

Part I

A. SHAREHOLDING STRUCTURE (Organization and Corporate Governance)

I. Capital Structure

1. The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 245-A/1/a).

On the date this Report was made (March 2020) the share capital of the Bank amounted to 4,725,000,000.00 Euros, represented by 15,113,989,952 shares of a single category, nominative, book-entry, without nominal value, fully subscribed and paid up, all admitted to trading in a regulated market (Euronext Lisbon). These shares represent 100% of the share capital, confer identical rights and are fungible between them.

According to the information provided by Interbolsa, as at 31 December 2019, the number of shareholders of Banco Comercial Português totalled 152,180.

The Bank's shareholder structure continued, on 31 December 2019, to be very dispersed, with four shareholders owning more than 2% of the share capital. Of these, only two have a stake above 5%. As a whole, the shareholders with qualifying stakes represented 52.2% of the share capital.

Shareholders with more than 5 million shares represented, on 31 December of 2019, 75% of the share capital and voting rights. In terms of geographic distribution, special note should be made of the weight of the shareholders in Portugal, which accounted for 30.5% of the total number of shareholders.

Although pursuant to its articles of association, the Bank has the ability to issue shares with special rights, namely voting or non-voting preferential shares either redeemable with or without premium or not redeemable, it has never done so.

For the issue of this type of shares it is necessary a specific resolution adopted by the Shareholders at a General Meeting of Shareholders by a majority of 2/3 of the votes cast.

2. Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A/1/b).

There are no clauses in the articles of association with these features. The shares representing the share capital of the Bank are freely transmissible and there are no limits on the ownership of shares.

3. Number of own shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (Article 245-A/1/a).

The treasury stock (BCP shares) held by entities included in the consolidation perimeter is within the limits established by the Law and Regulations.

As at 31 December 2019, Banco Comercial Português, S.A. held no treasury stock in its own portfolio, and there were no purchases or sales of own shares throughout the period.

However, were recorded in the item «Treasury Stock» 323.738 shares (on 31 December 2018, 323.738 shares) held by clients which were given as collateral for credit granted by the Bank or by the Group BCP. As there is evidence of impairment those shares were deemed as own shares and, complying with the applicable accounting standards, written off from equity.

Regarding treasury stock held by associate companies of the BCP Group, pursuant to the Note to the consolidated financial statements number 51, as at 31 December 2019, Millenniumbcp Ageas - Grupo Segurador, SGPS, S.A. held 142,601,002 BCP shares, amounting to Euros 28,891,000 and on 31 December 2018, it held 142,601,002 shares, amounting to Euros 32,727,000.

The shares held by the Bank due to credit recovery process are not considered treasury stock in portfolio, as the respective sale is made in the market and in the short term.

4. Important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Article 245 -A/1/j).

Banco Comercial Português, S.A is not a party to significant agreements, namely agreements that are enforced, altered or terminated in the event of change of control, following a public takeover bid, or change of composition of the governing bodies and which might hinder the financial interest in the free transferability of shares and the free appraisal by the shareholders of the performance of Directors.

Under its activity, the Bank has negotiated seven bilateral contracts with the EIB in the overall amount of close to one thousand, four hundred and seventy million Euros, which include clauses that confer the counterparty, under certain verifiable circumstances and in line with what is usual in the type of operations in question, the right to trigger the early repayment of these values, in the event of a change to the Bank's shareholder control. None of these contracts harmed the economic interest in the transfer of shares and the free appraisal by the shareholders of the Director's performance.

5. A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.

Article 26 of the Bank's Articles of Association establishes that votes cast by a single shareholder and its related entities, under the terms of number 1 of article 20 of the Securities Code, representing more than 30% of the votes of the total share capital, shall not be counted.

On the date this report was made, there were no shareholders reaching the above-mentioned limit of 30%. The amendment of this statutory provision requires the approval by 2/3 of the votes cast at the General Meeting.

The Bank's Articles of Association do not foresee the Periodic review of the statutory rule that establishes the limitation of votes, however under the terms of article 13-C of the Legal Framework for Credit Institutions and Financial Companies, these limits will automatically expire at the end of each five-year Period if no resolution is adopted to maintain them.

The General Meeting of Shareholders held on 9 November 2016, approved by a majority of 96.10% of the votes cast, the maintenance of limits to votes foreseen in articles 25 and 26 of the Articles of Association; therefore the same is valid until 8 November 2021.

On 9 November 2016 no shareholder held 30% of the votes corresponding to the totality of the capital.

The Bank adopts the rule for the limitation to voting rights, commonly referred to as "statutory ceiling on voting rights", since it deems that this is the best international and national corporate governance practice in terms of statutory restrictions for significant institutions with the size, internal organisation, scope and complexity of activities such as the ones pursued by the Bank.

6. Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 245 -A/1/g).

The Bank is not aware of the existence of any shareholders' agreement relative to the exercise of corporate rights or transferability of the Bank's shares.

On 18 November 2016, BCP and Fosun Industrial Holdings Limited signed a Memorandum of Understanding and Subscription Agreement relating to the investment of this company in the share capital of BCP, according to which the company Chiado (Luxembourg) S.à r.l. («Chiado»), entity part of Group Fosun, agreed to invest in BCP, through the private placement of 157.437.395 new shares and committed to continue the owner of these shares for, at least, 3 years and complied with that commitment.

II. Shares and Bonds Held

7. Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Article 245-A/1/ c) and d) and Article 16) with details of the percentage of capital and votes attributed and the source and causes of the attribution.

Under the terms of the Securities Code, the qualifying stakes in the Company's share capital as at 31 December 2019, indicating the percentage of the share capital and imputable votes, and the source and reasons of imputation, are reflected in the following table:

Shareholder	No. shares	December 31, 2019	
		% share capital	% voting rights
		social	de voto
Chiado (Luxembourg) S.à r.l., a company held by Fosun International Holdings Ltd (Fosun Group)	4,118,502,618	27.25%	27.25%
TOTAL FOR FOSUN GROUP	4,118,502,618	27.25%	27.25%
Sonangol - Sociedade Nacional de Combustíveis de Angola, E.P., (directly)	2,946,353,914	19.49%	19.49%
TOTAL FOR SONANGOL GROUP	2,946,353,914	19.49%	19.49%
BlackRock, Inc.*	512,328,512	3.39%	3.39%
TOTAL FOR BLACKROCK GROUP	512,328,512	3.39%	3.39%
EDP Pension Fund *	311,616,144	2.06%	2.06%
TOTAL FOR EDP GROUP	311,616,144	2.06%	2.06%
TOTAL QUALIFIED SHAREHOLDINGS	7,888,801,188	52.20%	52.20%

* According to what was communicated on March 5, 2018 (last information available).

** Allocation according to article 20 (1.f) of the Securities Code.

8. Indication of the number of shares and bonds held by members of the governing bodies, directors and persons closely related to these categories

On this issue, see information provided in the Annual Report 2019, in Note 51 to the Consolidated Financial Statements.

9. Special powers of the Board of Directors, especially as regards resolutions on the capital increase (Article 245-A/1/i) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.

Under the terms of article 5 (1) of the Bank's Articles of Association, the Board of Directors has powers to, when deemed convenient and after having obtained the favourable opinion of the Audit Committee, increase the share capital, once or more times, until the limit of the value of the existing share capital when the authorisation was granted or upon renewal of this authorisation.

The last renewal of this authorization was approved at the General Meeting of Shareholders held on 21 April 2016, when the Bank's share capital amounted to 4,094,235,361.88 Euros, and the General Meeting resolved that 20% of that increase could be made through the placement, without shareholders preference rights, with qualified or institutional investors.

The Bank's share capital was increased twice under this authorization.

The first time on 18 November 2016, amounting to 174,582,327.32 Euros, an increase reserved to Chiado (Luxembourg) S.à r.l. (Group Fosun), and on 7 February 2017, in the amount of 1,331,920,364.52 Euros, in an increase with preference right for shareholders. Therefore, the ceiling for authorization to increase the capital to be resolved by the Board of Directors is established, on the date this report is made, at 2,587,732,670.04 Euros.

On 11 November 2018, the shareholders resolved at the General Meeting of Shareholders to reduce the share capital in the amount of 875.738.053,72 Euros, to cover losses, and the share capital stood at 4.725.000.000,00 Euros, an amount that remains until today.

10. Significant business relations between holders of qualifying stakes and the company

Business conducted between the company and qualifying shareholders or natural or legal persons related to them, pursuant to article 20 of the Securities Code, regardless of the amount, is always subject to appraisal and deliberation by the Board of Directors, after a prior opinion has been obtained from the Audit Committee, through proposal submitted by the Executive Committee, supported by a proposal made by the Credit Commission and an analysis and opinion issued by the Internal Audit Division, in what regarded the legal and regulatory compliance of the proposal.

During the financial year of 2019, the Audit Committee issued sixteen opinions on operations of granting and renewal of credit lines and limits or on other credit operations related to shareholders holding qualifying stake or related natural or legal persons. All the transactions were carried out under normal market conditions.

During the financial year to which this report relates to, was also analysed the hiring of supplies and services between Banco Comercial Português and shareholders holding qualifying stake and entities related with them. This hiring was made in accordance with market conditions for similar operations, within the scope of the core business developed by this entity and no special treatment was identified. Also in this case, the Compliance Office, the Internal Audit Division, the Executive Committee, Audit Committee and the Board of Directors verified compliance with the conditions mentioned above.

The operations carried out in 2019 are better identified in item 90.

The Board of Directors, in accordance with its competences, conferred to it by its Regulations, reserved for itself the necessary and sufficient powers for the following acts:

- Approve, after obtaining a prior opinion from the Audit Committee, the agreements established between the Bank and holders of stakes above 2% of the Bank's share capital or entities that are in a controlling or group relationship with them or members of the management and supervision body, directly or through third parties, provided that any one of the following conditions applies: (i) the object of the agreement is not encompassed in the Bank's business; (ii) the material engagement limit for assets and services exceeds the total amount of €100,000/year per group of suppliers part of the same economic group or client group, for the same type of assets and services; (iii) no special advantage is given to the party to the agreement in question;
- approve, after obtaining a prior opinion from the Audit Committee, credit operations, regardless of their form, to: (i) members of the corporate bodies (ii) shareholders with stakes over 2% of the Bank's share capital, computed under the terms of art. 20 of the Securities Code, and to (iii) natural or legal persons related to either of them.

The Regulations of the Board of Directors also sets forth, regarding the same entities, the conditions establishing the the contracts established with those entities are also subject to a mandatory prior opinion from the Audit Committee. Such contracts must also be submitted for approval by the Board of Directors.

In what regards credit transactions, the Service Order OS0016 sets forth that the Bank is not allowed to grant loans, directly or indirectly, in any form or of any kind (including acting as guarantor) to the members of its management and supervision bodies or to companies or legal persons directly or indirectly controlled by them.

In accordance with the above-mentioned Service Order, the granting of credit (including the provision of guarantees) to:

- entities wherein the members of the Bank's management and supervision bodies are managers or have a qualifying holding that does not ensure a controlling position, directly or indirectly;
- shareholders holding 2% or more of the Bank's share capital and to related entities;

Is subject to the following special procedures:

- Approval by a majority of at least two thirds of the members of the Board of Directors and the Members related to the entities involved in the loan application are not allowed to vote;
- The documentation on these loan applications to be sent by the Bank's Credit Division to the Executive Committee for appraisal and afterwards being sent to the Board of Directors must include an opinion issued by the Bank's Compliance Office verifying compliance with the applicable internal regulations, legal and statutory provisos and all other conditions applicable to them;
- The documentation regarding each loan application to be sent to the Board of Directors for final appraisal must include a prior favourable opinion issued by the Audit Committee.

Lastly and also in accordance with the provisions of the Regulations of the Board of Directors, the members of the Board of Directors and of the supervisory bodies cannot take part in the analysis and in the decision-making process of credit granting operations to companies mentioned in the previous paragraph of which they are managers or wherein they hold stakes and any of these situation requires the approval by, at least, a majority of two thirds of the remaining members of the administration body and a favourable opinion from the Audit Committee.

