



Banco Comercial Português, S.A.

Guiding Principles for the Sale of Real Estate by Millennium BCP

Millennium
bcp

ÍNDICE

INTRODUCTION	3
1 - Decision Criteria	3
2 – Sale Modes	4
3 - Sale Advertisement	7
4 - Incentives and Promotions	8
5 - Costs and Expenses.....	8
6 - Multiplicity of Proposals from the Same Ultimate Beneficiary	8
7 - Down Payment	8
8 - Suspension of the Sale	8
9 - Restart of the Sales Process.....	9
10 - Financing the Purchase	9

INTRODUCTION

This Policy defines the guiding principles to be observed by Banco Comercial Português, S.A. (hereinafter also just “Millennium BCP” or “the Bank”) when structuring the sale procedures of non-operating property rights, providing transparency to the process and to the decision-taking criteria adopted for concluding sales transactions of bank-own properties, and this applies to the sale of properties owned by Millennium BCP through acquiring them by way of an accord and satisfaction agreement, or by way of adjudication in legal proceedings, in both cases within the framework of operations to collect the respective credits, as well as to the sale of properties owned by it which are no longer allocated to its activity.

Compliance risk management procedures are defined in Millennium BCP internal regulations, in particular to prevent the risk of money laundering and financing of terrorism (MLFT), associated with the sale of real estate.

1 - Decision Criteria

Millennium BCP aims at promoting the sale of real estate it owns that is no longer allocated to the exercise of its activity, at the best price, bearing in mind the relevant market conditions at the time of sale, as soon as possible, in compliance with the prudential rules governing the Bank's activity.

In its decision, regardless of the price offered, Millennium BCP will not consider proposals where:

- (i) The bidder fails to comply, on satisfactory terms for the Bank, with the duties arising from the applicable legislation, namely, to identify the applicants/buyers and their beneficial owners, as provided for in Law No. 83/2017, of 18 August, diploma which establishes measures to fight money laundering and financing of terrorism.
- (ii) The bidder does not provide evidence to Millennium BCP that he/she/it has the funds to pay the price offered, or that he/she/it has secured financing for the remainder of the purchase and sale price due;
- (iii) The bidder does not provide, on satisfactory terms for Millennium BCP, documentary evidence of the origin of the funds that it will use to settle the price offered;

Millennium BCP also reserves the right not to consider proposals when:

- (iv) There is a record of unjustified incidents on behalf of the bidder, their representatives or beneficial owners;
- (v) The bidder, by him/herself/itself or through a representative, has not previously visited the property, since, as a rule, the Bank requires that in the definitive purchase and sale contract the bidder expressly states that he/she/it accepts the purchase and sale of the property in the exact state in which it is found;
- (vi) The bidder makes the purchase of the property subject to certain conditions indicated by the bidder;

- (vii) The bidder indicates a time limit for the conclusion of the definitive purchase and sale agreement that is longer than that stated in the conditions announced by Millennium BCP, or when the announcement fails to indicate this time limit, equal to or greater than 90 days.

2 – Sale Modes

Properties owned by Millennium BCP may be sold according to one of the methods listed below.

The Bank's internal regulations define the competence to choose the method of sale, as well as to authorise the sale of a particular property in a method not provided for here.

Without prejudice to the cases referred to below, in which the sale may take place through another method (i.e. sale by “auction”, sale of properties in “lots”, or sale by private negotiation with encumbrances that significantly hinder their sale), as a rule, the sale of all properties owned by Millennium BCP must first be announced on the Millennium BCP Real Estate website with the address www.millenniumbcp.pt in the method provided for below in paragraph a) - Sale under the regime of “best offer with base price”».

- a) **Sale under the regime of “best offer with base price”** - The first time the sale of a particular property is announced on the Millennium BCP Real Estate website with the address www.millenniumbcp.pt, this will be the method of sale adopted.

In the announcement of the sale, the period will be indicated, which will never be less than 30 (thirty) days, during which the Bank will receive purchase offers for that property, and in this method of sale only purchase offers for an amount equal to or greater than that announced will be considered.

Bids submitted during that initial publicity period will be deemed to have been received at the same time, on the deadline announced for the submission of bids.

