

Name	Compliance and Operational Risks Commission		
Objectives	Monitoring the activity of the Bank and/or subsidiaries of Banco Comercial Português Group in each jurisdiction, regularly coordinating and managing the policies and obligations of the Bank and/or the Group's subsidiaries, in order to ensure compliance with legal and compliance rules, the alignment of the Group strategies and the definition of priorities; follow-up of operational risks framework (including IT and outsourcing risks), ensuring that same are applied in the Bank's operations; monitor exposures to operational risks and the status of implementation and effectiveness of actions identified to strengthen the internal control environment; monitoring of the management and improvement of the Bank's processes, with a view to monitoring and reducing the levels of exposure to Compliance and Operational risks.		
Frequency	Monthly		
Composition:	Executive Directors	Other members with voting right	Guests
	- CEO - COO - CRO Any other executive director may, whenever he/she sees fit, participate in the Commission.	- Compliance Office (Secretary) - Risk Office - IT and Technology - Operations Division - Segments and Network Support Division - Information Security Division – Banco ActivoBank The members will be able to propose to the directors part of the commission, a representative to replace them in case of impediment. This representative, if not rejected and is a senior manager, will be entitled to vote.	- Audit Division - AML Officer - Head of the Compliance area in charge of the theme under debate Other employees of the Group may eventually be invited due to their relevance for the subjects under debate. Such employees will only participate in the meeting during the items that have justified the invitation. Whenever the guests report directly to the Board of Directors or are members of the Senior Management they will be entitled to vote
Minimum quorum for decision	Two executive directors.	Compliance Office (Secretary) Other member with voting right.	
Delegation of Powers	<ul style="list-style-type: none"> • In accordance with the powers conferred by the EC on 23/10/2018, within the scope of article 36, c) and e), of the Bank's Articles of Association, the Compliance and Operational Risks Commission binds the Bank before third parties provided that the respective resolutions are part of the scope of the functions and competences defined in these regulations. • Always observing the internal regulations that apply to this commission and member divisions, are delegated to it the powers necessary for the performance of the respective functions and the inherent competences that the Board of Directors have not reserved for itself or for the Audit Committee, for the Committee for Risk Assessment, for the Committee for Nominations and Remunerations and for the Committee for Corporate Governance, Ethics and Professional Conduct. • The delegation foreseen in the previous paragraphs is subject to the condition that none of the executive directors attending this Commission decides that the subject should be submitted to the Executive Committee for resolution. 		

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Resolutions	<ul style="list-style-type: none"> • Only the executive directors attending the meeting and the members of the Commission or guests with voting right will be entitled to vote. • The decisions of this Commission are made by simple majority. • Any executive director attending the meeting may suspend the assessment of the item under debate in the commission and submit the same to the EC, for decision. • The guest members are not entitled to vote. • Written Resolutions may be adopted, provided there is written evidence of approval of the resolution in question by all members identified as “Executive Directors” and “Other members with voting rights”
Functions	<p>Ensure and monitor the adoption and compliance, by all the Group’s institutions, of the internal and external regulations that rule their activity, the relevant contractual commitments and the organization’s ethical values, so as to contribute to mitigate compliance and operational risks, strengthening the internal control environment, mitigating/eliminating the attribution of sanctions or significant assets or reputation damage.</p> <p>This follow-up and control structure may include in its Agenda, the following aspects:</p> <ul style="list-style-type: none"> · Activity of the Compliance Office; · Group’s activity legal framework; · Ethics, professional conduct and conflicts of interests; · AML/CTF · Compliance Risk Assessment; · Ongoing procedures/projects for the adoption of compliance practices; · Market abuse; · Fraud; · Assess operational risk exposure quantification metrics and the ones to assess the performance of those who intervene in its management (‘1st and 2nd line of defence’); · Analysing the materially relevant events and assess the proposed mitigation measures; · Monitor the level of efficiency of risk transfer mechanisms (subscription of insurances and outsourcing); · Assess proposals on the determination of economic capital and its internal allocation; · Monitor the making of the Internal Control Reports for the Group’s entities; · Monitoring of the evolution and resolution of the deficiencies identified within the scope of the assessment of the Internal Control System; · Define, promote and monitor the Management Model Per Processes, including the performance of Outsourcing activities; · Assess and decide on proposals for improving and alter the processes to reinforce the internal control environment; · Ensure the monitoring of the metrics (KPI) and (KRI) to assess the evolution shown by risk levels, efficiency and the processes’ productivity; · Promote the spreading of an operational risk management culture; · Monitor the Outsourcing and IT risks and respective metrics, based on the conclusions of the monitoring reports and make proposals to adequate them to the defined risk appetite; · Follow-up and report relevant projects or practices triggered by the operations abroad; · Other themes, whose relevance justifies being analysed by the Commission.
Competences	<p>Assess the Compliance indicators, the degree of implementation of the rules regulating the Group’s activity; assess the Group’s reputational and non-compliance risk, issue recommendations on procedures for that adoption; decide on the adoption of specific compliance policies of the Bank, on the adoption of technical solutions for the prevention and monitoring of Compliance risks and on the definition of priorities and alignment of strategies in compliance matters; appraise and decide on improvements proposed for strengthening the internal control environment and mitigation of operational risk as well as on proposals to improve and alter the Management per Processes Model.</p>

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Convocation of meetings	<p>The secretary is responsible for convening the meetings and sending the respective meeting's agenda to all members, at least 3 working days in advance.</p> <p>At the same time, the Agenda should also be sent to the Executive Directors who are not members of the Commission</p>
Minutes of meetings	<p>The secretary of the commission is responsible for making the minutes of meeting of each meeting. It must contain the following data:</p> <ul style="list-style-type: none"> - The identification of the Commission, the location, day and time of the meeting - The Agenda - The name of the members attending the meeting and the capacity under which they participated therein. - Reference to the documents analysed during the appraisal of each proposal; - The content of the resolutions adopted - The result of the voting - The content of the member's statements, if they so request <p>Once approved, the minutes of the meeting will be submitted, for information, to the EC meeting that takes place immediately after approval of the minutes.</p> <p>In the absence of the Secretary, the directors attending the meeting shall appoint an <i>ad hoc</i> secretary.</p>