that breaches the regulations applicable to criminal matters.

The ethical values and principles on which the purpose of the Group is based and which define the way that we must act are included in the Code of Ethics. This code is applicable to all employees, governing bodies, functional areas and, as far as possible, third parties (suppliers, collaborators, etc.). Furthermore, the Group has a supplier and third party management Policy which governs the relationships with the aforementioned.

ID FINANCE is aware of the importance of providing its customers. Therefore, ID FINANCE is committed to fulfil its responsibilities based on the principle of business ethics in all the processes that make up the organization. Strict compliance with the regulations and principles in criminal matters represent the guiding principle on which its decisions are based and, therefore, it requires from its governing bodies, managers, employees, suppliers and customers, the same standard of conduct.

ID FINANCE develops this policy in order to promote an ethical culture and regulatory compliance, which sets out the commitments to guarantee a conduct that complies with criminal regulations and professional ethics.

Likewise, this Policy is in line with the culture of integrity, observance and compliance concerning the internal rules and policies of the Group. Specifically, ID FINANCE is firmly committed to the fight against bribery, which is prohibited with both public authorities and civil servants, as well as in the private sphere.

Furthermore, professionals from the Group are banned from giving any kind of gifts, handouts or favours to third parties or receiving any from the aforementioned that give rise to professional achievements, as well as any that are not in use on the market or that, given their value, their characteristics or the circumstances in which they are reasonably found, may bring about a change in the development of trading, administrative or professional relations. It is therefore important to make an appropriate selection and supervise any third parties that may act on behalf of the Companies of the Group and that may conduct themselves in such a way.

In this sense and in its effort to set out a system of ethical culture and criminal regulatory compliance, ID FINANCE has created a number of internal regulatory instruments that satisfy the need for adequate and directed management systems for the detection, awareness and prevention of criminal offenses within the organization.

This policy and its sanctioning rules coexist with other policies and sanctioning rules, and there are certain aspects that are coincident with one another. Thus, so as to avoid duplicity, if any breach is additionally sanctioned with the implementation of any of the other policies stated, the percentage of the highest breach level shall be applied, while taking the lowest or same level into account in order to determine the final percentage to be applied.

## **1.2 Purpose**

This policy includes ID FINANCE's commitments regarding regulatory compliance or Compliance.

It conveys to directors, managers and employees the message that ID FINANCE complies with its regulatory obligations and requires third parties with whom it maintains stable or sporadic business relationships, the same standard of conduct, promoting and fostering a total commitment to compliance of the obligations arising from the current legislation.

The Compliance Policy expresses the will to prevent, detect and manage criminal risks early by the Company, showing a commitment of the Administrative Body and senior management with the implementation of an effective criminal compliance system, as well as the implementation of a disciplinary regime in case of non-compliance in order to minimize the Company's exposure to the regulatory risks entailed, creating a business culture based on ethics and honesty.

### **1.3 Scope**

The Compliance Policy is aimed at all members of the Board of Directors, managers, functional areas, ID FINANCE employees and in any cases in which the matter concerned refers to a crime, offence, breach or the inappropriate implementation of internal policies and procedures that are part of the ID Finance Compliance System.

In those Group Companies incorporated in other countries, a Criminal Compliance Policy shall be promoted, and to the extent possible, shall be adopted in accordance with this one.

ID FINANCE shall make the provisions of this Policy available to business partners and interested parties (customers, suppliers, collaborators, etc.), promoting the implementation of specific and effective programs for compliance with regulations.

### **1.4 Scope of the document**

It is mandatory for the Criminal Compliance Policy to be implemented by all persons who are part of the ID FINANCE Group. All of the aforementioned are under an obligation to be aware of this policy and must undertake, in writing, to observe it while carrying out their tasks.

The Criminal Compliance Policy and the Criminal Compliance Management System (CCMS) shall be implemented in all activities included in the purposes of the ID FINANCE Group, which are carried out both in Spain and abroad, comprising all subsidiaries of the Group with headquarters

in Spain. This Policy shall be applicable in internal processes, as well as any processes which are carried out by means of outsourcing.

## **1.5 Activities concerned**

In addition to this Policy, there is a matrix for criminal risks and sensitive activities which is approved by the Compliance Body of each of the companies. This includes the categorized conduct which, pursuant to the provisions of Article 31 bis of the Spanish Criminal Code, the companies may be investigated in Spain for crimes committed in the name or on behalf of the companies and for their own direct or indirect advantage, (i) by their legal representatives and de facto and de jure directors, or (ii) by any persons subjected to their authority, when commission of the crime, in the second case, results from the lack of proper control, bearing in mind the specific circumstances of the case.

Not only does this risk matrix summarize the various crimes, but for each one of them it also describes the main sensitive activities that may carry criminal risks, in order to ensure that professionals from the ID FINANCE Group stay alert to any situations that may expose them to said risks while carrying out their activities.

