

# Policy for the Execution of Orders of Banco Comercial Português

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## 1. FRAMEWORK AND OBJECTIVES

Banco Comercial Português (hereinafter referred to as Bank) adopts, as its Policy for the Execution of Orders, the following principles and procedures.

The Policy for the Execution of Orders establishes the criteria for the execution of investment orders by the financial intermediary, as well as the procedures necessary for their application, pursuant the requirements of Directive no. 2014/65/EU of the European Parliament and of the Council of 15 May, (Markets in Financial Instruments Directive - MiFID), with the European laws that puts them into place and with the domestic law which ensure their transposition.

In the execution of orders issued by Customers, the Bank acts in good faith, according to high standards of diligence, loyalty, transparency, equal treatment and guides its activity towards the protection of the legitimate interests of the Customer and the achievement of market efficiency.

Whilst executing orders issued by the Customer, the Bank adopts all reasonable measures to achieve, in accordance with its own assessment, the best possible outcome for the Customer. This Policy intends to identify the trading venues able to, repeatedly, obtain such a result, as well as to provide information on the several trading venues concerning each financial instrument and on the reasons underlying its selection.

In the reception and transmission for execution of orders sent by the Customer, the Bank uses all reasonable measures to achieve the best possible outcome for the Customer. This policy aims at identifying, for each type of financial instrument, the criteria used to select the financial intermediaries to whom the orders must be sent for execution.

The rationale used in the reception, transmission and execution under the best conditions does not apply to specific investment orders, as per the requirements of point 4.1. of this Policy. Thus, the inclusion of specific instructions in an investment order may imply that the same is not transmitted or executed under the best conditions from the point of view of the satisfaction of the investor's interest.

Under the terms of the Delegated Regulation (EU) 2017/576, of the Commission, of 8 June 2016, the Bank makes available to Customers information related to the execution quality of transactions and discloses, on an annual basis, for each category of financial instruments, the top five trading venues and financial intermediaries through which orders were executed or transmitted. This annual publication must be disclosed no later than 30 April of each year with reference to the previous year.

This information is made available on the Bank's institutional website ([www.millenniumbcp.pt](http://www.millenniumbcp.pt) Compliance Policies).

## 2. SCOPE OF APPLICATION

This Policy applies to the reception, transmission and execution of orders on Financial Instruments, mentioned in Section C of Annex I to Directive 2014/65/EU, of the European Parliament and of the Council, of 15 May 2014 whenever the orders concern financial instruments traded by the Bank, regardless of the type of financial intermediation type of service used for their execution.

The Policy for the Execution of Orders applies to all Customers considered non-professional and professional but not to the Customers that were considered eligible counterparty.

## 3. PERFORMANCE OF THE BANK ON BEHALF OF CUSTOMERS AND ON ITS OWN ACCOUNT

The Bank may act on behalf of Customers when:

- a) it executes orders received from Customers;
- b) it transmits orders from Customers;
- c) it issues orders to be executed by the Bank itself or by third parties following investment decisions made in compliance with a portfolio management contract.

The Bank acts on its own account whenever investment orders are connected to financial instruments in its own portfolio and without prejudice to the possibility of executing Customer' orders through "Simultaneous Transactions on own account" within the meaning of Article 4(1)(38) of MiFID: "transactions where the facilitator interposes itself between the buyer and the seller to the transaction in such a way that it is never exposed to market risk throughout the execution of the transaction and the two transactions are executed simultaneously or as soon as technically possible and the transaction is carried out at a price that does not involve gains or losses for the intermediary, other than a pre-disclosed commission, remuneration or charge for the transaction".

## 4. CRITERIA FOR THE TRANSMISSION AND EXECUTION OF ORDERS

### 4.1. ORDERS WITH SPECIFIC INSTRUCTIONS

When the investment order comes with specific instructions, the Bank executes or transmits the order in accordance with the instructions effectively received.

### 4.2. ORDERS WITHOUT SPECIFIC INSTRUCTIONS

In the absence of specific instructions, the Bank executes the orders or transmits them for execution, making all sufficient efforts to, in each case, get the best possible outcome for the Customer ("the best execution rule").

The Bank may act on its own account as the Customer's counter-party in cases where the issuance of the order has been immediately preceded by the information given by the Bank to the Customer, at his/her request ("Request for Quote"), of the quote price for a certain financial instrument. In these cases, the order issued will have to be in conformity with the information transmitted to the Customer.