The operations under appraisal which are also ruled by Recommendation I.5.1 are approved at a meeting of the Board of Directors by a majority of, at least, two thirds of the members. The Chairwoman of the Audit Committee, qualified as an independent member of the Board of Directors will make a detailed presentation of the operation under appraisal which had also been object of a prior and favourable opinion from the Audit Committee and also votes the proposal. Hence, the Chairwoman of the Audit Committee takes, this way, cognizance of the resolution adopted by the Board of Directors of which she is a member, together with the remaining members of the Committee and it is considered not justified, for being redundant, any other communication to address to the Audit Committee.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

a) Composition of the Board of the General Meeting

11. Identification and position of the members of the board of the general meeting and respective term of office (beginning and end)

Under the terms of article 20, (1) of the Bank's Articles of Association, the Board of the General Meeting is composed by a Chairperson and a Vice-Chairperson.

The Chairperson and Vice-Chairperson of the Board of the General Meeting of Shareholders were elected at the General Meeting of Shareholders held on 10 May for a first term-of-office concerning the triennial 2017/2019.

Since their term-of-office ended on 31 December 2019, they will remain in office until the election of new members, which is scheduled to occur at the Annual General Meeting of Shareholders to be held on 20 May 2020.

The Board of the General Meeting is composed of:

Chairman: Pedro Miguel Duarte Rebelo de Sousa (Independent)

Vice-Chairperson: Octávio Manuel de Castro Castelo Paulo (Independent)

Inherent to the position, the Board of the General Meeting is supported by secretarial services administered by the Company Secretary, Ana Isabel dos Santos de Pina Cabral who was appointed by the Board of Directors on 24 July 2018, performing duties for the three-year period 2018/2021.

b) Exercise of Voting Rights

12. Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 245-A/1/f)

Under the terms of the Bank's Articles of Association, each share corresponds to one vote, being able to participate in the General Meeting of Shareholders, directly or through a representative, the natural or legal persons that are shareholders up to zero hours of the fifth trading day prior to the date of the General Meeting.

Voting in writing, by mail or internet is permitted, provided that the vote is received by the penultimate day prior to the date of the General Meeting.

Shareholders who participate in the General Meeting directly or through representation may only exercise their voting rights at the General Meeting.

The company has not implemented the adequate channels for the shareholders' participation in the meeting by electronic means, since it was considered that, the cost and safety factors versus the shareholders' foreseeable adhesion to this channel, meant that the reasoning was not in favour of the implementation of this type of voting.

In spite of the fact that the no shareholder has requested this type of participation until 2019, the Bank intends to consider its implementation in the future. However, it has not yet any ongoing activity or defined calendar for that specific purpose.

It should be noted that the Bank provides its shareholders with a platform for voting by e-mail, and in the last 11 years, the highest number of shareholders who have resorted to this method of voting in a single Assembly was 8.

Considering the same period, the conclusion is that the average number of voters per Assembly was less than 3 shareholders.

The grounds given above are considered enough to comply positively with the "comply or explain" principle.

On these issues, see items 5, 14 and 48.

13. Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20/1

On this issue, see item 5.

14. Details of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority

The Bank's Articles of Association require the presence or representation of over one third of the share capital for the General Meeting to be held at first call. The Articles of Association also require a qualified majority of three quarters of the votes cast for approval of decisions on merger, demerger, transformation and a qualified majority of three quarters of the fully paid up share capital for resolutions on the dissolution of the company. The amendment of articles which establish limitations to voting rights or determine majorities different from those stipulated in the law requires a qualified majority of two thirds of the votes cast.

The demand for a reinforced quorum is not intended to adopt mechanisms that will make it difficult for shareholders to make decisions, it is rather aimed at protecting minorities and guaranteeing that no relevant matter is decided without the effective participation of a representative number of shareholders.

On these issues, see items 5 and 48.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the endorsed governance model

Banco Comercial Português, S.A. has endorsed, since 28 February 2012, a one-tier corporate structure with a Board of Directors which includes an Executive Committee and an Audit Committee. It also has a Remuneration and Welfare Board elected by the General Meeting of Shareholders.

16. Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 245-A/1/h)

The members of the Board of Directors are elected at the General Meeting. Should the Board of Directors co-opt any Director to fill a vacant position, such co-optation must be ratified at the first General Meeting of Shareholders taking place after the co-optation. The co-opted member shall exercise functions until the end of the term of office underway.

Elections are plural and conducted by lists, with indication by the proposing shareholders, and votes are cast based on these lists.

In accordance with the Bank's articles of association, a member of the Executive Board of Directors can be elected on its own according to article 392 (1 to 5) of the Companies Code.

Under the terms of the law, and under penalty of destitution, each Annual General Meeting of Shareholders votes on a renewal of the vote of confidence in each of the members of the management and supervisory bodies and likewise in the body as a whole.

Before submitting to election re-election by the General Meeting of Shareholders, the candidates to the Board of Directors, including to the Audit Committee and to the Executive Committee, the Bank strictly complies with the general provisions set forth in article 30 of the Legal Framework for Credit Institutions and Financial Companies (LFCIFC) and makes an individual and collective assessment of the body, namely on the future composition of the remaining specialized committees of the Board, such as the Committee for Risk Assessment, the Committee for Nominations and Remunerations and the Committee for Corporate Governance, Ethics and Professional Conduct.

In that assessment, the Bank takes into account the qualitative requirements of good repute, professional qualification, independence and accumulation of positions or availability for the exercise of functions in accordance with the provisions of articles 30-D, 31, 31-A and 33 of the LFCIFC, as well as of the Guide to fit and proper assessments of the members of the Corporate Bodies published by the European Central Bank in May 2018, the ESMA and EBA/GL/2017/12 guidelines on suitability of the members of administration bodies and key function holders, the Instruction from Banco de Portugal 23/2018 of 5 November and the Delegated Regulation (EU) 604/2014, of 4 March 2014, for the categories of staff whose professional activities have a significant impact on the Bank's risk profile.

The Bank approved in 2020 a Group Code that regulates the fit and proper process and the Succession Plan.

The Succession Plan of the Bank's Board of Directors approved on 30 May by the General Meeting of Shareholders by a majority of 99.71% of votes cast, establishes, pursuant to the provisions of the above mentioned rulings, the internal policy for the selection and assessment of the suitability of the members of the administration and supervisory bodies, establishing the general principles and requirements regarding the profile of the new members of the Board of Directors and of the Supervisory bodies, namely the identification of the competences, availability for the exercise of the function, training and expertise required of the different members of the Board of Directors, so as to ensure sufficient knowledge for exercising the specific functions, namely in terms of managing material risks.

The non-executive directors who become members of the specialized committees of the Board of Directors, regarding the area of expertise of the respective committee, must have sufficient time available, knowledge, competences and sufficient and appropriate experience for a critical assessment and supervision of the decisions made by the administration bodies. The executive directors exercise functions under an exclusive regime, or for the Group by indication or approval by the Board of Directors and will possess the knowledge, competences and sufficient and appropriate experience. The individuals indicated to perform the functions of executive members must have, at least, five years of recent practical experience in the banking industry or similar.

The professional qualifications and other curricular details of each member of the Board of Directors are presented in Annex I of this Corporate Governance Report. These data are updated whenever justified and remain available at all times at the Bank's website at the page with the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

17. Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member

Under the terms of the Bank's Articles of Association, the Board of Directors is composed of a minimum of fifteen and a maximum of nineteen members, elected for terms of office of four years, who may be re-elected one or more times.

The current Board of Directors of Banco Comercial Português, with a term-of office from 2018 to 2021, is composed of seventeen members, all of them elected by the General Meeting of Shareholders held on 30 May 2018, exception made to one of its members who was co-opted by the Board of Directors on 23 April 2019 and had his co-optation ratified by the General Meeting of Shareholders on 22 May 2019.

The Board has four women, representing 23.52% of the members of the Administration in office. The Chairperson of the Audit Committee, the Bank's supervisory body composed by four members, is a woman. This way, the Bank complies with the gender criteria and requirements regarding the members of the Board of Directors and supervisory body.

The Bank provides the proposals it presents to the elective General Meeting of Shareholders with documents that enable assessing the profile, knowledge, professional experience, namely the curricula of the candidates to members of the corporate bodies and the company maintains all information available for 10 years at the bank's website, in the page with the following address:

<https://ind.millenniumbcp.pt/en/Institucional/investidores>

The composition of the Board of Directors at the end of the financial year this Report refers to, as well as the indication of the quality as executive and non-executive, date of the first appointment of each member and the date of end of term of office is identified in the following table:

BOARD OF DIRECTORS: COMPOSITION, MANDATE (START AND END), POSITIONS AND CAPACITY OF THE MEMBERS

Composition of the Board of Directors (Non-Executive Members)	Beginning of the term of office	Term of Office	Term of Office - End (a)	Appointment method	Body and Position	Qualification
Nuno Manuel da Silva Amado	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Chairman	Not Independent (b)
	11/05/2015	2015/2017	31/12/2017		Board of Directors - Vice-Chairman - Executive Committee - Chairman	
	28/02/2012	2012/2014	31/12/2014			
Jorge Manuel Baptista Magalhães Correia	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Chairman	Not Independent (c)
Valter Rui Dias de Barros	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Chairman	Not Independent (c)
Ana Paula Alcobia Gray	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Not Independent (c)
Cidália Maria Mota Lopes	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Independent
	11/05/2015	2015/2017	31/12/2017			
José Manuel Alves Elias da Costa	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Independent
Xiao Xu (Julia Gu)	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Not Independent (c)
Lingjiang Xu	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Not Independent (c)
	09/01/2017	2015/2017	31/12/2017	Co-optation		
Teófilo César Ferreira da Fonseca	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Independent
Wan Sin Long	30/05/2018	2018/2021	31/12/2021	Election	Board of Directors - Member	Independent
Fernando da Costa Lima	23/04/2019	2018/2021	31/12/2021	Co-optation	Board of Directors - Member	Independent

Composition of the Board of Directors (Executive Members)	Beginning of the term of office	Term of Office	Term of Office - End (a)	Appointment method	Body and Position	Qualification	
Miguel Maya Dias Pinheiro	30/05/2018	2018/2021	31/12/2021	Election	Executive Committee - Chairman	Executive	
	11/05/2015	2015/2017	31/12/2017		Executive Committee - Vice-Chairman		
	28/02/2012	2012/2014	31/12/2014		Executive Board of Directors - Member		
	18/04/2011	2011/2013	28/02/2012		In replacement		Executive Board of Directors - Member
	11/11/2009	2008/2010	31/12/2010				
Miguel de Campos Pereira de Bragança	30/05/2018	2018/2021	31/12/2021	Election	Executive Committee - Vice-Chairman	Executive	
	11/05/2015	2015/2017	31/12/2017				
João Nuno de Oliveira Jorge Palma	30/05/2018	2018/2021	31/12/2021	Election	Executive Committee - Executive Vice-Chairman	Executive	
	09/01/2017	2015/2017	31/12/2017	Co-optation			
José Miguel Bensliman Schorch da Silva Pessanha	30/05/2018	2018/2021	31/12/2021	Election	Executive Committee - Executive Member	Executivo	
Rui Manuel da Silva Teixeira	30/05/2018	2018/2021	31/12/2021	Election	Executive Committee - Executive Member	Executivo	
	11/05/2015	2015/2017	31/12/2017				
Maria José Henriques Barreto Matos de Campos	30/05/2018	2018/2021	31/12/2021		Election		Executive Committee - Executive Member
	11/05/2015	2015/2017	31/12/2017				
Rui Manuel da Silva Teixeira	30/05/2018	2018/2021	31/12/2021	Election	Executive Committee - Executive Member	Executivo	
	11/05/2015	2015/2017	31/12/2017				
	28/02/2012	2012/2014	31/12/2014		Executive Board of Directors - Member		
	18/04/2011	2011/2013	28/02/2012		Executive Board of Directors - Member		

(a) Although the end of the mandate coincides with the last day of the calendar year, to which it refers, the member shall remain in office until the election of the new composition.

(b) The Director in question exercised the position of executive director in the previous term-of-office (2015/2017). The non independence is established in accordance of Item 91a., of the EBA/GL/2017/12 Guidelines of 26 September 2017.

(c) The director in question is connected to a shareholder with a qualifying stake.

18. Distinction of the executive and non-executive members of the Board of Directors and, relating to the non-executive members, identification of the members who may be considered independent or, if applicable, identification of the independent members of the Supervisory Board

The Board of Directors is composed by 17 members, 11 non-executive and 6 executive.

In accordance with the model adopted by the Bank, the Audit Committee, which is composed by 4 non-executive directors, 3 of which independent, is the supervisory body.

The Bank considers appropriate, either the number of non-executive members of the Board of Directors, or the number of those that, amongst them are qualified as independent - 5 out of 11, as per tables of items 17 and 26.

