



Banco Comercial Português, S.A.

Related Parties Policy

Millennium
bcp

Related Parties Policy

Table of contents

- 1. Framework.....3
- 2. Approval and Review3
- 3. Objectives and Scope of Applications.....3
- 4. General Guidelines and Definitions3
- 5. Process for the Collection of Information, Preparation, Maintenance and Disclosure of The List of Related Parties6
- 6. Decision Process for Occasional Approval Transactions with Related Parties And Competencies.....6
- 7. Simplified Approval Procedure7

BANCO COMERCIAL PORTUGUÊS, S.A. with registered office at Praça D. João I, nr. 28, Oporto, registered at the Company Registration Office of Oporto, with the unique registration and tax identification number 501 525 882 and with share capital of de EUR 3,000,000,000.00...



1. Framework

This Policy is prepared in accordance with the provisions of Article 33 of [Banco de Portugal Notice 3/2020](#) of the [Legal Framework for Credit Institutions and Financial Institutions](#) (LFCIFC) considering also the definitions and requirements of the International Financial Reporting Standards (IFRS)/International Accounting Standards (IAS), namely IAS 24 - "Related Party Disclosures" which cumulatively establish the requirements of a Policy on Related Parties.

2. Approval and Review Process

This Policy is approved by the Board of Directors (BoD), by recommendation from the Executive Committee (EC), following a prior opinion from the Audit Committee (CAud).

The Regulatory Compliance Officer reviews the Policy annually or whenever deemed necessary.

3. Objectives and Scope of Application

- 3.1** Ensure that the Bank identifies its Related Parties in a complete and global list¹, prepared and updated, at least quarterly, which must be known by the Audit Committee and by the Supervisory Body of the Entity and approved by the BoD in accordance with the provisions of no. 1 and 2 of Article 33 of Notice.
- 3.2** Ensure that the "Occasional Approval Transactions" or "Regular Business Transactions" with Related Parties, as defined below, follow a rigorous analysis process and that they comply with the provisions of the Notice and of the LFCIFC.
- 3.3** Ensure that in the financial statements of Banco Comercial Português Group, comprised in this scope by BCP and its Entities in Portugal (Group) all information regarding relationships with Related Parties for purposes of IFRS / IAS e and the Securities Code (CVM) is disclosed.
- 3.4** Ensure the disclosure by the Group's subsidiaries of the information needed to comply with the reporting duties arising from the requirements of the above-mentioned 3.1 and 3.2.

4. General Guidelines and Definitions

- 4.1. Bank** – Banco Comercial Português, S.A. or Banco ActivoBank, S.A.;
- 4.2. Supervisory Body** – Audit Committee of BCP or Supervisory board directors of ActivoBank, S.A.;
- 4.3. Related Parties for the purposes of Notice 3/2020** (hereinafter only "Related Parties") – are persons or entities that are related to each other or to BCP or its subsidiaries in Portugal, comprising the following groups of persons or entities:

¹ List comprising all persons or entities subject to at least one of the two applicable legal regimes: that of Notice 3/2020 of Banco de Portugal and that of IFRS / IAS 24 (International Financial Reporting Standards / International Accounting Standards).

- i. Members of the Management and Supervisory Bodies of the Bank:
 - o Spouse or partner in a civil union;
 - o First degree relatives or similar (parents, children, father-in-law and mother-in-law, stepfather and stepmother, stepson and stepdaughter, son-in-law and daughter-in-law);
- ii. A company wherein the persons identified in paragraph i. above hold a qualified stake not inferior to 10%² of the share capital or voting rights or in which they exercise significant influence or occupy senior management positions or management or supervisory functions;
- iii. Entities regarding which there is a relationship of economic interdependence, in particular due to its insertion in a cross-relationship of holdings with several other entities or that, because they are so closely linked to the institution, in the event that one of them faces financial problems, the institution will also face financial difficulties;
- iv. Persons or entities, including, namely, depositors, creditors, debtors, entities owned by the institution, employees of the institution or employees of other entities belonging to the same Group, whose relationship with the institution potentially allows them to influence their management, in order to achieve a business relationship outside normal market conditions;
- v. Qualifying participants of the institution and other persons or entities that directly or indirectly hold a qualifying stake in the Bank and the company that this person directly or indirectly dominates, or is in a group relationship with it ³.

