



Banco Comercial Português, S.A.

**Policy for the Selection and
Assessment of the Suitability of the
Members of the Management and
Supervisory Bodies and Key-Function
Holders**

Millennium
bcp

I. FRAMEWORK AND GENERAL PRINCIPLES

1.1. Framework

1. This document constitutes the policy for the selection and assessment of the suitability of members of the management and supervisory bodies ("Policy") of Banco Comercial Português, S.A. ("BCP" or "Bank"), applicable, with the necessary adaptations, to key function holders.
2. This Policy has been drawn up taking into account the Bank's current governance structure and in compliance with the legislation applicable to the selection and assessment of members of the management bodies and key function holders, namely the Legal Framework for Credit Institutions and Financial Companies (LFCIFC), Notice no. No. 3/2020 of Banco de Portugal and the guidelines established by ESMA and EBA on the assessment of the suitability of members of the management body and key function holders (EBA/GL/2021/06), in order to guarantee a robust and honest process in the selection and assessment of candidates and current members and to ensure high standards of independence, impartiality and transparency in its implementation.
3. The Board of Directors, in the exercise of its duties and responsibilities, approves, among other instruments that it deems relevant, a Succession Policy and respective ancillary documents that are aligned with this Policy, as well as a BCP Group Code that will specify and develop the principles of this policy, which should be adopted by the financial institutions, branches or subsidiaries within BCP Group's prudential consolidation perimeter, always in compliance with the legislation applicable to each entity and considering their specific situation.
4. Considering the Bank's governance model and for ease of expression, references to "members of the management body" in this policy include members of the supervisory body (Audit Committee), without prejudice to the specific requirements applicable to them.

1.2. General guidelines

The process for the selection and assessment of suitability must ensure compliance with applicable legislation and regulations and is ruled by the following principles:

- a) The Bank is ultimately responsible for the individual and collective assessment of the members of the management body, without prejudice to the assessment carried out by the competent authorities for supervisory purposes;
- b) The members of the management body must, at all times, possess the necessary good reputation and sufficient knowledge, skills and experience to carry out their duties, act with honesty, integrity and independence of mind, and any situations of conflicts of interest must be identified, and have the availability to dedicate themselves to the job, including participation in scheduled meetings in person, with remote participation being an exceptional procedure;
- c) The overall composition of the management body should include an appropriately broad diversity, particularly in terms of knowledge, experience and gender, in compliance with the diversity policy in force, with a view to obtaining a variety of perspectives and experiences and favouring independent opinions and sound decision-making;

- d) The selection and suitability assessment process must be aligned with BCP's corporate governance structure, culture and defined risk profile;
- e) The management body must keep an up-to-date succession plan prepared within the scope of the Succession Policy in force;
- f) The Policy shall be reviewed annually by the Nominations and Remunerations Committee ("CNR") and, whenever changes are deemed necessary, the proposed amendments shall be approved by the Board of Directors ("BoD") for submission to the General Meeting;
- g) The Audit Committee ("CAud") shall be informed of the approval resolution;
- h) The definition of this Policy and the Succession Policy is subject to the principle of proportionality laid down in the applicable legislation.

II. PROCESS AND COMPETENCES FOR ASSESSING SUITABILITY

1. The initial individual assessment of candidates for members of the management body is the responsibility of the CNR and must be carried out prior to their appointment, election or co-option (*ex ante*).
2. The CNR must also reassess the members of the management body after they have taken up their duties and in the relevant aspects, whenever there are changes in duties or supervening facts that justify it.
3. The assessment focuses in particular on:
 - (i) good repute, integrity and honesty;
 - (ii) academic knowledge and professional experience appropriate to the performance of the duties;
 - (iii) independence and independence of mind, identifying any conflicts of interest and defining mitigation measures;
 - (iv) availability to carry out the duties, namely in compliance with the limitation on the number of positions provided for in the legislation.
4. The management body must, at all times, collectively possess the appropriate and diverse knowledge, skills and experience to be able to understand the activities pursued by the institution, including business performance and the main risks it faces. It must also comply with the gender diversity limits defined in the diversity policy in force. In the composition of the management body, a majority of its members must have experience and knowledge of the domestic banking sector and, on an advisory basis, of the main markets in which the bank operates.
5. In the context of the aforementioned assessments, the CNR approves individual and collective assessment reports, which describe the analysis made of each of the requirements, mitigation measures, if applicable, and the conclusion of the assessment.
6. It is the Company Secretary's responsibility to support the CNR in the handling of the processes and to carry out all communications and notifications arising from the assessment of the suitability of positions and functions within the scope of the legislation in force and this policy that must be made to the competent authorities.