In article 2 of the Articles of Association, the Bank confirms the norm that the Board of Directors is composed by a minimum of 15 and a maximum of 19 members, elected by the General Meeting of Shareholders, therefore in line with the best domestic and European practices followed by similar companies, because this is the number seen as sufficient and appropriate to the size of the company and the complexity of the inherent risks of its activity, a number that allows it to possess a transparent organisational structure with lines of responsibility that the Bank observes.

All the non-executive members of the Board of Directors were evaluated by the Committee for Nominations and Remunerations which, for that purpose and taking into account the Guide for the Assessment of Fit & Proper (May 2018) of the European Central Bank, taking consideration, apart from the profile of each one of the Directors, the following facts:

- Being an employee of the company over the last three years or a company which is in a controlling or group relationship;
- Having, in the last three years, provided services or established a significant business relationship with the company or company with which said company is in a control or group relationship, either directly or as a partner, board member, manager or director of the legal person;
- Receiving remuneration paid by the company or by a company that is in a controlling or group relationship in addition to the remuneration derived from carrying out the tasks as a Board Member;
- Living in non-marital cohabitation or being the spouse, relative or relative-in-law in a straight line and until the 3rd degree, inclusively, in the collateral line, of directors or natural persons directly or indirectly holding qualifying stakes;
- Being the holder of a qualifying stake or representative of a shareholder with qualifying stake.
- Having been re-elected for more than two, consecutive or not, terms-of-office.
- Having exercised for more than twelve years, consecutive, or not, functions in any corporate body of the company;
- Exercises or exercised in the last 5 years the position of member of the administration body, in its management function, in an institution included within the scope of the prudential consolidation.

Excluding the executive directors, five members of the Board of Directors, out of eleven members, are independent. In other words, 45% of the non-executive directors are independent, and BCP considers that the proportion of independent directors, versus the total number of directors, is adequate, taking into account the endorsed governance model and the size of the company.

According to CMVM Regulation 4/2013, Annex 1, nr. 18.1, in the recommendation III.4. Of the Governance Code of the IPCG and item 91a. of the guidelines EBA/GL/2017/12, a member of the Board of Directors who is not associated with any specific interest group within the company, or under any circumstances capable of affecting their impartiality of analysing or decision making is considered to be independent.

None of the non-executive directors exercised for more than twelve years, consecutive, or not, functions in any corporate body of the company.

Having been pondered the content of the Recommendations III.2 and III.3. of the IPCG Code, the art. 414 (5) (b), the provisions of article 31 - A of the LFCIFC, the European legislation, namely the independence of mind criteria mentioned in the Guide to fit and proper assessments of the members of management bodies of the ECB (May 2018)", and the EBA/GL/2017/12 guidelines of 26 September 2017, applicable since 30 June 2018, the Committee for Nomination and Remunerations considered that the number of non-executive directors qualified independent ensures them the effective capacity to monitor, supervise and assess in a critical, impartial and adequate manner the activity developed by the executive directors.

The Chairman of the Board of Directors exercised the position of executive director in the previous term-of-office (2015/2017), reason why, in accordance with the contents of Item 91.a. of the Guidelines from EBA/GL/2017/12 of 26 September 2017 is qualified as non-independent.

The characteristics and competences of the independent Directors, namely at the level of the functions they perform in the different Committees of the Board of Directors show that, in practice, the respective autonomy is guaranteed and the independent directors, that represent 45% of the non-executive directors, never disclosed the need or even mentioned the advantage in having a coordinator (lead independent director), being considered that these reasons perfectly comply with the principle comply or explain.

On this matter, see the table presented in item 17.

19. Professional qualifications and other relevant curricular details of each member of the, as applicable, of the Board of Directors, The Supervisory Board and of the Executive Board of Directors

The professional qualifications and other curricular details of each member of the Board of Directors are presented in Annex I of this Corporate Governance Report.

These data are updated whenever justified and remain available at all times at the Bank's website at the page with the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

20. Customary and meaningful family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.

There are no habitual and significant family or business relations between the members of the Board of Directors and of the Executive Committee with shareholders imputed with qualifying stakes above 2% of the voting rights. As shown in the table presented in item 7 of this Report, the shareholders owning stakes above 2% are legal persons. Under these terms, and by nature, there are no family relations between the members of the Board of Directors and shareholders with a stake above 2%. Furthermore, there are also no family relations between the members of the Bank's Board of Directors and Executive Committee and the members of the Boards of Directors of the shareholders with a stake above 2%.

The Bank favoured the interaction between the independence of behaviour of each member and the principle of being independent in the face of conflicts of interest that create obstacles to the ability to perform their duties independently and objectively. For this purpose, the Board of Directors has confirmed in its Regulations that any member of the Board of Directors that accumulates with his office, any management functions in any company that pursues an activity which competes with that of the Bank, or with an entity of Group BCP or in a company in which the Bank holds a significant stake, is prevented from accessing any privileged or sensitive documentation related to the competing company.

A member of the Board of Directors shall not participate in the discussion or deliberation of any contents relating to the competing company of the Bank, of the Group or of a company in which the Bank holds a significant stake, to which it relates.

The Regulations of the Board of Directors is available on the Bank's website at:

https://ind.millenniumbcp.pt/pt/Institucional/governacao/Documents/Regimento_Conselho-Administracao.pdf

The members of the Board of Directors who have professional/business relations with shareholders to whom, on 31 December 2019, a qualifying stake above 2% of the voting rights is imputable are listed in the following table:

PROFESSIONAL OR BUSINESS RELATIONSHIP OF THE MEMBERS OF THE BOARD OF DIRECTORS OF BCP WITH SHAREHOLDERS HOLDERS OF A QUALIFIED STAKE OF MORE THAN 2% OF VOTING RIGHTS

Members of the Bank's Board of Directors	Professional or Commercial Relationship	Shareholders owning more than 2% of Voting Rights
Jorge Manuel Baptista Magalhães Correia	Chairman of the Board of Directors of Luz Saúde, S.A.	Grupo Fosun
Ana Paula Alcobia Gray		Sonangol Group
Lingjiang Xu	Non-Executive Vice-Chairman of the Board of Directors of Fidelidade - Companhia de Seguros, SA	Grupo Fosun
Xiao Xu Gu (Júlia Gu)	Vice-Chairwoman of Group Fosun High Technology (Group) Co., Ltd.	Grupo Fosun
Valter Rui Dias de Barros	Chairman of the Board of Directors of Recredit - Gestão de Activos, S.A. (Angolan government)	Sonangol Group

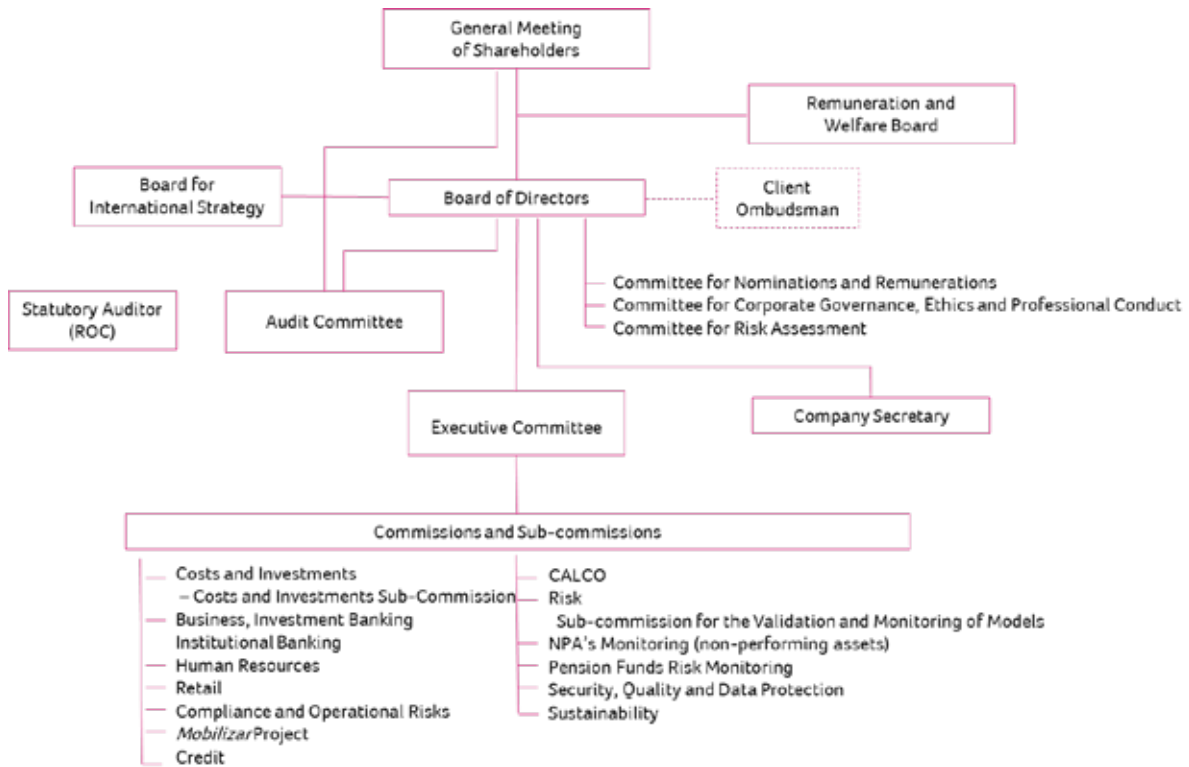
21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management

Pursuant to the corporate governance model adopted by the Bank - the one-tier model - the company has a Board of Directors, which includes an Audit Committee, composed solely of non-executive members and an Executive Committee to which the Board of Directors has delegated the Bank's current management, as per the provisions of article 35 of the Articles of Association and articles 5 (2) (a) and 6 (1) of its Regulations.

The Board of Directors has appointed three other specialised committees, whose essential purpose is the permanent monitoring of certain specific or highly complex matters. The Company also has a Remuneration and Welfare Board appointed by the General Meeting of Shareholders.

To advise on daily management issues, the Executive Committee has also appointed different subcommittees that, besides two or more Executive Directors, are permanently composed of various first line Directors who report to them.

The diagram below represents the Bank's Corporate Governance Model structure during 2019:



Board of Directors

The Board of Directors is the governing body of the Bank vested with the most ample powers of management and representation of the company.

During the performance of their duties, the directors use their competences, qualifications and professional experience to assure, in a permanent and responsible way, a sound, effective, rigorous and prudent management of the Bank, respecting the characteristics of the institution, its size and the complexity of its business activities.

The members of the Board of Directors observe duties of zeal, care and loyalty, reflecting high standards of diligence inherent to a careful and orderly manager, critically analysing the decisions taken in the best interests of the company and also the implemented procedures and policies.

The directors are bound to secrecy in respect of any matters dealt with at the board meetings or that they become aware of due to the performance of their duties, except when the Board of Directors sees the need to internally or publicly disclose its resolutions, or when such disclosure is imposed by legal provisions or decision of an administrative or judicial authority.

The Board of Directors is the corporate body with competence to define the company's general policies and strategy, being vested with full management and representation powers for both the Bank and the Group, maintaining the ability to have back the powers delegated on the Executive Committee.

The competences and responsibilities attributed to the members that compose the current Board of Directors translate the improvement introduced in the corporate governance model. Regarding the composition of the Board of Directors, there was also a reinforcement in the capacity to enhance dynamics, in leadership and control on the digital transformation process included in the strategic plan approved for 2018-2021.