4.4. Related Parties for purposes of IFRS / IAS:

1. Members of the BoD and supervisory bodies of entities controlled by the Bank and coordinating-managers reporting directly to the Bank's Board of Directors:
 - i. Spouse or partner in a civil union;
 - ii. children (including those of the spouse or of the domestic of partner);
 - iii. individuals that share permanently the same household for more than six months;
 - iv. other people who are cohabiting;
 - v. legal persons operating for profit or non-profit making legal persons that jointly or individually are controlled, jointly or significantly influenced, directly or indirectly, by any of the persons identified in this number.
2. Legal persons operating for profit or non-profit making legal persons, in which any of the persons identified in the preceding section owns, directly or indirectly, individually or in conjunction with another person, 20% or more of the share capital or voting

² Or 5% in companies admitted to trading on a market.

³ As per the provisions of Article 109 of the LFCIFC.

rights or is able to elect more than half of the members of the management body or may otherwise exercise a significant or dominant influence.

3. Natural persons who directly or indirectly hold 20% of the Bank's share capital or voting rights or who may otherwise exercise a dominant or significant influence or who may elect more than half of the members of the Bank's management body.
4. Pension Funds of the Employees of Group BCP.

4.5. Occasional Approval Transaction

Any business relationship established or to be established between the Bank and a Related Party, with the exception of the Regular Business Transaction and transactions with Related Parties subject to a simplified approval process (as per Chapter 7).

4.6. Regular Business Transaction:

- i. Any transactions resulting from the regular operation of the business, formalized through an adhesion contract (which is not subject to negotiation or material changes) and that is entered into under normal market conditions, such as opening of an account, entering into a registration and deposit of financial instruments and financial intermediation, the constitution of deposits, the attribution of credit cards, the setting up of financial applications, the subscription of financial intermediation services, the issuance of Bank Guarantees ("BG") when the beneficiary is a Related Party with a lower approval level than that of the Credit Commission, the making of bank transfers or issue of bank cheques (in return for debiting the current account). Also included are the transactions resulting from the staff policy, namely the signing of housing credit agreements (ACT);
- ii. any transactions of low material expression with value equal to or less than EUR 5,000.00 (five thousand euros) with the same Related Party, except in the case of transactions provided for in articles 85 and 109 of the LFCIFC.

4.7. Intra-Group Protocol

A contract entered into between financial institutions included in the scope of supervision on a consolidated basis, located in Portugal, with a view to credit operations, guarantees and the Interbank Money Market, that specifies the authorization limit, the period of the authorization and other elements necessary for the specific case in question.

4.8. Internal limits:

Internal limits defined only for the purpose of risk control, such as SEPA Core limits or Trading Room limits, characterised by the Customer's lack of knowledge of them, absence of contractual formalisation and absence of obligation on the part of the Bank to provide the limits in question.

4.9. List of Related Parties

The global list that identifies the Related Parties, including those considered as such for purposes of the requirements defined in IFRS / IAS 24.

5. Process for the Collection of Information, Preparation, Maintenance and Disclosure of the List of Related Parties

5.1. Collection of information

5.1. Identification

1. After identifying the population eligible to be a Related Party to the Bank, as defined in sections 4.3 and 4.4. through the internal Related Parties application, a mechanism is triggered for the automatic generation of an individual questionnaire for validation/updating by members of the Bank's Management and Supervisory Bodies, Coordinating Managers and employees who hold management positions in subsidiaries abroad who maintain an employment relationship with direct or indirect reporting to the Bank's BoD (Senior Manager), including entities related to it, of all the information required under the terms of the legislation in force applicable to Related Parties.
2. Outside the period in question, or in the event of a change in the Bank's shareholder structure, shareholders holding more than 5 % of the share capital or voting rights are asked to provide the respective information, which must include clear identification of the members of their Management and Supervisory Bodies and the companies they control.
3. Once the deadline for updating the questionnaires has passed, the computer system, via an internal application, generates a List of Related Parties for verification by the Compliance Office.

5.2. Updating information

1. The information updating process is verified and the subsumption of each entity on the list is validated against the applicable legislation.
2. After the formalities described in the previous section, the list of related parties is submitted to the BoD for approval and to the Supervisory Body for information.
3. Subsequently, in the Group's Customer Information System, all the relevant information for the purposes of the Notice and the IFRS / IAS is updated for each entity.