7. Without prejudice to the above, the Board of Directors promotes periodic and independent assessments, to be carried out by an entity external and independent of the Bank, on the conduct and values of the management body and its Committees.

III. SUITABILITY REQUIREMENTS

Within the scope of the selection, appointment, reappointment and assessment of the members of the management body, the following suitability requirements should be considered, in particular:

Good reputation, honesty and integrity

1. The members of the management body should have good reputation, honesty and integrity. The assessment of these requirements should be comprehensive in nature and consider the cumulative effects of minor incidents on their reputation.
2. A member of the management body is expected to disclose and share all facts and situations known to them, ongoing or which have taken place in the past, which may be considered relevant to the assessment of their reputation, honesty and integrity.

Appropriate knowledge, skills and experience

3. The members of the management body must possess an updated vision of the business, of the Bank and its risks, to an extent proportional to their responsibilities. This includes appropriate knowledge in areas outside the direct responsibility of an individual member, in particular in those areas where he or she assumes responsibility together with the other members of the management body.
4. Members of the management body should have a clear understanding of the Bank's internal governance structure, the responsibilities it assumes and, where applicable, the group structure and any possible conflicts of interest that may arise therefrom. The members of the management body should be able to contribute to the implementation, within the management body and the Bank, of a culture, corporate values and behaviours that are appropriate and in line with the Bank's risk tolerance levels.
5. The assessment should cover the member's academic qualifications and the executive and non-executive functions carried out in the past but should not be limited to this analysis. A more in-depth analysis of the member's practical experience, profile and potential contribution to the collective should be carried out.
6. Executive members of the management body should have acquired sufficient practical and professional experience through holding a management position for a sufficiently long period of time.
7. The non-executive members of the management body must be able to provide a constructive debate on the decisions to be made and to carry out effective oversight of the management function of the management body. The appropriate knowledge, skills and experience to fulfil a supervisory role effectively may have been obtained in relevant academic or management positions or through the management, supervision or control of financial institutions or other companies.

Independence of mind and conflicts of interest

8. The members of the management body must possess the necessary behavioural skills, including conviction and strength to effectively assess and confront the decisions proposed by other members of the management body, the ability to ask timely and relevant questions to the members of the management body in their management function and be able to resist 'peer pressure'.

9. Members of the management body must not be affected by conflicts of interest that could jeopardise their ability to carry out their duties in an independent and objective manner. Any situation of conflict of interest must be identified and reported in good time and the respective assessment, as well as its prevention, communication and remedy, must be carried out in accordance with the provisions of the Policy for the Prevention and Management of Conflicts of Interest.
10. Formal independence, as a legal requirement for the composition of the supervisory body and other specialised committees, should be assessed on the basis of the objective criteria set out in national legislation and the EBA guidelines on the matter, and the reasons for rebutting the presumption of lack of independence should be justified.

Availability

11. Members of the management body should be given sufficient time to carry out their duties and take on responsibilities, including understanding the activities pursued by the institution, its main risks and the implications in terms of business and risk strategies.
12. An up-to-date record should be kept of the information relevant to this assessment, in particular attendance at regularly convened meetings.

Collective Suitability Criterion

13. The management body should be able to collectively understand the activities pursued by the institution and the main risks to which it is exposed and to make appropriate decisions, taking into account the business model, the risk appetite defined by the Bank, its strategy and the markets in which it operates.
14. To this end, there must be a sufficient and diverse number of members with knowledge and experience in the different areas and all the areas of knowledge required to carry out the Bank's activities must be covered by the management body collectively, with a sufficient level of specialisation among its members to enable them to present opinions, challenge proposals and enrich and influence the management body's decision-making process.
15. Unless otherwise stated, these criteria should be applied separately to the management body in its management function (Executive Committee), the management body in its supervisory function (Board of Directors) and the supervisory body (Audit Committee), and should ensure that each of the bodies collectively has a diversity of competences that promote an adequate performance of the function and a robust and effective decision-making process.
16. For the exercise of the supervisory function of the management body, independent non-executive members must have a significant representation, and in any case must not fall below the minimum thresholds laid down in legislation or soft-law recommendations. Within the overall responsibility of the management body, the independent members should play a key role in enhancing the effectiveness of checks and balances within the relevant institutions by improving oversight of management decision-making process, ensuring that the interests of all stakeholders, including minority shareholders, are appropriately taken into account in the discussions and decision-making of the management body.