In accordance with the provisions of number 2 of article 7 of the Regulations of the Board of Directors, the latter reserved to itself the following competences:

- Select its Chairperson, Vice-Chairpersons and also the Chairperson of the Executive Committee;
- Appoint directors to fill in eventual vacancies;
- Ask the Chairperson of the Board of the General Meeting to call the General Meeting;
- Resolve on the change of head office and share capital increases, under the terms of the law and of the articles of association;

- Approve mergers, demergers and other changes to the company;
- Approve the Annual Reports and Financial Statements and the proposals that the management body is responsible for submitting to the General Meeting, namely the proposal for the appropriation of profits;
- Approve the Bank's annual and longer-term budgets;
- Approve the Strategic Plan for the Bank and for the Group;
- Approve the Market Discipline Report;
- Risk Risk Appetite Framework;
- Item 4 – ICAAP - Internal Capital Adequacy Assessment Process;
- Item 5 – ILAAP - Internal Liquidity Adequacy Assessment Process;
- Approve the Recovery Plan;
- Approved Internal Control System Report;
- Anti-Money Laundering Report;
- Define the general policies and strategic goals for the Bank and for the group and take care of their appropriate implementation;
- Provide bonds and personal or real guarantees on behalf of the company, with the exception of those included in the Bank's current activity;
- Purchase, sell and encumber immovable properties provided that the operation implies a negative impact above 0.5% on the regulatory consolidated own funds;
- Define and resolve on the eventual introduction of changes to the group's corporate structure, namely the opening and closing of establishments when it represents a 10% positive or negative variation in the number of establishments in Portugal at the end of the year prior to the making of the decision;
- Significant increases or reductions in the company's organization whenever these produce an impact above 5% in consolidated assets;
- Resolve, under the terms of the law and of the articles of association, on the issue of shares and other securities that imply or may imply a share capital increase by the Bank, establishing the conditions and carrying out, with them, all the operations permitted by law, abiding by any limits set by the General Meeting;
- Appoint, after getting the prior favourable opinion from the Committee for Nominations and Remunerations, the Company Secretary and respective alternate, who must have the adequate expertise and profile to undertake such functions and to whom the Board of Directors must ensure technical autonomy and all the necessary means to carry out their functions;
- Appoint, after getting the prior favourable opinion from the Committee for Nominations and Remunerations, a Client Ombudsman, who must necessarily be an individual with a recognized ability, honesty and experience in banking, without employment ties to the Bank and to whom it must ensure all the necessary means to carry out his/her functions freely and independently;
- Appoint, pursuant to a proposal made by the Executive Committee, the investor relations and, after getting the favourable opinions of the Audit Committee, and in the first case, also the Committee for Risk Assessment, the risk officer, the compliance officer, the head of audit division and the group treasurer, to whom it must ensure technical autonomy and all the necessary means to carry out their functions;
- Approve and periodically review, after getting the opinion from the Committee for Nominations and Remunerations, the remuneration policy concerning employees which report directly to the Administration, the ones responsible for the assumption of risks and for the control functions and the employees whose total remuneration places them in the same bracket of the three categories mentioned above provided that their respective professional activities have a material impact on the Bank's risk profile.
- Approve the respective internal regulations, as well as the regulations of the Audit Committee, of the Executive Committee and of the other committees it decides to create;
- Approve, after obtaining a prior opinion from the Audit Committee, credit operations, regardless of their form, to: (i) members of the corporate bodies (ii) shareholders with stakes over 2% of the Bank's share capital, computed under the terms of art. 20 of the Securities Code, and to (iii) natural or legal persons related to either of them;

- Approve, after obtaining a prior opinion from the Audit Committee, the agreements established between the Bank and holders of stakes above 2% of the Bank's share capital or entities that are in a controlling or group relationship with them or members of the management and supervision body, directly or through third parties, provided that any one of the following conditions applies: (i) the object of the agreement is not encompassed in the Bank's business; (ii) the material engagement limit for assets and services exceeds the total amount of €100,000/year per group of suppliers part of the same economic group or client group, for the same type of assets and services; (iii) no special advantage is given to the party to the agreement in question;
- Ratify any acts undertaken on its behalf by the Chairperson or by his/her alternate in case of emergency.

The members of the management or supervisory bodies of an institution shall not participate in the appraisal and decision whether or not to grant credit to companies or other legal persons directly or indirectly controlled by them, of which they are managers or in which they hold a qualifying holding. In all these situations the approval by, at least, two thirds of the remaining members of the management body as well as the favourable opinion of the Audit Committee shall be required.

The delegation of powers by the Board of Directors does not exclude the competence of this corporate body to resolve on the same issues, nor does it waive, under legal and regulatory terms, namely the number 5 of the Delegated Regulation (EU) 604/2014 of March 4, revised by the Delegated Regulation (EU) 2016/861 of the Commission, of 18 February 2016, the responsibility of other directors for possible losses caused by acts or omissions occurred due to the exercise of duties received by delegation, in the extent that the members of the management body are ultimately, the ones responsible for the institution, its strategy and activities.

The Board of Directors is also internally organized and implements and sets goals regarding the assumption of risks through the formal approval of the *Risk Appetite Statement* (RAS) of the Bank.

The "Risk appetite statement" incorporates a set of key indicators relating to the identified material risks and their acceptable levels of risk (tolerance levels). These levels of tolerance:

- Constitute maximum risk assumption objectives and are, in turn, developed and discharged "in cascade" and in greater detail to the risk limits that are part of the institution's risk policy and materialized in the internal rulings documentation;
- Are composed of two levels: an alert level prior to the maximum admissible value and a level of absolute "failure" which require corrective measures when they are reached.

The Board of Board of Directors monitors and analyses – by means of its Executive Committee, and every month, and by means its Committee for Risk Assessment, every two months, the performance shown by the RAS indicators versus the established limits, thus acting in compliance with that performance whenever the indicators in question reach alert or failure Level.

The relevant information is object of analysis by the members of the Bank's corporate bodies and is disclosed at least 5 days prior to the date of the meeting where those issues will be debated, by means of a digital platform denominated Diligent Board.

The Bank produces, maintains permanently updated and hands out to each one of the members of the Board of Directors, the moment they are appointed or elected, several relevant information, namely the Regulations of the Board of Directors, of the Executive Committee and of the remaining Committees of the Board of Directors, on the organizational structure, the areas of responsibility and main internal rulings that guide the activity that it pursues, namely compliance, communication of irregularities policies and policies regarding the management of claims and performance general principles and regulations guiding the activities performed by the Client Ombudsman. This information is also disclosed, in the Portuguese and English version, on the internal website, at:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

The Regulations of the Board of Directors are available on the Bank's website at:

<http://ind.millenniumbcp.pt/pt/Institucional/governacao/>

Audit Committee

The Audit Committee is composed of a minimum of three and a maximum of five non-executive directors, elected at the General Meeting of Shareholders, and the lists proposed to elect the Board of Directors must detail which individual members are to be part of the Audit Committee and indicate the respective Chairperson.

The members of the Audit Committee, as is the case of all members of the governing bodies, are appointed for terms of office of four years, and may be re-elected.

The Audit Committee was elected at the General Meeting held on 30 May 2018 for the four-year period 2018-2021 and the majority of its members, including its Chairwoman, are qualified as independent. It has the competences foreseen in article 423-F of the Companies Code and in its own Regulations.

The Regulations of the Audit Committee are available at the Bank's website at:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

Within the scope of its activities, the mission of the Audit Committee is to observe the long run interests of the shareholders, investors and of those interested in the institution and also the public interest and to prevent the decision-making of the management body from being overpowered by any person or small number of people jeopardizing the Bank's interests in general.

As the Bank's supervisory body, it is responsible for ensuring compliance with the law and articles of association, and it is entrusted with the following duties:

In general terms

- Supervising the Bank's management;
- Monitor the Group's management, which is understood as covering all the entities within the consolidation perimeter of the Bank, notwithstanding the powers of the supervisory bodies of the local entities;
- Calling the General Meeting of Shareholders, whenever the Chairperson of the Board of the General Meeting fails to do so when he/she should;
- Verifying if the accounting processes and valuation criteria adopted by the Bank lead to a correct valuation of assets and results;
- Accessing call notices and minutes of the meetings of the Executive Committee and taking part in the meetings of the Executive Committee wherein the Bank's annual accounts are appraised;
- Monitoring the entire procedure for preparing and disclosing financial information and presenting recommendations or proposals to ensure that such procedure is reliable;
- Overseeing the audit to the individual and consolidated financial statements of the financial year, especially its execution, taking into account eventual analyses or guidelines issued by the supervision authorities and to verify that the financial statements are compliant with the applicable legal framework;
- Verifying the accuracy of the financial statements;
- Issuing an opinion on the report, financial statements and proposal for the appropriation of profits to be submitted to the Annual General Meeting;
- Assess and follow-up, in a periodical manner, the financial statements and the main prudential indicators, the risk report prepared by the Risk Office, the activity pursued by the Compliance Office, the activity pursued by the Internal Audit, the handling of claims and complaints and the most significant correspondence exchanged with the Supervision Authorities;
- Provide an opinion on the Bank's Annual Budget, in a medium and long-term perspective, focusing particularly on the observance of the objectives set out in the Bank's strategic plan and on the compliance with the capital requirements;
- Drawing up an annual report to inform the Board of Directors of the results of the audit to the financial statements, explaining how the audit contributed to the integrity of the procedure for preparing and disclosing financial information, as well as describing the role the Committee played in that procedure, clearly stating its concurrence with the contents of the legal certification of accounts, when applicable;

- Issuing an opinion on the share capital increases resolved by the Board of Directors;
- Provide an opinion on the suspension of directors and on the appointment of substitute directors in accordance with the law and the Bank's articles of association;
- Resolve, in accordance with the decision made by the Board of Directors, on the Group Codes that it is responsible for.

Concerning the Internal Control System

- Supervising the efficiency of the risk management system, of the internal control system and of the internal audit system, in what regards the procedure for preparing and disclosing financial information of the whole consolidation perimeter of the Bank, notwithstanding the competences of the respective bodies of the local entities;
- Issuing a prior opinion on the external entity that aids in the assessment of the adequacy and efficiency of the internal control system and monitoring its work;
- Issuing an opinion on the work plans and resources allocated to the Internal Audit and Compliance Divisions, and monitor its respective execution, being the recipient of the reports made by these Divisions, especially when the issues in question relate to the presentation of financial statements, the identification and resolution of conflicts of interests and the detection of potential illegalities and/or irregularities;
- Analyse and comment on the periodic reports drawn up by the internal control functions, in particular those related with situations of conflict of interest and reporting irregularities;
- Issue an opinion on the technical and professional adequacy of the candidates for the position of Head of the Internal Audit Division and Compliance Officer of the Bank;
- Receiving, handling and recording the communications of serious irregularities (whistleblowing) related with the management, accounting organization and internal supervision and of serious signs of infractions of duties foreseen in the Legal Framework for Credit Institutions and Financial Companies and remaining Portuguese and European legislation in effect, presented by shareholders, Bank employees or other;
- Issue an opinion on the internal service order that regulates the internal reporting of irregularities, to be approved by the Board of Directors;

The Audit Committee of the Board of Directors supervises the application of the Risk Appetite, in order to ensure that the risks effectively incurred are in levels which are compatible with the RAS and that, if deviations occur, the Executive Committee and/or the Board of Directors adopt the necessary corrective measures to mitigate the levels of risk, with the objective of observing the RAS.

Monitoring of the External Auditor and the Statutory Auditor

- Propose to the General Meeting of Shareholders, in case of an initial engagement, the appointment of, at least, two statutory auditors and eligible external auditors and issue a duly grounded recommendation as to which it prefers, in abidance by the applicable Portuguese and European legislation. In case of the re-appointment for a new term-of-office, the Committee can also issue only one duly grounded proposal;
- Issuing an opinion on the remuneration of the Statutory Auditor and of the External Auditor, and ensuring that both have all the conditions to exercise their functions;
- Supervise and evaluate, every year, the independence and performance of the External Auditor and of the Statutory Auditor;
- Approve the tendering of services to the External Auditor for the provision of additional services, while guaranteeing that such services do not jeopardise its independence, in accordance with the domestic and European legislation and regulations;
- Receiving the additional services report drawn up by the External Auditor, in compliance with art. 11 of EU Regulation No 537/2014 of the European Parliament and of the Council of 16 April 2014.

Concerning related parties

- Issuing for the Board of Directors an opinion on the agreements established between the Bank and holders of stakes above 2% of the Bank's share capital or entities that are in a controlling or group relationship with them or members of the management and supervision body, directly or through third parties, provided that any one of the following conditions applies: (i) the object of the agreement is not encompassed in the Bank's business; (ii) the material engagement limit exceeds the total amount of €100,000/year per group of suppliers part of the same economic group or client group, for the same type of assets and services; and (iii) no special advantage is given to the party to the agreement in question;
- Issuing for the Board of Directors an opinion on credit operations, regardless of their form, to: (i) members of the corporate bodies (ii) shareholders with stakes over 2% of the Bank's share capital, computed under the terms of art. 20 of the Securities Code, and to (iii) natural or legal persons related to either of them.

Other competences

- Submit a quarterly report to the Board of Directors, in writing, informing on the work carried out by it and on the conclusions it has reached and an annual report of its activities, to be presented to the Chairperson of the Board of Directors, without prejudice to the duty of reporting to it any and all situations the Committee finds and deems to be of high risk;
- Hire experts to assist one or more of its members in the performance of its functions being the respective costs paid by the Bank.