When the Bank acts as the Customer's counter-party and the duty to execute orders under the best conditions applies, it takes into consideration the prices quoted on trading venues or by liquidity providers or brokers for similar financial instruments, when determining the price for the Customer, as well as, namely, the risk incurred by the Bank as counter-party, capital or liquidity costs and also operating costs, always respecting the "best execution" principle.

The Bank acts on its own account without a duty to execute orders under the best conditions as far as Professional Customers are concerned. These Customers, within the scope of their usual activity, consult different investment companies in search of the best possible result.

### 4.3. EXECUTION OF ORDERS

The criteria for the execution of orders under the best execution rule is not applicable in situations wherein the Bank is acting on its own account. The Bank acts on its own account concerning the following financial instruments:

- Bonds;
- *Obrigações de Caixa* (cash bonds);
- Commercial Paper;
- Other debt securities;
- *Warrants*;
- Certificates;
- Options, futures, swaps, forward rate agreements and any other derivative contracts relating to securities, currencies, interest rates or yields, commodities or other derivatives instruments, financial indices or financial indicators which may be settled physically or in cash.

## 5. EXECUTION UNDER THE BEST CONDITIONS AND SELECTION FACTORS IN THE TRADING STRUCTURE

### 5.1. CRITERIA USED IN THE EXECUTION OF ORDERS

The Bank undertakes to make all reasonable efforts to execute or transmit orders under the best conditions. For this purpose the following criteria will be taken into consideration: the price, total costs of the transaction, speed, probability of execution and settlement, size, the nature of the order and the trading platform used, among other factors that it deems relevant.

These factors are not ranked, and the Bank shall determine the relative importance of each factor, based on the features of the orders and of the customers. The Bank considers that, in principle, shall be ranked first the criteria of price, cost and market or execution centre liquidity, not excluding, however, that other criteria, in view of the assessment made of the circumstances of a particular case, may prevail.

Whenever the Bank executes an order on behalf of a non-professional investor, it will assume that the best possible result shall be determined in terms of the total consideration, determined by the price of the financial instrument and the costs related to its execution, which shall include all expenses incurred by the customer which are directly related to the execution of the order, including the trading execution fees, the clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

### 5.2. CONDITIONS FOR THE EXECUTION OF ORDERS

The search for the conditions to achieve the best execution possible for the Customer, considering all relevant facts shall depend on:

- a) the contents and volume of the order issued by the Customer;
- b) the financial instruments that are the subject of that order;
- c) the type of trading structure to which the order may be addressed to and the fact that the order is able of being executed in more than one trading structure;
- d) the way the Bank accesses the trading structure mentioned in the previous paragraph.

When executing client's orders, the Bank:

- a) ensures that orders are promptly and accurately recorded and carried out;
- b) sequentially and quickly executes comparable customer orders unless the characteristics of the order or prevailing market conditions make this impracticable or if safeguarding the client's interests requires an alternative procedure; in the case of non-execution of the relative limit order on a regulated market, the conditions of the order are available for the public to view them.
- c) informs non-professional clients of any difficulty relevant to the proper execution of orders without delay as soon as it becomes aware of such difficulty.
- d) When placing an order on behalf of a Customer, other than in relation to portfolio management:
  - I. promptly provides the Customer, in a durable support, with essential information concerning the execution of that order;

II. sends to the Customer a communication, on a durable support, confirming the execution of the order as soon as possible and no later than the first working day following execution or, if the confirmation is received by the Bank from a third party, no later than the first working day following receipt of the confirmation from the third party. Provided that applicable in accordance with regulatory technical

standards on reporting obligations adopted pursuant to Article 26 of Regulation (EU) No. 600/2014, and where relevant, this communication shall include the information set out in Article 59(4) of the Delegated Regulation (EU) 2017/565.

e) At the Customers' request, provides further information regarding their orders status.

### 5.3. ORDER AGGREGATION

The Bank, as a rule, does not aggregate Clients' orders on the same financial instrument. In certain circumstances, the Bank may aggregate orders, provided the following conditions are safeguarded: that the aggregation of orders and transactions is unlikely to result, in overall terms, in a loss for any Client whose order is aggregated and that these Clients have been informed that the effect of aggregation may be disadvantageous to them in relation to a specific order. These requirements shall be deemed to be fulfilled when the Bank aggregates Clients' orders that are communicated to it on an aggregated form by a professional investor acting in the name and on behalf of those Clients.

When aggregating Clients' orders with orders from other Clients or with orders on its own account and the aggregated order is partially executed, the Bank shall treat the Clients' orders equally and in a priority manner to orders on its own account.

The Bank shall only aggregate orders if an order allocation policy is established and effectively implemented that provides for the proper allocation of aggregated orders and transactions, including how the volume and price of orders determine allocations and the treatment of partial executions.