## **1.6 List of crimes**

The criminal risk matrix of each of the Companies of the Group summarizes the categorized ways in which each Company of the Group may conduct itself, bearing in mind the various activities carried out in the aforementioned, in accordance with the terms stipulated in the Spanish Criminal Code in force.

Every professional from the Group is under an obligation to be duly informed about the Laws and to observe them. It must also be taken into consideration that the profit made from any illicit activity may be direct or indirect, and extra precautions must be taken regarding any conduct which is illicit and may end up illegally or illicitly benefiting the Companies of the ID FINANCE Group.

In this respect, if any professional from the ID FINANCE Group has any queries about the content of this section or would like more information on the matter, they should contact the Compliance Department and/or consult the categorized conduct in the Spanish Criminal Code in force ([www.boe.es](http://www.boe.es)).

## **2 COMMITMENT TO COMPLY WITH THE COMPLIANCE OBJECTIVES AND THE COMPLIANCE MANAGEMENT SYSTEM**

The Board of Directors, as the highest governing body of the organization, holds ultimate responsibility for overseeing regulatory compliance at ID FINANCE. The Board of Directors of the ID FINANCE Group does not delegate its powers; therefore, it has approved this Criminal Compliance Policy along with the Criminal Compliance Management System, which enables the prevention, detection, and management of identified legal risks.

The Criminal Compliance Policy, the Criminal Compliance Management System, the Criminal Matrix, and the rest of the internal regulations contribute to building a corporate culture of criminal compliance, structured management, and a culture of integrity, honesty, and adherence to legal and ethical standards.

Through this policy, the ID Finance Group declares its commitment to complying with the requirements of the Criminal Compliance Management System.

### 3 IDENTIFICATION OF THE ACTIVITIES IN WHICH THE CRIMES TO BE PREVENTED MAY BE COMMITTED

ID FINANCE is a Fintech group focused on carrying out digital financial services in Spain and South America. Its headquarters is in Barcelona (Spain). Technology and digitalisation are the core and the business model used. ID FINANCE uses solid data science technologies and credit scoring integrated into state-of-the-art computer platforms (websites and apps).

The main goal of Fintech is to use technology to make financial services accessible to our customers by means of sustainable and responsible products.

The ID FINANCE Group is structured as follows: ID Finance Investments, S.L. (the parent company, located in Barcelona), to which the various business units are answerable, each one of them with its own legal personality: ID Finance Spain, S.A.U., ID Finance Plazo, S.L.U., and Plazo Credit, S.L.U.

ID FINANCE undertakes to continuously supervise any activities in which criminal risks may materialize, having identified **two distinguishable fields**: that of the provision of its professional defence and advice services and that of corporate management of trading companies.

In risk assessment, management and control, ID FINANCE has established some appropriate internal governance mechanisms based on the three lines of defence model.

The **first line of defence** is led by business units, since, as they are in direct contact with customers, they are responsible for identifying, assessing and controlling the risks of their activities.

These units must be aware of and implement the policies and procedures determined by the company, which will have previously specified this in writing to all staff. These procedures shall also include a clear description of employees' obligations and of the instructions that they must follow, as well as guidance to ensure that the company's activity observes the mandatory regulations and internal control required to detect and report suspicious transactions.

The focus of the **second line of defence** is the head of AML/CFT as well as the Regulatory Compliance Department. This figure shall undertake to verify that the regulations are observed, as well as examine any reports of anomalies and advise of any suspicious transactions. In accordance with the aforementioned, this shall be the person who alerts the Board of Directors if they consider that management is not implementing the procedures in a responsible way. Furthermore, the second line activities include those carried out by the Specialist Control Units, such as the Finance Department, the Risk and Fraud Department, the Human Resources Department and the Legal Department. The activities carried out by this second line are as follows:

- Identify the major risks in their field of speciality for the Departments, as well as assessment of these risks.
- Define mitigation measures and ensure that they are implemented by the Departments.
- Help the Departments to fulfil their responsibility.

The **third line of defence** is provided by Internal Audit, which offers independent assurance on effectiveness, internal control and risk management, including operations of the first and second lines of defence.

Particular attention must also be paid to the role held by the independent third party or external auditor when assessing the internal controls and procedures.

In some cases, this aspect shall, as a matter of fact, require **greater assurance offered by any independent third parties** that may express their opinions or draw conclusions regarding the action of each of these lines, within the scope of greater efficiency and effectiveness, without damaging relevant values such as that of independence, which is a critical attribute in matters of assurance.

The risks shall be defined in the criminal risk matrix, which shall be constantly updated and managed.

## **4 PROHIBITION OF THE COMMISSION OF REGULATORY NON-COMPLIANCE AND CONSEQUENCES OF NON-COMPLIANCE**

The Compliance Policy and the implementing regulations establish and promote a preventive culture of integrity and respect for internal and external regulations. It sets out a minimum tolerance standard for behaviours that imply non-compliance with internal and external regulations.