The Audit Committee always holds mandatory regular meetings with the external auditors and statutory auditor at the time of appraisal of the interim and full year financial statements of the Bank. The Audit Committee receives the Reports of the Internal Audit Division, Statutory Auditor and External Auditors. It Holds regular meetings with the Directors responsible for the Bank's Financial, Credit and Risk areas and with the Compliance Officer, the Heads of Internal Audit of the Bank and of the group and the Coordinating-Managers of the Research, Planning and AML Division and of Asset and Liability Management and of the Accounting Division. It has the power to summon or request clarifications from any Coordinating Manager or Employee of the Bank whom it wishes to hear.

Without prejudice to the hierarchical relationship maintained, respectively, with the Chairperson of the Board of Board of Directors and with Chief Risk Officer (the executive director in charge of risk), the Head of the Audit Division and the Compliance Officer report functionally to the Audit Committee on the following matters: activity plans; activity reports; organisation and operation documents of the internal audit and compliance areas; situations detected that involve high risk; supervisory actions and relevant lawsuits; and constraints to the effective execution of the defined legal and regulatory functions, namely with respect to the allocated resources. In turn, the Audit Committee, independently of the direct reporting of the Audit Division and Compliance Office to the Chairperson of the Board of Directors, informs the Chairperson of the Board of Directors of all and any situation detected that it deems might qualify as being of high risk.

In the 2019 financial, in the course of the 2018/2021 term-of-office, the Audit Committee had the following composition:

Chairwoman	Cidália Maria Mota Lopes (Independent)
Members:	Valter Rui Dias de Barros (Non-Independent)
	Wan Sin Long (Independent)
	Fernando Costa Lima (Independent) – Co-opted by the Board of Directors at a meeting held on 23 April having the same been ratified by the General Meeting of Shareholders on 22 May 2019.

Within an universe of four members that compose the Audit Committee, three members (75%) are qualified as independent.

On the date this report was approved, all the members of this Committee were subject to a performance assessment by the Committee for Nominations and Remunerations that, for that specific purpose, was assisted by an external entity.

All the members of the Audit Committee have levels of responsibility and understanding of the activities conducted by the company that match the functions assigned to them, allowing them to make an unbiased evaluation of the decisions made by the management body, and to efficiently supervise activities performed by the latter. All the members of this Committee have appropriate knowledge, competences and experience to clearly understand and monitor the risk strategy within a framework of governance coherent and compatible with the risk management systems.

The professional qualifications and other curricular details of each member of the Audit Committee are presented in Annex I of this Corporate Governance Report. These data are updated whenever justified and remain available at all times at the Bank's website at the page with the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

This Committee received logistic and technical support from the Board of Directors' Support Office, with the secretarial services being administered by the Office Head.

During the 2019 financial year, the Audit Committee met thirteen times, having drawn the minutes of all the meetings.

Attendance of the Audit Committee meetings by each of its members is shown in the following table:

Members of the Audit Committee	Number of Meetings Attended	Effective Participation Index
Cidália Maria Mota Lopes	13	100%
Valter Rui Dias de Barros	13	100%
Wan Sin Long	13	100%
Fernando da Costa Lima (*)	7	100%

(*) Co-opted by the Board of Directors on 23/04/2019 and the ratification was resolved on the co-optation by the General Meeting held on 22/5/2019.

Executive Committee

On 24 July 2018, and under the terms of article 407 of the Companies Code and article 35 of the Bank's Articles of Association, the Board of Directors (BoFD) appointed an Executive Committee (EC) composed of six of its members. The Chairperson of the Executive Committee was indicated by the General Meeting of Shareholders. The BoFD established the *modus operandi* of the EC and delegated to this committee the powers to conduct the Bank's current management. The Executive Committee performs all of the Bank's day-to-day management duties that have not been reserved by the Board of Directors.

At the level of internal control and risk management, the hierarchical responsibility for the second lines of defence was attributed to one executive director, which also includes the Boards of Directors of the subsidiary companies operating abroad, this way extending the coordination and scope of the performance of these defence lines to the entire Group.

In accordance with the Regulations of the Executive Committee, the acceptance or exercise of functions, namely advisory functions or functions in executive corporate bodies of companies by any member of its members must obtain the prior favourable opinion of the Committee for Nominations and Remunerations. Any of the members of this Committee performs executive functions in entities outside the Group, as stated in the respective curricula attached to this report.

One must, notwithstanding, point out that, in accordance with article 6 of the same regulations, the exclusivity regime applied to the Bank's executive directors, set forth in article 8 of the Regulations of the Board of Directors, does not apply whenever these members exercise management functions in third companies, pursuant to an indication of the Group or in representation of the Group.

The Regulations of the Executive Committee are available on the Bank's website at the following address:

<http://ind.millenniumbcp.pt/pt/Institucional/governacao/>

In its internal organisation, the Executive Committee has distributed areas of special responsibility to each of its members. As at 31 December 2019, the distribution of these areas of special responsibility was as follows:

EXECUTIVE COMMITTEE

(In absences of Directors responsible for the areas, the respective alternate Directors shall be occasionally appointed by the CEO)

Miguel Maya – CEO (MM)	
CEO's Office	
Communication Division	
Human Resources Division	
Credit Division	
Digital Transformation Office	

Miguel Bragança - VC/CFO (MB)	João Nuno Palma - VC (JNP)
Investor Relations Division	International, Treasury & Markets Division
Accounting and Consolidation Division	Large Corporates and Corporate banking Divisions
Research, Planning and ALM Division	Investment Banking Division
Management Information Division	Companies Marketing Division
Legal and Litigation Advisory Division	Macau Branch
Tax Advisory Division	Private Banking Division
Means of Payment and Acquiring Division	China Desk

Rui Manuel Teixeira (RMT)	José Miguel Pessanha (JMP)
Retail Divisions	Rating Division
Retail Marketing Division	Office for Regulatory and Supervision Monitoring
Segments Management Division	Office for the Validation and Monitoring of Models
Quality and Network Support Division	Personal Data Protection Office
Wealth Management Division	<i>Hierarchical reporting functionally dependent on the Committee for Risk Assessment</i>
Specialized Credit and Real Estate Division	Risk Office
Specialised Monitoring Division	<i>Hierarchical reporting functionally dependent on the Audit Committee</i>
	Compliance Office

Maria José Campos (MJC)
Companies Recovery Division
Retail and Small Amounts Recovery Division
Direct Banking Division
Operations Division
IT Division
Procurement and Logistics Division

The non-executive Chairman of the Board of Directors is directly responsible for the Board of Directors Support Office, Company Secretary's Office and the Audit Division and Millennium bcp Foundation.

Within the scope of the competences attributed to him/her, the Chairperson of the Executive Committee represents this Committee and convenes and conducts the respective meetings, has the casting vote and, in addition to direct accountability for the respective areas of responsibility, has the following duties:

- coordinating the activities of the Executive Committee, distributing special areas of responsibility among its members, and entrusting one or more with the preparation or follow-up of the issues appraised or decided on by the Executive Committee;
- assisted by the Director of the special area of responsibility, the Chairman, strives to ensure the correct execution of the resolutions adopted by the Executive Committee;
- ensures that all the relevant information is provided to the other members of the Board of Directors relative to the activity and resolutions adopted by the Executive Committee;
- ensures compliance with the limits of delegation of competences, the approved strategy for the Bank and Group, and the duties of collaboration with the Board of Directors and, in particular, with its Chairperson.
- The Regulations of the Executive Committee are available on the Bank's website at the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

b) Functioning

22. Existence and local where it may be consulted the regulations, as applicable, of the Board of Directors, the Supervisory Board and of the Executive Board of Directors.

In accordance with article 18 of the Articles of Association, minutes shall always be written up of the meetings of the company's governance bodies which will be signed by all the members present and contain, apart from the several identification data, the resolutions that were adopted. As in this statutory provision, also the Regulations of the different specialised Committees of the Board of Board of Directors, including the Executive Committee, confirm the need to draw up

minutes of all the meetings of the Committees. The documentation supporting the deliberations and topics addressed at the meetings of each of the committees should be filed together with the minutes of the respective meeting, for a better understanding of the the decisions that were taken.

According to the provisions of the Regulations of the Board of Directors and of each one of its specialized committees, in the article concerning "Meetings" the supporting documents of the meetings are sent to the participating directors at least 5 days prior to the scheduled date for each meeting. The Bank keeps available, during the term of office of its members, all the agendas and support material for the meetings, as well as the legislation, internal regulations and other relevant documentation, on an online platform called "Diligent Boards".

The regulations of the Board of Directors, of the Executive Committee and the other Committees of the Board of Directors are available on the internal portal and at the Bank's website at the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

All these documents as well as other deemed necessary or appropriate for the exercise of the respective function, may be consulted by the directors at the digital platform supporting the members of the corporate bodies.

23. Number of meeting held and degree of assiduity of each member, as applicable, of the Board of Directors, the Supervisory Board and the Executive Board of Directors, in the meetings held.

During 2019, the Board of Directors held fourteen meetings and its secretarial services were administered by the Company Secretary, with minutes having been drawn up of all the meetings.

The attendance records, through presence or representation, of each one of the members of the Board of Directors at meetings is shown in the following tables:

Non-Executive Members of the Board of Directors	Attendance in Person	Attendance by Representation	Attendance by electronic means	Total Attendance
Nuno Manuel da Silva Amado	100,00%	0	0	100,00%
Jorge Manuel Baptista Magalhães Correia	100,00%	0	2	100,00%
Valter Rui Dias de Barros	100,00%	0	1	100,00%
Ana Paula Alcobia Gray	100,00%	0	1	100,00%
Cidália Maria Mota Lopes	100,00%	0	0	100,00%
Fernando da Costa Lima(*)	100,00%	0	1	100,00%
José Manuel Alves Elias da Costa(**)	71,43%	0	0	71,43%
Julia Gu	100,00%	0	5	100,00%
Lingjiang Xu	100,00%	0	1	100,00%
Teófilo César Ferreira da Fonseca	100,00%	0	2	100,00%
Wan Sin Long	92,85%	0	1	92,85%

(*) Co-opted by the Board of Directors at a meeting held on 23 April 2019 having the same been ratified by the General Meeting of Shareholders on 22 May 2019.

(**) Suspended his duties on 23/11/2019 due to health reasons and resumed functions on 15/01/2020.

Executive Members of the Board of Directors	Attendance in Person	Attendance by Representation	Attendance by electronic means	Total Attendance
Miguel Maya Dias Pinheiro	100,00%	0	0	100,00%
Miguel de Campos Pereira de Bragança	100,00%	0	0	100,00%
João Nuno de Oliveira Jorge Palma	100,00%	0	0	100,00%
José Miguel Bensliman Schorcht da Silva Pessanha	100,00%	0	0	100,00%
Maria José Henriques Barreto Matos de Campos	100,00%	0	0	100,00%
Rui Manuel da Silva Teixeira	100,00%	0	0	100,00%

During the financial year of 2019, the Executive Committee adopted an unanimous resolution in writing and met fifty-five times, being the secretarial services provided by the Company Secretary who timely provided the supporting documents to all EC members. Minutes of meetings were drawn from all the meetings held. The Chairpersons of the Board of Directors, of the Audit Committee and of the Committee for Risk Assessment have access to the agendas and to the minutes of meetings of the Executive Committee, as well as to the meeting's supporting documents, which are remitted to them by the Company Secretary.

The attendance level of each member of the Executive Committee at meetings held is shown in the following table:

Executive Members of the Board of Directors	Attendance in Person	Attendance by Representation	Attendance by electronic means	Total Attendance
Miguel Maya Dias Pinheiro	100.00%	0	0	100.00%
Miguel de Campos Pereira de Bragança	100.00%	0	0	100.00%
João Nuno de Oliveira Jorge Palma	100.00%	0	0	100.00%
José Miguel Bensliman Schorcht da Silva Pessanha	100.00%	0	0	100.00%
Maria José Henriques Barreto Matos de Campos	100.00%	0	0	100.00%
Rui Manuel da Silva Teixeira	100.00%	0	0	100.00%

The composition, the number of annual meetings of the administration, supervisory bodies and of its committees are available for, at least, ten years on the Bank's website, at the following page:

<https://ind.millenniumbcp.pt/en/Institucional/investidores/>

24. Details of competent corporate boards undertaking the performance appraisal of executive directors

In accordance with article 115-B (2) (d) the nominations committee is responsible for assessing, at least once a year, the knowledge, competences and the experience of each one of the members of the administration and supervisory bodies as a whole and report to them their findings.