### 5.4. CONSENT TO EXECUTE ORDERS OUTSIDE TRADING VENUES

Acceptance of this Policy on Order Execution by the Client implies his/her agreement that his/her orders may be executed outside trading venues provided that the best result for the Client is safeguarded, in accordance with the criteria indicated above.

### 5.5. TRADING STRUCTURES AND SELECTION FACTORS

| Financial Instruments issued by the Bank | Trading Structures         | Selection key factors   |
|--|----------------------------|---|
| Shares (BCP)                             | Portugal - Euronext Lisbon | Regulated market of the country where the issue was admitted to trading for the first time.                                     |
| Certificates                             | France – Euronext Paris    | the only market where the financial instrument is listed  |
| Warrants                                 | France – Euronext Paris    | the only market where the financial instrument is listed  |
| Bonds                                    | Portugal - Euronext        | Regulated market of the country where the issue was admitted to trading for the first time.<br>The trading can also be made OTC |

In case the Customer intends to give an order using a structure that is not included in the table above, he/she/it will be the only responsible for that choice, which must be formalised by means of a written instruction.

## 6. INVESTMENT SERVICES

The Bank provides the services relating to the reception, transmission, and execution of investment orders in the primary and secondary markets, as well as the execution of orders on over the counter (OTC) debt financial instruments.

## 6.1. DIRECT ACCESS TRADING PLATFORMS

The Bank executes the orders received from Customers in the trading platforms the Bank has direct access to:

| Financial Instruments                           | Trading Structure   |
|---|---|
| Shares, Bonds, Warrants, ETF, PU (Closed Funds) | France Euronext Paris<br>Portugal - Euronext Lisbon<br>Holland - Euronext Amsterdam<br>Belgium – Euronext Brussels<br>Bloomberg MTF |
| Futures and Options                             | Eurex   |
| MBCP Certificates                               | Euronext Paris  |

Admission to trading on a regulated market for bond issuances does not normally correspond to actual use of that market by investors who, especially when they are professional investors, favour other specialised venues. For this reason, in the case of bonds, the Bank uses primarily Bloomberg MTF, as it considers that it is the venue with the highest investor demand and therefore the one with the highest liquidity, trading speed, probability of execution and settlement and that the Bank considers that it allows to obtain, on a regular basis, the best possible result for the investor. Given the functioning of this trading venue, the Bank executes orders in its name on behalf of its Clients. An exception may be made for bonds placed by public offering aimed at non-professional investors, in which case the criterion described above shall prevail according to the first admission to trading.

The Bank may act on its own behalf when executing the orders mentioned in this paragraph in cases where it guarantees a better result for the Client than would be achieved by executing them on the relevant trading platforms.

## 6.2. TRADING PLATFORMS WITHOUT DIRECT ACCESS

The Bank shall transmit the orders received from Customers to be executed in the trading platforms to which the Bank does not have direct access to:

| Financial Instruments                              | Trading Structure  |
|--|--|
| Shares, Bonds, Warrants, ETF and PU (Closed Funds) | Germany - Deutsche Boerse<br>Austria - Wiener Boerse<br>Denmark - Kobenhavns Fondsbors<br>Spain – Bolsa Madrid<br>United States – AMEX, NASDAQ, NYSE<br>Finland - Helsingin Arvopaperiporssi<br>Ireland - Irish Stock Exchange |

|                     |  |
|---------------------|--|
|                     | Italy – Borsa Italiana<br>Norway – Oslo Bors<br>United Kingdom – London Stock Exchange<br>Sweden – OMX Stocholm Exchange<br>Switzerland – Swiss Exchange   |
| Futures and Options | NYSE Liffe<br>CME - Chicago Mercantile Exchange<br>CBOT - Chicago Board of Trade<br>NYMEX – New York Mercantile Exchange<br>CME - Chicago Mercantile Exchange<br>MEFF – Mercado Oficial Español de Futuros y Opciones<br>ISE – International Securities Exchange (Options) |

### 6.3. TRANSMISSION OF ORDERS TO A BROKER

When the Client does not give specific instructions, the Bank shall transmit a specific instruction to a Broker for the execution of the order, continuing to act in behalf and in the interest of the Customer.

The Broker that receives the Bank's orders does not execute the order in a relevant organized market, it shall guarantee the same, or better, execution price than the one applied in that market at the time of the order's execution.