5.3. Access and Disclosure of the List of Related Parties

1. The previously identified Organic Units access the list of Related Parties via the internal application.
2. The disclosure of Related Parties for the purposes of the IFRS/IAS is also ensured, under the applicable terms, namely the provisions of articles 29-T et seq. of the Securities Code.

6. Decision Process for Occasional Approval Transactions with Related Parties and Competencies

1. The Bank will ensure that the Occasional Approval Transactions (Transaction) in which it participates, and which involve Related Parties are carried out under normal market conditions, following the approval process set out in the internal Regulation on the subject ("Regulation").
2. The Transaction is subject to the general approval process, unless the simplified approval process stipulated in chapter 7 applies.

3. If it is not possible to objectively define the market conditions applicable to a specific Related Party transaction, the Bank will implement an impartial alternative procedure for the purpose of researching and collecting information that can be used to compare that transaction with other similar and comparable transactions and, in addition to implementing the Related Party identification process described above, will ensure that they are identified in the system.

7. Simplified Approval Procedure

7.1. Process applicable to a Regular Business Transaction

1. The Regular Business Transactions identified in paragraphs I. i. and ii. of section 4.6 are approved by the competent body and are subject to a simplified approval process, as determined in the Regulation.
2. The Regular Business Transactions identified in paragraph II. of section 4.6 (with a value equal to or less than EUR 5,000.00) must be reported to the internal compliance control unit, which forwards them to the Supervisory Body for information.

7.2. Simplified procedure applicable to an Occasional Approval Transaction of up to €100,000.00

Occasional Approval Transactions (Transaction) that exceed the amount identified in paragraph II. of section 4.6, up to a limit of EUR 100,000.00, are subject to an approval process as set out in the Regulation.

7.3. Process applicable to Intra-Group Protocols

1. The approval of an Intra-Group Protocol follows the process laid down for Occasional Approval Transactions.
2. Transactions with Related Parties executed under an Intra-Group Protocol are approved in accordance with the simplified process set out in 7.1.
3. The Protocol must define the criteria for establishing the market conditions applicable to the transactions covered by it and must be reviewed annually.
4. In the case of financial companies included in the perimeter of supervision on a consolidated basis, the granting of credit and guarantees shall not be considered in terms of the prudential limits of 10% and 30% laid down in Article 109 (1) and (2), respectively, of the LFCIFC.

7.4. Process applicable to the issuance of Bank Guarantees (BG) when the beneficiary is a Related Party

1. The issuance of a BG in which the beneficiary is a Related Party follows a simplified approval process, as follows:
 - i. The decision is delegated to the Credit Commission, as provided for in the Regulation;
 - ii. The issuance is considered a Regular Business Transaction, in all other cases, as explained in section 4.6.I.

2. The assessment of whether a specific operation complies with the legally stipulated requirements for a transaction to fulfil normal market conditions is carried out under the terms described in the Rule of Procedures.

7.5. Process applicable to the award of legally compulsory training services

The award of contracts to training service providers qualified as Related Parties, the amount and nature of which do not fall within the concept of a Regular Business Transaction, may benefit from a simplified approval process, as identified in the Regulation, provided that the following requirements are cumulatively met:

- i. The training is compulsory due to a regulatory instrument issued by a public body or entity;
- ii. The Related Party providing the training is an entity which, by its legal nature, is a non-profit entity⁴;
- iii. The price charged for the training is the same as the price charged to the rest of the public⁵;
- iv. The amount of the transaction does not exceed EUR 100,000.00.

7.6. Other Provisions

1. The Executive Committee, or any structural unit performing internal control, compliance or risk management functions, may decide that a particular Regular Business Transaction be submitted for prior appraisal by the Supervisory Body and/or subsequent approval by the Board of Directors, namely when they believe that the nature of the operation, the risks involved or the potential conflicts of interest justify it.
2. A complete list of transactions with Related Parties that have been subject to simplified approval procedures is presented to the Supervisory Body on a quarterly basis.

The transactions identified in chapter 4.8, *per se*, do not constitute a transaction with a Related Party.

⁴ Namely the IFB.

⁵ It could be more beneficial for the Group's entity.

Approval date: 31/07/2024

Approving Body: Board of Directors

Main changes compared to previous content:

- adjustment of the process of collecting and updating information, maintaining and disseminating the list of related parties, clarifying the intervention of the Company's Secretariat and its relationship with the relevant stakeholders;
- creation of a simplified procedure for the award of legally compulsory training services.

Millennium
bcp