In accordance with the provisions of this legal requirement, the Board of Directors, using the competence vested by article 37 (1) of the Bank's Articles of Association and by article 6 (2) and 7 (2.3 to 2.5) of its own Regulations, has constituted specialised committees, exclusively composed by non-executive members of the Board of Directors, to whom attributed the duty to monitor certain specific matters on a permanent basis.

To this purpose, it created the Committee for Nominations and Remunerations and endowed it with competences to assess if all members of the management and supervision bodies have and ensure the competences and the suitability requirements necessary for the functions exercised or to be exercised.

The Committee for Nominations and Remunerations, within the scope of its competences, acts in accordance with article 30-A (1) and article 115-B (2.d) of the Legal Framework for Credit Institutions and Financial Companies, Instruction of Banco de Portugal nr. 23/2018 dated 05 November 2018 and the European legislation in effect, and also with item 4 of the Draft of the Guide to fit and proper assessments of the members of management bodies of the European Central Bank of May 2018, as well as the recommendations from the European Securities and Markets Authority set forth in the guidelines on the assessment of the suitability of members of the corporate bodies and holders of key functions, EBA/GL/2017/12 of 26 September applicable as of 30 June 2018.

The Committee for Nominations and Remunerations is composed by three non-executive directors (see item 27.b), two of which have been qualified as independent.

The Committee for Nominations and Remunerations, within the scope of evaluation, has the following competences:

- Make, at least every year, recommendations on candidates to members of the Bank's management and supervisory bodies, observing the Fit & Proper Assessment process, evaluating, among other things, the respective profile in terms of good repute, professional qualification, independence and availability for exercising the office;
- Resolve on the appointment of members to the corporate bodies in credit institutions and financial companies of the group;
- Make an evaluation or a re-evaluation report on individuals for elective position with the purpose of placing it at the disposal of the general meeting within the scope of the respective preparatory information;
- Evaluate, at least once a year, the performance, knowledge, competences and experience of each one of the members of the administration and supervisory bodies and of those bodies as a whole and report the respective results to those bodies, giving cognizance of the same to the Remunerations and Welfare Board;

The Board of Directors promoted the process of evaluation of the members of the Board of Directors and the Committee for Nominations and remunerations approved, in February 2019, the self-assessment questionnaires which were handed out to all members of the Board of Directors.

In March 2019, the Committee for Nominations and Remunerations approved the final version of the Report on the evaluation of the suitability of the management and supervisory bodies, which includes the individual analysis of each member of the Management and supervisory Bodies, based on the requirements of good repute, professional qualification, independence, accumulation of positions and availability, and the collective institutional assessment of said management and supervisory bodies, prepared in full compliance with the requirements of the Questionnaire, attached to the Instruction of Banco de Portugal no. 23/2018.

25. Pre-determined criteria for the evaluation of the manner of appointment, profile, knowledge and performance of the executive directors and senior managers

On 30 May 2018, the General Meeting of Shareholders approved by a majority of 99.71% of the votes cast, the internal policy for the selection and evaluation of the suitability of the members of the management and supervisory bodies, including the “Succession Plan of the Bank” that establishes, among other provisions, the following:

- power to elect the members of corporate bodies;
- selection policy;
- composition of the Board of Directors;
- specific and minimum requirements for the exercise of management and supervisory functions;
- specialized committees of the Board of Directors.

The Succession Plan for the Bank's Board of Directors is available on the Bank's website at:

<https://ind.millenniumbcp.pt/pt/Institucional/investidores/Documents/AssembGeral/>

The Committee for Nominations and Remunerations is strongly convinced that the selection of the members of the corporate bodies is of the exclusive competence of the shareholders as owners of the capital, and should not abdicate from the right to select the individuals that, at each moment, it considers more adequate to manage their assets.

Convicted that there are other values to safeguard beyond the shareholder's interests, the Committee for Nominations and Remunerations evaluates the candidates to members of the corporate bodies and senior managers proposed to it by the shareholders by means of clear and transparent rules, namely those from the Guide to fit and proper assessments of the members of the Corporate Bodies published by the European Central Bank in May 2018, the ESMA and EBA Guidelines on suitability of members of the management bodies and key function holders which entered into effect on 30 June 2018, together with the Banco de Portugal Instruction 23/2018 of November 5, if applicable.

The process for the authorization for the exercise of functions concerning the members of the administration and supervisory bodies of credit institutions, among which is the Bank, remains subject to the supervision from Banco de Portugal and from the European Central Bank and, in that sense, and regarding the members of the administration and supervisory bodies, the effectiveness of the election made at the General Meeting of Shareholders may remain subject to the suspensive condition of obtaining authorization for the exercise of functions.

The curricula of candidates for members of the management and supervisory bodies and other documentation that, according to the law are given to shareholders, are available on the Bank's website, on the page with the following address.

<https://ind.millenniumbcp.pt/pt/Institucional/investidores/Documents/AssembGeral/2018/Ponto-8b-PT.pdf>

The Committee for Nominations and Remunerations is also competent to assess, at least once a year, the suitability, knowledge, competences, experience, the practical and theoretical experience, the professional qualification, independence, incompatibilities and the specific and minimum requirements for the exercise of the position of each one of the members of the administration and supervisory bodies, including the executive directors, assessing also the suitability of the whole administration body and senior managers;

Pursuant to article 3 of its Regulations and being the body responsible for the Bank's nomination policy, the Committee for Nominations and Remunerations actively contributes to compliance with the institutional obligations with respect to the endorsement of suitable policies on individual and collective assessment of the members of the management and supervisory bodies.

With a view to optimising the appropriate performance of its duties, the Committee for Nominations and Remunerations uses external consultants specialised in consulting services in talent areas to assist in the transparent, strict and rigorous process of assessment of suitability and performance of the members of the Board of Directors, including the Executive Committee, in accordance with, namely, the following specific and predefined criteria:

- good repute;
- qualification, theoretical training and practical experience;
- practical and theoretical professional experience, capacity to apply the competences acquired in previous positions;
- availability, diligence in the performance of the respective duties with the necessary commitment of time and attention;
- making of focused decisions;
- independence for the exercise of the position;
- conflicts of interest and independence of mind;
- risk perception and decision-making capacity;
- drive towards institutional growth;
- collective aptitude;
- acting with loyalty and weighing up of the interests of the company and of all its stakeholders;
- strategic vision, independence, transparency and good repute;
- proportionality and evaluation on a case-by-case basis;
- assessment of aptitude and performance on a continuous basis;
- fairness and respect for procedural guaranties;
- interaction with supervision.

Within the scope of the evaluation process, each one of the members of the Board of Directors filled in a self-assessment questionnaire aiming at assessing the compliance with legal suitability requirements for the exercise of the functions, namely, good repute, knowledge, experience and availability. Based on the collected information and supplemented by a matrix of collective appraisal, pursuant to Annex II of Banco de Portugal Instruction 23/2018, the Committee for Nominations and Remunerations prepares, with the assistance from the advising company Ernst & Young, that ensures the provision of the services to the company with independence, an assessment report for each member of the administration and supervisory bodies and of these bodies as a whole.

The conclusions reached by the assessment regarding the 2019 financial year were submitted by the Committee for Nominations and Remunerations to the Board of Directors for approval.

In addition, the qualifications of the members of the management bodies have been improved through training actions by own initiative of the members or promoted by the Bank provided by external trainers with a recognized technical expertise. The company provides in the digital platform of support to the members of the Board of Directors, denominated "*Diligent Boards*" a briefing of the most relevant domestic and EU legislation within the scope of the banking regulation and supervision.

26. The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year

According to the assessments that have been made, it was found that each executive and non-executive member of the Board of Directors showed willingness and dedicated to the performance of his/her duties the necessary time, proportional to the importance of the matters to be addressed, assessed in the light of the interest that the different issues pose to the company, as well as of the specific tasks entrusted to each member.

A - Non-Executive Members of the Board of Directors and of the Audit Committee

NON-EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS						
Non-Executive Members of the Board of Directors of BCP	Current Positions in BCP	Positions in BCP Group companies	Positions in companies outside the BCP Group	Exercise of Other Relevant Activities	Qualification	Cumulation of Positions (Art. 33 of the LFCIFC)
Nuno Manuel da Silva Amado	Chairman of the Board of Directors	Chairman of the Board of Curators of Fundação Millennium bcp	Member of the Supervisory Board of EDP – Energias de Portugal, S.A.	Member of the Board of Auditors of Fundação Bial		
	Member for the International Strategy Board	Vice-Chairman of the Supervisory Board of Bank Millennium, S.A. (Poland)		Member of the General Board of Universidade de Lisboa		
		Vice-Chairman of the Board of Directors of BIM - Banco Internacional de Moçambique, S.A.		Chairman of the Senior Board of the Alumni Clube ISCTE	Non-independent (a)	Complies
				Member of the Advisory Board of BCSD Portugal – Conselho Empresarial para o Desenvolvimento Sustentável, as representative of Banco Comercial Português, S.A.		
Jorge Manuel Baptista Magalhães Correia	1st Vice-Chairman of the Board of Directors		Member of the Board of Directors and member of the Corporate Governance Committee of REN – Redes Eléctricas Nacionais, SGPS, S.A.		Not Independent (b)	Complies
	Chairman of the Remuneration and Welfare Board		Chairman of the Board of Directors of Luz Saúde, S.A. Vice-Chairman of the Board of Directors and Chairman of the Executive Committee of Fidelidade - Companhia de Seguros, S.A.			
Valter Rui Dias de Barros	2nd Vice-Chairman of the Board of Directors		Chairman of the Board of Directors of Recredit - Gestão de Ativos, S.A. (Angola)		Not Independent (b)	Complies
	Member of the Audit Committee					
Ana Paula Alcobia Gray	Member of the Committee for Corporate Governance, Ethics and Professional Conduct					
	Member of the Board of Directors				Not Independent (b)	Complies
Cidália Maria Mota Lopes	Member of the Committee for Risk Assessment					
	Member of the Remunerations and Welfare Board					
Fernando da Costa Lima	Member of the Board of Directors		Professor at the Coimbra Business School – ISCAC on tax issues	Member of the Scientific Board of the Portuguese Fiscal Association (AFP)	Independent	Complies
	Chairwoman of the Audit Committee		Invited Professor at Faculdade Economia – Universidade de Coir			
José Manuel Alves Elias da Costa	Member of the Board of Directors		Non-Executive Director of Euronext Lisbon			
	Member of the Audit Committee		Non-Executive Director of NetInvoice, S.A. Advisor at Comissão do Mercado de Capitais (CMC) Lt		Independent	Complies
Julia Gu	Member of the Board of Directors		Member of the Board of Directors			
	Chairman of the Committee for Nominations and Remunerations		Vice-Chairwoman of Group Fosun High Technology (Group) CO., Ltd. Member of the Executive Board of Directors - Mybank Chairwoman - Zhangxingbao (Network Technology Co., Ltd.)		Not Independent (b)	Complies
Lingjiang Xu	Member of the Board of Directors	Member of the Supervisory Board of Bank Millennium, S.A. (Poland)	Non-Executive Vice-Chairman of the Board of Directors of Fidelidade - Companhia de Seguros, SA			
	Chairman of the Committee for Corporate Governance, Ethics and Professional Conduct		Chairman of the Board of Directors of Logrun Portugal, SGPS, S.A.		Not Independent (b)	Complies
Teófilo César Ferreira da Fonseca	Member of the Committee for Nominations and Remunerations					
	Member of the Board of Directors				Independent	Complies
Wan Sin Long	Chairman of the Committee for Risk Assessment					
	Member of the Board of Directors		Chairman of the Executive Board of Directors of Great Win Consultancy Limited			
	Member of the Audit Committee				Independent	Complies
	Member of the Committee for Risk Assessment					

(a) The Director in question exercised the position of executive director in the previous term-of-office (2015/2017). The non independence is established in accordance of Item 91.a. of the EBA/GL/2017/12 Guidelines of 26 September 2017.
 (b) The director in question is connected to a shareholder with a qualifying stake.