In selecting the Broker, the Bank takes globally into consideration:

- the provision, by the Broker, of a Policy for the Execution of Orders, as per the legal requirements in effect, that enables ensuring the best possible execution;
- the access, by the Broker, to the several markets or execution centres, considering, namely, the markets where the financial instrument is traded, the types of market or execution centres and the way the Broker accesses each one of those markets or execution centres;
- the qualities and capacities of the *Broker* to execute the orders, received under the best conditions, not only systematically and in the markets and execution centres foreseen in the Policy for the Execution of Orders but also, considering, specifically, the financial instrument mentioned in the order and the markets or trading structures where the order may be executed.

## 7. ORDERS EXECUTION OR TRANSMISSION CHANNELS

### 7.1. EXECUTION OF CUSTOMER'S ORDERS

Orders issued by Customers, regardless of the transmission channel used (internet, branches or call-centres), shall be processed as follows:

- In orders issued for markets of which BCP is not a member, the Bank shall transmit the orders to another intermediary, which will be obliged to make all reasonable efforts to achieve the best result for the Customer.
- The orders given to the Bank shall be sent to the relevant market. The intermediary will consider as relevant market the primary market where the security was listed.



When the orders are transmitted using remote communication channels, namely by electronic means or phone, the Bank shall get the Customers' authorisation to register and record the communications established and ensures their registration and safekeeping, in compliance with the regulations in effect.

In the event that orders are transmitted in face-to-face conversation with the Customer, information must be recorded which includes at least: i) the date and time of the meeting; ii) the location; iii) the identity of the participants; iv) the initiative (Customer/Bank) for the meeting; and v) relevant information about the Customer order, including price, volume, type of order and the time at which it is to be transmitted or executed.

The Bank guarantees the registration and conservation of communications made, in accordance with the rules in force - Formalisation of instructions transmitted by Clients and powers for the execution of exception situations, in accordance with Delegated Regulation 2017/565 art.º 76 nº 8.

If the financial intermediary through which the Bank conveys orders to the market does not execute the order on the relevant organised market, it must guarantee an execution price equal to or better than the one verified on the relevant organised market, at the time of execution of the order.

While executing orders received for instruments not negotiable in organized markets, the structure and features of the negotiation included in the prospectus or product files made available commercially, is ensured.

## 7.2. CUSTODY CUSTOMERS

For custody Customers (actions associated with instruments deposited or registered with the Bank), the Bank only offers a service that solely assists them in the sale of the financial instruments resulting from corporate events in the assets deposited or registered with this Institution.

On exceptional occasions related with corporate events, the Bank may help in the purchase of financial instruments, namely the subscription or swap rights, so as to enable the client to exercise the remaining rights in a more efficient manner, if that is the Customer's intent.

## 7.3. TIMETABLES AND CHANNELS FOR THE TRANSMISSION AND EXECUTION OF ORDERS

On the Bank's website [www.millenniumbcp.pt](http://www.millenniumbcp.pt) and all the branches, the Bank provides an updated list of suppliers to which it resorts for executing orders in markets of which it is not a member.

This list will be updated when deemed necessary.

| Order execution or transmission channel | Timetable for the collection or transmission of orders | Timetable for the Execution of Orders |
|---|--|---------------------------------------|
| Branch                                  | 8.30 a.m. – 3.30 p.m.                                  | 8 a.m. – 9 p.m.                       |
| Internet                                | 24h/day  | 8 a.m. – 9 p.m.                       |
| Phone                                   | 8 a.m. – 10 p.m.                                       | 8 a.m. – 9 p.m.                       |
| Mobile SMS                              | 24h/day  | 8 a.m. – 9 p.m.                       |
| APP                                     | 24h/day  | 8 a.m. – 9 p.m.                       |

| Type of financial instrument | Order execution or transmission channel |          |        |            |        |
|------------------------------|---|----------|--------|------------|--------|
|                              | Branch                                  | Internet | Branch | Mobile SMS | Branch |

|                     |     |                     |     |                     |     |
|---------------------|-----|---------------------|-----|---------------------|-----|
| Shares              | ✓   | Shares              | ✓   | Shares              | ✓   |
| Bonds               | ✓   | Bonds               | ✓   | Bonds               | ✓   |
| Warrants            | ✓   | Warrants            | ✓   | Warrants            | ✓   |
| Certificates        | ✓   | Certificates        | ✓   | Certificates        | ✓   |
| ETF                 | ✓   | ETF                 | ✓   | ETF                 | ✓   |
| PU                  | ✓   | PU                  | ✓   | PU                  | ✓   |
| Futures and Options | n.a | Futures and Options | n.a | Futures and Options | n.a |

n.a.: not applicable.