Without prejudice to the following paragraph, within the 10 (ten) working days following the expiry of the deadline for the submission of bids, the Bank shall assess the bids received and decide on the bid which, in compliance with the conditions announced and the Decision Criteria set out in 1 (one) above, offers the highest price for the acquisition of the property.

In the event that two or more bids offering the highest price differ from each other by no more than 5% (five per cent), the Bank will invite these bidders to revise their bids within a certain period of time. The Bank's final decision will be sent in writing to all the bidders, after which the negotiation process will begin with a view to concluding the PSPA, or the corresponding definitive sale and purchase agreement without PSPA precedence, with the bidder who has submitted the bid with the highest price and the negotiation of the contract that will hold the sale and purchase agreement must be concluded with its signing within the next 15 (fifteen) working days, a period that can be extended with the authorisation of the Bank's competent body as defined in its internal regulations.

Once the process of concluding the PSPA has begun, or of concluding the corresponding definitive contract of sale without precedence of the PSPA, the promotion on the respective real estate website will be suspended through the advert that was advertising the sale of the property, and the mention 'RESERVED' will be inserted in the respective advert. If the PSPA or definitive purchase and sale agreement is not signed within that period, the process of promoting the sale of that real estate will be restarted, removing the mention "RESERVED" from the respective advertisement inserted in the Real Estate website.

If, within 60 (sixty) days after Millennium BCP begins publicising the sale of the property, it has not received any proposal to acquire the property for a price equal to or greater than the "base price" announced, or if a proposal has been received, it has not been contracted for reasons beyond Millennium BCP's control, Millennium BCP may, once it wishes, consider proposals for the acquisition of that property at a price lower than the "base price" announced, or, at the time it deems appropriate, promote the respective sale through the same method, or any other provided for herein, in which case the regime defined for the structuring and decision of the chosen method of sale shall apply.

- b) **The sale at the price advertised to the public for marketing** - The property, which failed to be sold in the manner described in the preceding paragraph, can be advertised again on the Millennium BCP Real Estate website at the address www.millenniumbcp.pt regarding this method. The advert for the sale of the property in this method will contain the following mention or similar: *"The Bank accepts offers to purchase this property at the advertised price."*

In these cases, without prejudice to what is stated earlier in this document regarding compliance with the advertised conditions and the 'Decision Criteria', the Purchase and Sale Promissory Agreement (PSPA) must be signed with the first bidder who formally conveys to Millennium BCP that they accept the advertised price and the contractual terms, without dependence on any conditions, giving a down payment on the corresponding price payment.

Once the process of concluding the PSPA has begun, or of concluding the corresponding definitive contract of sale without precedence of the PSPA, the promotion on the respective real estate website will be suspended through the advert that was advertising the sale of the property, and the mention "RESERVED" will be inserted in the respective advert. If the PSPA or the final sales agreement is not signed within this period, under the terms of the Bank's internal regulations, a new sales promotion process for the property may begin, using this or any of the other methods provided for, or the process of contracting the sale of the property may begin with the bidder who has offered the highest price, even if it is lower than the advertised price, provided that in this case the property has remained advertised for sale for a period of no less than 30 (thirty) days.

- c) **The sale by “auction”** - The auction, which may have as its object the sale of one or more real estate, is communicated in the manner and by the means defined in the auction regulations, as well as advertised in the Real Estate website of Millennium BCP at www.millenniumbcp.pt, indicating, among other elements arising from the auction regulations, the identification of the real estate and its characteristics, the base bid price, the minimum value of subsequent bids, the day, time and place where the auction will take place, the identification of the entity entrusted by the Bank to carry out the auction, as well as information on whether it will be in person and/or online.

Before the closing of the auction, the bidder of the successful bid must guarantee the conclusion of the PSPA or the definitive purchase and sale agreement with at least 5% (five per cent) of the price offered, unless the auction regulations provide otherwise.

If for any reason (e.g. lack of agreement on the PSPA terms, or failure by the bidder to comply with the duties arising from Law no. 83/2017, of 18 August), the PSPA is not concluded within 10 (ten) working days immediately following the end of the auction, Millennium BCP may start a new process of promoting the sale of the real estate by any of the modes provided for, or initiate the process of contracting the sale of that real estate with the bidder who submitted the second highest bid in that auction.