B - Executive Members of the Board of Directors

EXECUTIVE MEMBERS OF THE BOARD OF DIRECTORS						
Executive Members of the Board of Directors of BCP	Current Positions in BCP	Positions in BCP Group companies	Positions in companies outside the BCP Group	Exercise of Other Relevant Activities	Qualification	Cumulation of Functions (Art. 13 of the LFCDE)
Miguel Maya Dias Pinheiro	Chairman of the Executive Committee 3rd Vice-Chairman of the Board of Directors Member for the International Strategy Board	Manager of the company BCP África, SGPS, Lda. Member of the Supervisory Board of Bank Millennium, S.A. (Poland) Member of the Board of Directors of BIM - Banco Internacional de Moçambique, S.A. Chairman of the Board of Directors of Fundação Millennium bcp	Vice-Chairman of the Board of Directors of Banco Millennium Atlântico, S.A.	Member of the Senior Board - Alumni Clube SCTE Member of the Advisory Board of BCGD Portugal - Conselho Empresarial para Desenvolvimento Sustentável Member of the Advisory Board of INDEG/SCTE Executive Education	Executive	Complies
Miguel de Campos Pereira de Bragança	Member of the Board of Directors Vice-Chairman of the Executive Committee	Manager of the company BCP África, SGPS, Lda. Manager of the company Millennium bcp Participações, SGPS, Sociedade Unipessoal, Lda. Member of the Supervisory Board of Bank Millennium, S.A. (Poland)	Non-executive Director of UNICRE - Instituição Financeira de Crédito, S.A., on behalf of Banco Comercial Português, S.A. Non-executive Director of SBS, S.G.P.S., S.A. and of SBS Forward Payment Solutions, S.A. Manager of Quinta das Alminhas Velhas - Imobiliária, Lda.		Executive	Complies
Júlio Nuno de Oliveira Jorge Palma	Member of the Board of Directors Vice-Chairman of the Executive Committee	Chairman of the Board of Directors of Banque Privée BCP Suisse, SA Member of the Board of Directors of BIM - Banco Internacional de Moçambique, S.A. Chairman of the Audit Committee of BIM - Banco Internacional de Moçambique, S.A.			Executive	Complies
José Miguel Benjamin Schurich de Silva Pereira	Member of the Board of Directors Member of the Executive Committee	Chairman of the Audit Committee of Millennium bcp Ações Grupo Segurador, SGPS, S.A. Vice-Chairman of the Board of Directors of Oidental - Companhia Portuguesa de Seguros de Vida, S.A. Chairman of the Audit Committee of Oidental - Companhia Portuguesa de Seguros de Vida, S.A. Vice-Chairman of the Board of Directors of Ações - Sociedade Gestora de Fundos de Pensões, S.A. (formerly Oidental - Sociedade Gestora de Fundos de Pensões, S.A.) Chairman of the Audit Committee of Ações - Sociedade Gestora de Fundos de Pensões, S.A. (formerly Oidental - Sociedade Gestora de Fundos de Pensões, S.A.) Member of the Board of Directors of BIM - Banco Internacional de Moçambique, S.A. Member of the Supervisory Board of Bank Millennium, S.A. (Poland) Member of the Board of Directors of Banque Privée BCP Suisse, SA	Member of the Board of Directors of Banco Millennium Atlântico, S.A. Chairman of the Audit Committee of Banco Millennium Atlântico, S.A.		Executive	Complies
Maria José Henriques Barreto Matos de Campos	Member of the Board of Directors Member of the Executive Committee	Chairwoman of the Board of Directors of Millennium bcp - Portugal de Serviços, A.C.T.			Executive	Complies
Rui Manuel de Silva Teixeira	Member of the Board of Directors Member of the Executive Committee	Member of the Board of Directors of Millennium bcp Ações - Grupo Segurador, SGPS, S.A. Member of the Board of Directors of Oidental - Companhia Portuguesa de Seguros de Vida, S.A. Member of the Board of Directors of Ações - Sociedade Gestora de Fundos de Pensões, S.A. (formerly Oidental - Sociedade Gestora de Fundos de Pensões, S.A.) Chairman of the Board of Directors of Interfundos - Sociedade Gestora de Opções de Investimento Coletivo, S.A.	Member of the Remunerations Committee of UNICRE - Instituição Financeira de Crédito, S.A. (in representation of Banco Comercial Português, S.A.) Member of the Remunerations Committee of SBS, SGPS, S.A. (as representative of Banco Comercial Português, S.A.) Member of the Remunerations Commission of SBS Forward Payment Solutions, S.A. (in representation of Banco Comercial Português, S.A.)	Chairman of the Board of the General Meeting of the Associação Porto Business School (PBS), in representation of Banco Comercial Português, S.A.	Executive	Complies

c) Commissions of the Board of Directors (BoD)

27. Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning thereof is available

In addition to the Audit Committee and the Executive Committee, the Bank's Board of Directors, in order to ensure and contribute to the good and appropriate performance of the duties that are legally and statutorily entrusted to it, appointed three other specialised committees exclusively composed by non-executive directors, responsible for monitoring specific matters, which are identified as follows:

a) Committee for Risk Assessment

The Committee for Risk Assessment, established in accordance with the provisions of article 115-L of the Legal Framework for Credit Institutions and Financial Companies, is composed of three to five non-executive directors, appointed by the Board of Directors.

In the 2019 financial year, within the scope of the term-of-office 2018/ 2021, the Committee for Risk Assessment was composed as follows:

- Chairman: Teófilo César Ferreira da Fonseca (Independent)
- Members: Ana Paula Alcobia Gray (Non-Independent)
- José Manuel Alves Elias da Costa (Independent)
- Wan Sin Long (Independent)

Within an universe of four members that compose the Committee for Risk Assessment, two members (75%) are qualified as independent.

In accordance with the Bank's articles of association, the Committee for Risk Assessment follows-up and monitors the strategy and the appetite for risk of the company and advises the Board of Directors on strategies and policies regarding the assumption, management and reduction of the risks the Bank is facing or may be subject to.

All the members of this committee have appropriate knowledge, competences and experience to be able to understand, analyse and monitor the specific categories of risk faced by the company, appetite for risk and the defined risk strategy, as confirmed by the respective curricula attached to the present Report.

Within the scope of its activities, the Committee for Risk Assessment must take into consideration the long run interests of the shareholders, investors and of those interested in the institution and also the public interest and prevent the decision-making of the management body from being overpowered by any person or small number of people jeopardizing the Bank's interests in general.

Among the competences of the Committee for Risk Assessment, the following are highlighted:

- advise the Board of Directors on risk appetite, risk strategy, risk capacity and risk culture, including the Bank's policies for identifying, managing and controlling the risks;
- assist the Board of Directors in the supervision of the execution by the top management of the Bank's risk strategy;
- analyse if the conditions of the main products and services offered to customers take into consideration the Bank's business model and risk strategy;
- examine if the incentives established in the remunerations policy take into consideration the risk, capital, liquidity and expectations concerning income;
- monitor the management of material risks to which the Bank is exposed, particularly the large risks, using appropriate indicators and metrics;
- support the Board of Directors in the assessment of the risk strategies of the main subsidiaries abroad;
- assess the impact of changes to the Bank's perimeter on the Bank's risk profile and whether such changes are compatible with the approved risk appetite;
- monitor the effectiveness of policies, methodologies and models used to evaluate assets, especially observing the valuation results of the respective impairment;
- monitor the effectiveness of capital and liquidity contingency plans, as well as the business continuity plan;
- periodically monitor the report on the main risk indicators;
- engaging the provision of services by experts to assist one or several of its members in the exercise of his/her/their functions, taking into account the importance of the issues in question;
- decide on the Group Codes that are within its competence.

In the exercise of its functions, the Committee for Risk Assessment has the specific competences delegated by the Board of Directors, namely:

- monitor and intervene in the process of identification of risks and of development of the risk strategy both in the Bank and in the Group, issuing an opinion to the Board of Directors on its adequacy, notwithstanding the competences of the responsible bodies of the local entities;
- monitor and intervene in the process to review the Group's Risk Appetite Framework, issuing an opinion for the Board of Directors on its adequacy and monitor the evolution of the Risk Appetite Statement;
- follow-up capital (ICAAP) and liquidity (ILAAP) planning processes issuing an opinion for the Board of Directors with the respective conclusions;
- analyse and approve the conclusions of the regular procedures for monitoring ICAAP and ILAAP;
- approve the scenarios proposed for internal stress tests, as well as the respective results;

- monitor and intervene in the process to revise the Recovery Plan, issuing an opinion for the Board of Directors;
- monitor the evolution of the process for preparing and executing the NPEs reduction plan;
- ensure that the risk management activities are subject to periodical revisions and possess technical independence and also that the individual in charge of the risk management function may report directly to the Audit Committee and cannot be dismissed without the prior approval of that Committee;
- giving an opinion on the technical and professional adequacy of the candidate to Risk Officer;
- issuing an opinion on the Bank's Risk Guidelines and on the Compliance Policies Manual or on changes to be introduced therein.

For the exercise of its functions, the Committee for Risk Assessment has access to information on the Bank's risk situation and is entitled to determine the nature, quantity, format and frequency of the information concerning risks that it should receive. This Committee also implements internal procedures for communication with the Board of Directors and Executive Committee.

The Committee will inform the Board of Directors of its activities by means of a detailed quarterly report, without prejudice to the duty of reporting to the Chairperson of the Board of Directors any and all situations the Committee finds and deems to be of high risk.

During 2019, the Committee held fourteen meetings and minutes of meetings were drawn from all the meetings and received the logistic and technical support from the Board of Directors' Support Office, with the secretarial services being administered by the head of this office.

Attendance of the Audit Committee meetings by each of its members is shown in the following table:

Members of the Committee for Risk Assessment	Number of Meetings Attended	Effective Participation Index
Teófilo César Ferreira da Fonseca	14	100.00%
Ana Paula Alcobia Gray	13	92.85%
José Manue Alves Elias da Costa (*)	12 (**)	100.00%
Wan Sin Long	12	85.71%

(*) Suspended functions due to health reasons, during December

(**) Attended all meetings where the mandate was not suspended

The Regulations of the Committee for Risk Assessment are available on the Bank's website, on the page with the following address:

https://ind.millenniumbcp.pt/pt/Institucional/governacao/Documents/Regimento_CNR.pdf

b) Committee for Nominations and Remunerations

The Committee for Nominations and Remunerations, established in accordance the provisions of article 115-B and H of the Legal Framework for Credit Institutions and Financial Companies, is composed of three to five non-executive directors, appointed by the Board of Directors.

The composition of the Committee for Nominations and Remuneration is in accordance with the provisions of the Committee's regulations since all its members are non-executive directors and any member is also a member of the Bank's Audit Committee.

During 2019, the Committee for Nominations and Remunerations was composed as follows:

Chairman: José Manuel Alves Elias da Costa (Independent)
Members: Lingjiang Xu (Non Independent)
Teófilo César Ferreira da Fonseca (Independent)

Within an universe of three members that compose the Committee for Nominations and Remunerations, two members (66.66%) are qualified as independent.

All the members of this Committee possess the knowledge, competences and professional experience suitable for the good exercise of their functions.

Within the scope of its activities, the Committee for Nominations and Remunerations must take into consideration the long run interests of the shareholders, investors and of those interested in the institution and also the public interest and to prevent the decision-making of the management body from being overpowered by any person or small number of people jeopardizing the Bank's interests in general.

Among the competences of the Committee for Nominations and Remunerations, the following are especially important:

- at least once a year, approve or review the Remuneration Policy of the Members of Corporate Bodies and of the Staff and its execution regulation, securing the long-term interests of the shareholders, the investors and other stakeholders, as well as an appropriate management of the risk, the capital and liquidity;
- regarding the members of the corporate bodies, submit the conclusions of the work carried out pursuant to the previous paragraph to the Remunerations and Welfare Board, aiming at the preparation of a joint proposal, which will be addressed to the Annual General Meeting;
- under proposal of the Executive Committee, approve the decisions regarding any type of remuneration of the Heads of Division reporting directly to the Board of Directors and of those responsible for risk taking and for control functions;
- resolve on the appointment of all employees who are managers reporting directly to the Board of Directors or to any of its Committees, including the Executive Committee;
- monitor the independence of employees responsible for risk taking and control functions from the areas they control, including the powers given to them;
- proceed, every year, with the performance evaluation of the Heads of Compliance, Audit and Risk;
- verify the implementation of and the compliance with the remuneration policies and procedures adopted by the competent corporate body;
- receive and assess the results of the Organisational Environment Questionnaires;
- decide on the Group Codes that are within its competence;
- monitor, every year, the human resources and staff management policy.

In general, exercise all the competences attributed to the Committee for Nominations and Remunerations under the provisions of the Legal Framework for Credit Institutions and Financial Companies and remaining domestic and EU legislation in force.

The Committee for Nominations and Remunerations is also competent to, on a yearly basis and if, necessary, submit for approval by the Board of Directors a regulation for the execution of the Board of Directors' Succession Plan, describing the concepts that should preside to the selection of members of the management body.