17. The supervisory body (Audit Committee) must also fulfil the specific requirements laid down in the applicable legislation, namely in terms of knowledge, incompatibilities and independence.
18. The composition of the management body must also comply with the gender diversity objectives defined in the diversity policy in force.

IV. KEY FUNCTION HOLDERS

19. The Bank identifies key function holders, considering as such those directors who have a significant influence on management, including at least those responsible for control functions (compliance, risk management and internal audit).
20. Key function holders must fulfil the requirements of good repute, professional qualifications and availability in similar terms to those described above for members of the management body, with the necessary adaptations.
21. The Bank identifies the key function holders, considering as such those managers who confer significant influence on management, including at least those responsible for control functions (compliance, risk management and internal audit).
22. Key function holders must fulfil the requirements of good repute, professional qualifications and availability in similar terms to those described above for members of the management body, with the necessary adaptations. Said report must be accompanied by the binding opinion of the Audit Committee in relation to the three control functions and of the Risk Assessment Committee in relation to the risk management function (Risk Office).
23. The appointment, replacement or dismissal of key function holders who perform control functions is the responsibility of the Bank's BoD, and the appointment is subject to authorisation for the exercise of functions by the competent supervisor prior to their taking up office.
24. The principles and provisions set out in this Policy apply to the Bank's key function holders, with the necessary adaptations.

V. TRAINING

1. The BoD defines an annual training plan for the members of the management body and key function holders, including not only the set of training actions related to the start of the term of office, but also a set of regular training actions throughout it, focussed on the areas considered critical for the Bank or for the best performance of the management body.
2. All new members appointed to the management body should receive information that will enable them to be aware of the structure of the institution, the governance model established and their responsibilities, the Bank's areas of activity, its strategic plan and current budget, as well as the defined risk profile ("induction").
3. The CNR, in the context of the above-mentioned suitability assessments, identifies the areas in which training is required, both for the management body as a whole and for individual members of the management body.
4. Members of the management body are expected to maintain and deepen the knowledge and skills necessary to fulfil their duties and are expected to proactively

identify areas and topics where they can receive training, or which will enable them to develop their skills.

VI. DIVERSITY

1. Diversity among the members of the management body should be promoted. The aim will be to obtain a wide range of qualities and competences when selecting them, with a view to contributing to a variety of perspectives and experiences and favouring independence of opinion and robust decision-making, while ensuring equal treatment and opportunities, particularly with regard to educational and professional background, gender, age and geographical provenance.
2. The Bank's Diversity Policy defines quantitative and/or qualitative targets for the representation of the gender that is under-represented in the management body.

VII. CORRECTIVE MEASURES

1. If the process of assessing or reassessing suitability concludes that the candidate or member of the management body is not suitable to hold office, that person should not be appointed or, if the member has already been appointed, they will have to be replaced.
2. With the exception of criteria relevant to the assessment of reputation, honesty and integrity, if an institution's assessment or re-assessment identifies easily remediable shortcomings in the member's knowledge, skills or experience, appropriate corrective measures should be taken¹ to overcome those shortcomings in a timely manner.
3. If an institution's assessment or re-assessment process concludes that the management body is not collectively suitable, appropriate corrective measures should be taken² to overcome those shortcomings.
4. In any case, competent authorities should be informed without delay of any material shortcomings identified and of the action plan that has been drawn up.

VIII. SUCCESSION POLICY

1. The Board of Directors shall approve a succession policy for members of the management body and key function holders which shall take into account the provisions of this Policy, and which shall include, in particular, the procedures for defining and updating the competence matrix, job profiles and the list of potential candidates for succession.

¹ For example, through specific individual training.

² For example, through collective training, individual training for some of its members, redistribution or adjustment of responsibilities within the management body, replacement of some members, recruitment of additional members, or implementation of measures to mitigate potential conflicts of interest.

Approval date: [May 22, 2025]

Approving Body: General Meeting of Shareholders

Main changes: Full revision of the structure of the Policy;