The policy expressly prohibits the commission, or participation, of criminal acts by members of the Board of Directors, Directors and employees of ID FINANCE, promoting the corporate decision-making process focused on regulatory risks by all directors, managers and employees of ID FINANCE and business partners, in order to minimize the company's exposure to regulatory risks.

ID FINANCE sets out a sanctioning and disciplinary regime for the implementation of illegal, fraudulent, with little or no integrity and/or criminal actions and behaviours that expose ID FINANCE to criminal risks, which may entail the implementation of disciplinary measures such as fines, warning, suspension of employment and salary or even, the termination of the employment relationship or collaboration between ID FINANCE and the offending party.

## **5 MINIMIZING EXPOSURE TO CRIMINAL RISKS**

The Compliance Policy, as well as the development regulations, establishes a preventive culture based on zero tolerance for any conduct contrary to the regulations, especially that of a criminal nature, promoting the decision-making process focused on regulatory risks by all directors, managers and employees of ID FINANCE and business partners, in order to minimize the company's exposure to regulatory risks.

## **6 DEFINITION, REVIEW AND ACHIEVEMENT OF COMPLIANCE OBJECTIVES**

The Compliance Policy sets out a framework for the definition, review and achievement of the criminal compliance objectives, according to which the administrators establish processes with the purpose of:

- a. Identifying risks that the organization can reasonably anticipate.
- b. Analyzing the risks identified.
- c. Assessing the risks identified.
- d. Managing and reviewing the risks identified.

To this end, they shall provide sufficient human and material resources to the compliance function, in order to ensure the achievement of the compliance objectives.

## **7 CRIMINAL PREVENTION INSTRUMENTS, INTERNAL GOVERNANCE AND OF NON- COMPLIANCE CONSEQUENCES**

### **7.1 COMPLIANCE COMMITTEE**

ID FINANCE is aware of the importance of having an ethical conduct in all the activities carried out by the Entity, supporting the development of internal regulations that regulate those actions that are likely to generate risk for the Group.

Therefore, its actions are always aimed at respecting internal governance standards, as a set of principles and standards that guarantee adequate management and control of the Entity's activity.

ID FINANCE has appointed a committee with autonomous powers of initiative and control with the entrusted function of supervising the effectiveness of the internal controls of the legal Entity.

The Compliance Committee has been appointed directly by the Board of Directors, providing it with autonomy, independence and sufficient resources for the proper performance of its duties, which are set out through the principles and mechanisms set forth in these Regulations.

The Compliance Committee shall consist of the following members, appointed for an indefinite period:

- The Chairman, who will also be the Group's representative at SEPBLAC.
- The Secretary, who will be the Head of Compliance of ID FINANCE.
- The Head of Treasury of the Group.
- The Head of Legal of the Group.
- The members of the Compliance Department.

This is without prejudice to the obligation of all areas and departments of ID FINANCE to collaborate with the Compliance Committee and the Compliance Officer of the Entity.

The main competencies of the Compliance Committee are, including, but limited to:

- The Committee shall be in charge of investigating potential breaches of the Compliance System when it becomes aware of facts or circumstances that may represent or constitute a breach or irregularity, either ex officio or by virtue of a communication addressed to the Communications Channel.
- It shall periodically assess the degree of compliance with the internal regulations in force of the Company, projecting the dissemination and general knowledge through training actions and activities, interpreting the provisions of the regulations in relation to the Disciplinary System and updating such regulations through the implementation and updating of processes, procedures and controls that foster and favour compliance with such regulations.
- It shall be in charge of receiving the communications that arise through the Communications Channel, initiating investigation processes and processing the files (which may result in the implementation of the Disciplinary System), safeguarding the confidentiality of the Channel and reporting periodically to the Administration Body regarding the number of complaints received and the implementation of sanctions where appropriate, in line with the regulations on data protection.
- It shall carry out the functions attributed to the ICB for the Prevention of Money Laundering of ID FINANCE, having been integrated into this Committee.

## **7.2 POLICIES AND PROCEDURES DEVELOPED**

ID FINANCE has developed a number of internal policies, standards and procedures with the aim of regulating the actions of the company, preventing the commission of crimes within it and promoting an ethical culture in the Entity.

In this sense, ID FINANCE has integrated into the Criminal Compliance System the following documents (among other):

- Criminal Compliance Policy.
- Anti-corruption and bribery policy
- Conflicts of Interest Policy.
- Gifts and Presents Policy.
- Reporting Channel Policy.
- Code of Ethics
- Reputational Risk Management System.
- Supplier and Third Party Management Policy.
- Anti-money Laundering and Combatting the Financing of Terrorism Manual.