## 8. TRADING PLATFORMS

The Bank chose the following relevant markets based on their liquidity and representativeness.

### 8.1. CASH MARKETS

a) The Bank has direct access to the following trading platforms (regulated markets and multilateral trading systems):

- France –Euronext Paris
- Portugal - Euronext Lisbon
- Holland - Euronext Amsterdam
- Belgium – Euronext Brussels

b) the Bank has indirect access to the following trading platforms:

- Germany - Deutsche Boerse
- Austria - Wiener Boerse
- Denmark - Kobenhavns Fondsbors
- Spain – Bolsa Madrid
- Finland - Helsingin Arvopaperipörssi
- Ireland - Irish Stock Exchange
- Italy – Borsa Italiana
- Norway – Oslo Bors
- United Kingdom – London Stock Exchange
- Sweden – OMX Stocholm Exchange
- Switzerland – Swiss Exchange
- United States – AMEX, NASDAQ, NYSE

In this case, the Bank uses a Broker to execute the order, to whom it transmits a specific instruction and who has the contractual obligation to follow all the procedures to obtain the best possible result for the client.

For the execution of orders on trading platforms with indirect access, the Bank uses the following Brokers:

- Pershing LLC, preferably for most orders;
- Exane BNP, only in contingency situations.

### 8.2. FUTURES AND OPTIONS MARKETS

- a) The Bank has direct access to the following trading platforms: Eurex;
- b) the Bank has indirect access to the following trading platforms:
  - NYSE Liffe
  - CME - Chicago Mercantile Exchange
  - CBOT - Chicago Board of Trade
  - NYMEX – New York Mercantile Exchange
  - ICE – Intercontinental Exchange (Futures and OTC)
  - MEFF – Mercado Oficial Español de Futuros y Opciones
  - ISE – International Securities Exchange (Options).

### 8.3. OVER-THE-COUNTER MARKETS

The Bank acts as an intermediary in over-the-counter operations in the following markets and for the following financial instruments:

- Money market Instruments
- Foreign Exchange market instruments
- Public Debt Instruments
- Private Debt Instruments
- Debt Structured Instruments
- Interest Rate Derivatives
- Foreign Exchange Derivatives
- Commodities Derivatives
- Stock Derivatives
- Credit Derivatives

## 9. INFORMATION ON THE POLICY FOR THE EXECUTION OF ORDERS

The Order Execution Policy is permanently available on the Bank's website ([www.millenniumbcp.pt](http://www.millenniumbcp.pt)), and it must be ensured that it is in its full version and in a place that is easily accessible.

At a moment prior to the execution of Clients' orders, the Bank shall obtain the Client's express consent.

Since the Policy provides for the execution of orders outside a trading platform, the Customer's express consent shall also be obtained prior to the execution of the order outside a trading platform (this consent may be obtained in a generic way or for each transaction).

The Client may request the Bank to demonstrate that an order has been executed in accordance with this Policy. The Client may also request the Bank to inform him/her of the entities to which orders are transmitted or with which they are placed for execution.

Specifically, in the context of monitoring the effectiveness of its order execution mechanisms and execution policy, the Bank may change its order execution mechanisms or execution policy in order to address any deficiencies. The changes introduced into the Policy for the Execution of Orders shall be communicated to the Customers prior to their entering into effect by any means used to communicate with the Customers, including remote communication channels.

## 10. ORDER EXECUTION POLICY

This Policy and the procedures necessary for its application shall be assessed and revised at least once a year or whenever deemed necessary.

When reviewing the Policy for the Execution of Orders, the Bank takes under consideration the need to correct eventual deficiencies, update the information available on execution centres, on the relevant facts for the execution and transmission under the best conditions and their relative importance, on the selection criteria of Brokers for the execution of orders received from its Customers, as well as other aspects of this Policy.

The changes introduced into the Policy for the Execution of Orders shall be communicated to the Customers prior to their entering into effect by any means used to communicate with the Customers, including remote communication channels.

**Data aprovação:** 13/09/2023

**Órgão que aprovou:** Conselho de Administração

**Alterações efetuadas face à versão anterior:** As alterações visam adaptar esta Política à sua aplicação direta à Interfundos - Sociedade Gestora de Organismos de Investimento Coletivo, S.A., tendo particular relevo a inclusão do processo de comunicação de irregularidades da Interfundos no capítulo 6. Foi incluído o ponto 4, no capítulo 5 relativo aos deveres dos colaboradores e ainda incluído o ponto 4, no capítulo 8, relativo ao apoio às investigações solicitadas pelo Órgão de Fiscalização, no âmbito do apuramento de irregularidades.



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