- d) **The sale of real estate “as a lot”** - A “lot” sale is the sale of a group of properties, corresponding to different property descriptions, as part of a single transaction.

The Bank, either on its own or with the support of external consultants and advisors, will structure a competitive sale process, defining how the respective process will take place and the participation conditions, inviting institutional investors operating in the market who may be interested in acquiring that type of real estate assets.

The Bank will inform potentially interested and selected institutional investors in advance of the way in which they will be able to carry out their due diligence on the real estate assets that make up the “lot”, as well as the period within which it will receive offers to acquire the “lot” of real estate for sale. The Bank may, if it so wishes, make available in advance to all selected institutional investors the draft agreement it proposes for the contracting of that real estate asset sale transaction.

In the course of this process, the Bank may adjust the composition of the lot, introducing or withdrawing properties, namely as a result of sales and/or sales commitments that have materialised during the due diligence period, and shall inform interested institutional investors thereof, giving them the opportunity to review their proposal according to the changes introduced in the composition of the lot of properties for sale.

In the case of “lot” sales, Millennium BCP will evaluate and decide on the offers submitted by potential buyers, and the Bank reserves the right, once it so wishes, to only consider the offers that present a single and global price for the “lot”, without prejudice to each property description that is part of the “lot” being assigned a unit price by the bidder, for the purposes of complying with legal and/or tax obligations.

- e) **The direct sale, or through an agent, with or without exclusivity** - Millennium BCP may commission a real estate mediator holding an *AMI* licence issued by the *Instituto dos Mercados Públicos do Imobiliário e da Construção (IMPIC)* (Institute of Public Markets for Real Estate and Construction), to promote the sale of certain properties in Portugal owned by it, in compliance with current legislation.

In compliance with the terms that are contractually agreed, the intervention of the real estate agent may or may not be on an exclusive basis. The agent in an exclusive regime is identified in this capacity on the Millennium BCP Real Estate website with the address www.millenniumbcp.pt.

In the non-exclusive regime, Millennium BCP is free to hire the services of other real estate agents to promote the sale of the same property, as well as to promote the direct sale of these properties on the Bank's real estate website with the www.millenniumbcp.pt.

The real estate agent identified on the Bank's real estate website with the address www.millenniumbcp.pt as "Contact" for a given property, will have the right to promote the sale of that property on an *exclusive* basis for an initial period of 10 (ten) days from the start of the promotion of the sale in the manner identified in point b) of this paragraph 2 (i.e. "sale at the price advertised to the public for marketing"). Once this period has elapsed, any real estate agent with whom Millennium BCP has entered into a contract for the provision of real estate mediation services that is in force may also promote the sale of the said property under the conditions contracted with it.

Millennium BCP will receive, analyse and decide on proposals sent to it by real estate agents in compliance with the principles set out in this document.

- f) Sale by private negotiation - Subject to authorisation by the Bank's competent body as defined in the respective internal regulations, a sale may be made through this method without the respective sale being announced on the Millennium BCP Real Estate website at www.millenniumbcp.pt, namely:
- (i) the property, which previously failed to be sold in the method described in the preceding paragraph a);
 - (ii) rights over real estate on which there are encumbrances, charges, or constraints arising from the respective licensing, which make it significantly difficult to sell them by one of the other methods of sale indicated in the preceding paragraphs;
 - (iii) sales in connection with the exercise of purchase options on properties previously acquired in accord and satisfaction agreements, or in connection with the cancellation of property leasing contracts.

3 - Sale Advertisement

As a rule, Millennium BCP will always announce, on its Real Estate website at www.millenniumbcp.pt, for a period of not less than 30 days the promotion of the sale of the properties it owns. Exceptions to this rule will be: (i) the sale of properties in the private negotiation method applicable in the cases set out in subparagraph f) of the preceding paragraph 2; and (ii) the sale of properties "n lots", In the method of sale at the price announced to the public for marketing described in subparagraph b) of the preceding paragraph 2, the advertising of the sale may be interrupted in advance, as soon as an offer to purchase the property at the price announced for its sale is accepted by the Bank.