All the previous internal regulations are communicated and available to all members of ID FINANCE. In addition to the foregoing, ID FINANCE is concerned with providing continuous training to employees, whether in general or specific matters for a specific area.

## **7.3 CONSEQUENCES OF NOT MEETING THE ESTABLISHED REQUIREMENTS. SANCTIONS REGIME**

ID FINANCE requires its Administrative Body, managers, employees, business partners and stakeholders of the organization, to comply with this preventive culture based on zero tolerance for any conduct contrary to the regulations, especially of a criminal nature. Nevertheless, in the event that any infringement materializes within its organization, ID FINANCE sets out a sanctioning and disciplinary regime provided for fraudulent, poor and/or criminal actions and behaviours that expose the Entity to

criminal risks, which shall entail the implementation of disciplinary measures that may consist of reprimands, warnings, demotions of categories, even implying the termination of the employment relationship or the collaborative relationship maintained between ID FINANCE and the offending subject, all applied in accordance with the applicable Collective Agreement, the applicable labour regulations and with full respect for the rights of the persons under investigation.

The sanctioning regime shall be that established in the Collective Agreement of Offices and Dispatches of Catalonia, whether it is committed by staff included or excluded in the agreement.

## **8 OBLIGATION TO REPORT SUSPICIOUS EVENTS OR CONDUCT**

The Compliance Policy sets out the compulsory obligation to report, through the means implemented, of any suspicious facts or behaviours related to the risks that are intended to be avoided or to the breach of standards of conduct imposed in the internal or external regulations, as well as to communicate any doubt or suggestion on the interpretation of the Compliance Policy, or the rest of the development rules.

To this end, ID FINANCE has enabled:

- A Reporting Channel in order to consult the implementation of what is provided for in the Code of Ethics, breaches or queries concerning the implementation of the internal regulations of the Company. The users of the Reporting Channel (customers, suppliers, contractors and collaborators) and particularly Members of the Organisation, undertake to use this channel to report any event or conduct which is contrary to or breaches the Code of Ethics of the Group, the Compliance Policies or national or international regulations: <https://idfinance.integrityline.com/frontpage>.

- An email address for dealing with doubts on the interpretation of the Code of Ethics, breaches or doubts on the implementation of the internal regulations of the Entity, by staff, customers, suppliers, contractors and collaborators through the email [compliance@idfinance.com](mailto:compliance@idfinance.com). Furthermore, ID FINANCE has enabled a specific mailbox to send any reports and/or complaints that may concern the Compliance Office or any member of Regulatory Compliance ([rrhhcompliance@idfinance.com](mailto:rrhhcompliance@idfinance.com)).
- Verbal communication by meeting with the Compliance Committee directly or through the line manager.

The Board of Directors and the management of ID FINANCE states that the Communications Channel is based on the following principles:

- **Principle of good faith and commitment of non-retaliation.** Employees must act in good faith and not make false accusations when raising concerns. Good faith consists of providing information without malice, without considering personal benefit and considering truthful information in a reasonable way and with the means available. The employee who deliberately makes false or misleading statements or in bad faith, may be subject to disciplinary actions in accordance with current legislation. On the other hand, ID FINANCE formally establishes that it shall not tolerate retaliation of any kind committed against those who make use of the procedures established for the communication of irregular behaviour.
- **Confidentiality.** The necessary measures shall be adopted to preserve the identity and guarantee the confidentiality of the data corresponding to all the persons affected by the information provided in the complaints. In particular, in the case of non-anonymous complaints, the identity of the complainant must be kept confidential at all stages of the investigation and resolution process of the complaint, so it shall not be disclosed to third parties and, therefore, to the person reported nor to the line managers of the complainant. Notwithstanding the foregoing, the data of the complainant and of the rest of the intervening parties may be communicated to the Courts or Tribunals, the Public Prosecutor's Office, law enforcement bodies and other competent authorities

when it is necessary for the processing of legal proceedings that, where appropriate, may proceed as a result of the investigations carried out as a result of the complaints made.

- **Right to honour, the presumption of innocence and defence.** The right to honour is one of the cornerstones of action of ID FINANCE. The Entity shall pay close attention to ensuring such rights, guaranteeing the rights of the persons accused to defend themselves against any accusations that are directed against them with all legal guarantees.

## 9 UPDATE, IMPROVEMENT, PUBLICATION AND DISSEMINATION

ID FINANCE expresses its commitment to updating and improving the Compliance System, implementing specific measures that allow the review at timely intervals of the system and the assessment of its performance.

ID FINANCE shall adequately and proportionally disseminate the content of the Compliance Policy, as well as the rest of the internal regulations and the content of the Compliance System, its risks and its controls, as well as the consequences of non-compliance, being available and updated for ID FINANCE members, business partners and other stakeholders that it may consider appropriate.

**ID FINANCE**