Millennium BCP will not consider proposals to purchase a property at a price lower than the advertised price until 60 (sixty) days have elapsed from the start of the respective advertisement and if, within this period, proposals to purchase the property at a price equal to the advertised price have been received and meet the requirements set out in this document to be accepted.

4 - Incentives and Promotions

Millennium BCP may associate to any of those sales methods promotions or incentives of a temporary nature directed to purchasers, or to real estate agents.

5 - Costs and Expenses

The bidders shall bear all costs incurred in the preparation and submission of their proposals for the acquisition of the Bank's real estate properties and shall not be entitled to claim reimbursement from Millennium BCP, or any indemnity or compensation as a result of not having been considered or accepted.

6 - Multiplicity of Proposals from the Same Ultimate Beneficiary

Each bidder will only be allowed to, at any given time, submit one acquisition proposal per property. If a bidder submits more than one proposal for the same property, Millennium BCP will consider that he/she/it is bound by the proposal with the highest value.

7 - Down Payment

The value of the down payment and principle of payment to be delivered by the bidder to Millennium BCP on the date of signature of the PSPA, will be that which was included in the respective proposal under the terms that it was accepted by the Bank, and, unless something different is agreed between the Bank and the bidder, it cannot be less than 5% (five per cent) of the price, with a minimum of € 2,500.00 (two thousand five hundred euros).

Unless otherwise agreed between the Bank and the bidder, payment of the remaining amount of the price shall be made in immediately available funds up to the day of the conclusion of the final purchase and sale agreement, which shall be concluded no later than 60 (sixty) days after the conclusion of the PSPA of the property.

8 - Suspension of the Sale

As a rule, only after the PSPA contracting process has been initiated, or after the conclusion of the corresponding definitive purchase and sale agreement without precedence of a PSPA, does Millennium BCP promote the suspension of the advertisement publicising the sale of the property on the respective Real Estate website. However, for properties with specific characteristics, Millennium BCP may accept to suspend the advertisement and promotion of its sale, for a short period of time, so that a certain interested party in its acquisition can carry out a due diligence, namely the registration and tax situation of the property.

9 - Restart of the Sales Process

If for any reason (e.g. lack of agreement on the terms of the PSPA, or non-compliance by the bidder with the duties arising from Law no. 83/2017, of 18 August) the PSPA is not signed within 10 (ten) working days immediately following acceptance of the bid, or if the previously contracted PSPA is terminated, Millennium BCP may initiate a new process to promote the sale of the property, in the same or another method of sale provided for herein, or initiate the process of contracting the sale with the bidder who has subsequently accepted the advertised price and contractual terms.

10 - Financing the Purchase

In case the bidder requests the Bank to grant credit to finance the proposed purchase price, the Bank will independently assess and decide on such request through its internal credit risk analysis and decision-making bodies.

The fact that, for this purpose, a request has been submitted by the bidder to Millennium BCP, or to any other banking institution, for the granting of credit for that purpose and that request is under analysis, this fact does not interrupt or suspend the deadlines set by the Bank to adopt a final decision on the sale process, or to contract the purchase and sale operation of a given property.

Similarly, the fact that Millennium BCP has approved an application for the granting of credit addressed to it by a certain bidder for the purpose of financing the purchase price proposed by the latter for the acquisition of a certain property, cannot be interpreted by the bidder, or by third parties, as acceptance by the Bank of the proposal for the acquisition of the property which has been submitted or will be submitted by that bidder.

Approval Date: 12.06.2024

Body that approved: Board of Directors

Main changes to previously published content: **1)** A point about visiting the property was included in the decision criteria. **2)** The initial sales mode (a) has been changed to "**Sale under the regime of "best offer with base price"**" (previously sales mode b) and has become mandatory for all properties listed for the first time for a period of no less than 30 days. Properties that were removed from sale due to legal or judicial reasons, once back on sale, are considered as first-time listings based on new property and market data. **3)** Sales mode b) has been changed to "**The sale at the price advertised to the public for marketing"** (previously sales mode a)) and now includes a condition that, in order to accept an offer below the proposed price, the property must have remained listed for sale under this modality for no less than 30 (thirty) days

Millennium
bcp