For the correct performance of its functions, the Committee for Nominations and Remunerations, may use all technical means that it deems fit, including resorting to external advisers; all expenses shall be paid by the Bank.

Regarding the competences of the Committee for Nominations and Remunerations to carry out the assessment of the performance of the executive directors, please see the information provided in Item 24.

During the 2019 financial year, the Committee adopted four unanimous resolutions in writing and met twelve times, having been written up and approved minutes of meetings and had the logistic and technical support of the Company Secretary Office. The Company Secretary acted as the Committee's secretary.

Attendance of the Committee for Nominations and Remunerations meetings by each of its members is shown in the following table:

Members of the Committee for Nominations and Remunerations	Number of Meetings Attended	Effective Participation Index
José Manue Alves Elias da Costa (*)	10 (**)	100.00%
Lingjiang Xu	12	100.00%
Teófilo César Ferreira da Fonseca	12	100.00%

(*) Suspended functions due to health reasons, during December

(**) Attended all meetings where the mandate was not suspended

The Regulations of the Committee for Nominations and Remunerations is available on the Bank's website, on the page with the following address:

https://ind.millenniumbcp.pt/en/Institucional/governacao/Documents/Regimento_CNR_EN.pdf

c) Committee for Corporate Governance, Ethics and Professional Conduct

The Committee for Corporate Governance, Ethics and Professional Conduct is composed of three to five non-executive members, appointed by the Board of Directors.

During 2019, the Committee for Corporate Governance, Ethics and Professional Conduct was composed as follows:

Chairman: Lingjiang Xu (Non Independent)
 Members: José Manuel Alves Elias da Costa (Independent)
 Valter Rui Dias de Barros (Non- Independent)

Within an universe of three members that compose the Committee for Corporate Governance, Ethics and Professional Conduct, one member (33.33%) is qualified as independent.

All the members of the Committee for Corporate Governance, Ethics and Professional Conduct have professional qualifications acquired through academic qualification, professional experience or specialised training appropriate to the performance of their duties, as confirmed by the respective curricula attached to the present report.

Within the scope of its activities, the Committee for Corporate Governance, Ethics and Professional Conduct must take into consideration the long run interests of the shareholders, investors and of those interested in the institution and also the public interest and to prevent the decision-making of the management body from being overpowered by any person or small number of people jeopardizing the Bank's interests in general.

The competences of the Committee for Corporate Governance, Ethics and Professional Conduct include the following, in particular:

- recommend the adoption by the Board of Directors of policies, compliant with ethical and professional conduct principles, rules and procedures necessary to comply with the provisos of these Regulations and with the applicable legal, regulatory and statutory requirements, as well as with recommendations, standards and best domestic and international practices in corporate governance;
- supporting the Board of Directors in the evaluation of the systems that identify and solve conflicts of interests;
- issue opinions addressed to the Board of Directors on the Code of Conduct and on other documents defining business ethical principles;

- every time it deems necessary, submit to the Board of Directors a report on the evaluation and monitoring of the structure, ethical and professional conduct principles and corporate governance practices of the Bank and on the company's compliance with the legal, regulatory and supervisory requirements on these issues;
- cooperate in the making of the Corporate Governance Annual Report concerning issues for which it is responsible;
- issue an opinion on the Annual Sustainability Report, concerning issues for which it is responsible;
- every time it deems necessary, submit to the Board of Directors a proposal on the guidelines for the Company's policies, based on a culture identified with the ethical and professional conduct principles targeted at contributing for the pursuit of social responsibility and sustainability goals. Proposing, particularly, guidelines for the social responsibility and sustainability policies of the Company, including, among other, the values and principles for safeguarding the interests of the shareholders, investors and of those interested in the institution and also principles of social charity and environmental protection;
- perform any other competences or responsibilities delegated to the Committee for Corporate Governance, Ethics and Professional Conduct by the Board of Directors;
- decide on the Group Codes that are within its competence.

In the financial year of 2019, the Committee for Corporate Governance, Ethics and Professional Conduct adopted a unanimous resolution in writing and met two times and minutes of meetings were drawn from all the meetings. It received the logistic and technical support from the Company Secretary, with the secretarial services being administered by the Company Secretary.

Attendance of the Committee for Corporate Governance, Ethics and Professional Conduct meetings by each of its members is shown in the following table:

Members of the Committee for Corporate Governance, Ethics and Professional Conduct	Number of Meetings Attended	Effective Participation Index
Lingjiang Xu	2	100.00%
José Manue Alves Elias da Costa (*)	2	100.00%
Valter Rui Dias de Barros	2	100.00%

(*) Suspended functions due to health reasons, during December

The Regulations of the Committee for Corporate Governance, Ethics and Professional Conduct are available on the Bank's website, on the page with the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

28. Composition of the executive Board and/or details of the board delegate/s, where applicable.

The composition of the Bank's Executive Committee is as follows:

Chairman:	Miguel Maya Dias Pinheiro
Vice-Chairmen:	Miguel de Campos Pereira de Bragança João Nuno de Oliveira Jorge Palma
Members:	José Miguel Bensliman Schorcht da Silva Pessanha Maria José Henriques Barreto Matos de Campos Rui Manuel da Silva Teixeira

29. Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers

The competences of each of the specialised committees created within the Board of Directors are as follows:

Audit Committee - On this matter, see the information presented in item 21. - Audit Committee

Executive Committee - On this matter, see the information presented in item 21. - Executive Committee

Committee for Risk Assessment - On this matter, see the information presented in item 27. a).

Committee for Nominations and Remunerations - On this matter, see the information presented in items 24, 25 and 27 b).

Committee for Corporate Governance, Ethics and Professional Conduct - On this matter, see the information presented in item 27. c).

III. SUPERVISION

a) Composition

30. to 32. Identification, composition and qualification concerning the independence requirement of the body and supervision - the Audit Committee

See the information presented in items 10, 17, 18, 21. – Audit Committee and 26.

33. Professional qualifications, as applicable, of the members of the Board of Auditors, the Audit Committee, the Supervisory Board or the Financial Matters Committee and other curricula data deemed relevant, being allowed a remittance to an item of the report where that information is already disclosed

The professional qualifications and other curricular details of each member of the Audit Committee are presented in Annex I of this Corporate Governance Report.

These data are updated whenever justified and remain available at all times at the Bank's website at the page with the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

b) Functioning

34. Availability and place where the rules on the functioning of the Board of Auditors, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears

On this matter, see the information presented in item 21 - Audit Committee.

35. The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears

On this matter, see the information presented in item 21 - Audit Committee.

36. The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards throughout the financial year, and reference to the section of the report where such information already appears

On this matter, see the information presented in item 26.

d) Competence and duties

37. A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.

The Bank follows best practices in terms of assured independence in the contracting of services rendered by the external auditors, namely, in international terms, Commission Recommendation 2005/162/EC of 15 February 2005, Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014, amending Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 (8th EU Company Law Directive), on statutory audits of annual accounts and consolidated accounts, Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities. Finally, at national level, the commercial legislation, the recommendations and regulations of the Comissão do Mercado de Valores Mobiliários (CMVM), Law nr. 248/2015 of 9 September, which approved the Legal Framework for the Supervision of Audit, and the stipulations, as specifically applicable, in the Statute of the OROC (Portuguese Chartered Accountants Association) approved by Law 140/2015 of 7 September, which partially transposes to the internal legal system the aforesaid Directive 2014/56/EU and assures the implementation of Regulation (EU) 537/2014. The Bank's Articles of Association explicitly list, among the competences of the Audit Committee, that of supervising the independence of the Statutory Auditor and External Auditor, in particular with respect to the provision of additional services.

The Audit Committee, as the Group's supervisory body, has promoted the adoption of rules that assure the independence of the external auditors, and compliance with such rules is assessed and examined on an annual basis, in relation to the Group's various bodies and, at the same time, aimed at avoiding the possible creation of situations of conflicts of interest within the entity providing the Group's legal review of accounts or audit services, creating preventive mechanisms for the approval of additional services and fees.

The Audit Committee also has powers to supervise the engagement of external auditors to provide, to the Bank or to any of the companies that are part of Group Banco Comercial Português, any of the services envisaged in the internal regulations Group Regulations – GR0022 – Policy for the Approval of Services provided by External Auditors.

Through said Regulations that embody the principles presented in the national and international regulations, the Group endorses and systematises a series of rules regarding:

- the classification of the services rendered by the external auditors;
- the definition of the set of services that are not Audit, which the external auditor is not allowed to provide to any entity of the Group;
- definition of the set of services that are not related to Legal Review or Audit, which may be provided to the Group under specific stipulated circumstances;
- approval by the Audit Committee of all services engaged to be provided by the external auditor, creating different rules for the authorizations according to the type of services in question;
- provision to the Audit Committee of internal control information on the established principles and guidelines.

The Audit Committee issues an opinion on the work plans and on the resources allocated to the internal control services, including the control on the compliance with the rules the Company has to observe (compliance services and internal audit). The Audit Committee is the recipient of the reports made by these services, including matters related with the provision of accounts, identification and resolution of conflicts of interests and detection of potential irregularities.

In line with the guidelines ESMA/70/151/1439 de 05/04/2019, the Policy for the Prevention and Management of Conflicts of Interest (GR0038) is object of an annual review for confirmation of its adequacy to the respective legal and regulatory framework and purpose, without damaging an eventual further revisions when deemed justified.

The Audit Committee also continuously controls and monitors the effectiveness of the ICS (Internal Control System), of the RMS (Risk Management System), as regards the process of preparation and disclosure of financial information, and the Internal Audit function,

38. Other duties of the supervisory body and, where appropriate, the Financial Matters Committee

On this matter, see the information presented in item 21 – Audit Committee and preceding item 37.

IV. STATUTORY AUDITOR (including the Policy for the Selection and Evaluation of External Auditors and of the Statutory Auditor (ROC))

The Policy for the Selection and Evaluation of the External Auditors and of the Statutory Auditor is part of the internal service order no. 0209.

This one defines

- (i) The criteria and the process for the selection of the statutory auditor;
- (ii) The methods used by the company to communicate with the statutory auditor;
- (iii) The supervisory procedures designed to ensure the independence of the Statutory Auditor;
- (iv) Other than auditing services which can not be provided by the statutory auditor.

The selection of the Statutory Auditor is based on the criteria and requirements mentioned below which are taken into account by the Audit Committee in the evaluations it carries out, either within the scope of the selection of candidates to present to the General Meeting of Shareholders, or in the subsequent evaluations it makes, at least once a year.

Quality of the Service Provided

The Statutory Auditor must show that he/she has the sufficient knowledge, qualifications and experience to provide a high quality service, being, namely, relevant, the following criteria and requirements:

- the reputation of the statutory auditor, being considered the way he/she exercises the profession as well as the capacity to make objective decisions, weighted and assertive, adopting behaviours and enjoy public reputation able of giving confidence to the market;
- timely compliance with agreed calendars and deadlines;
- being proactive in the endeavour to, in a timely manner, get information related with business risks or other so as to identify and resolve any issues in due time, adjusting itself rapidly to alterations in risks, studying and presenting credible alternatives for debate ?
- provision of quality audit services, at a controlled cost and with reasonable fees regarding any additional services provided.

Resources allocated to the Audit

Regarding the resources allocated to the services provided by the Statutory Auditor to BCP, the following should be evaluated:

- the technical competence of the statutory auditor and respective team, as well as the capacity to apply his/her knowledge in order to provide a service of quality within the agreed scope, as well ensure a realistic, technically grounded and independent analysis;
- the adequacy of knowledge versus the size of the Bank, the business risks, the specific systems and operations inherent to the complexity of the activities pursued by the company.

Communication and Interaction

Concerning the communication and interaction between the bank and the statutory auditor, the first should evidence the capacity and concern in keeping the Ban adequately informed of the developments introduced in the accounting principles and frameworks and in the rules to be observed by the Bank and entities of the Group, including eventual relevant impacts on the activity pursued by the statutory auditor.

Independence, Objectivity and Professional Scepticism

The statutory auditor must be independent and, in the periodical evaluations it is subject to, are taken into consideration, namely, the following requirements:

- integrity and objectivity, as well as an attentive and interrogatory attitude;
- the absence of conflicts of interests;
- independence
- the experience to identify, communicate and adequately solve issues with a technical nature that may arise in the course of the works.

39. Identification of the statutory auditor and its representative partner statutory auditor

The current effective Statutory Auditor is Deloitte & Associados – SROC, S.A., registered in the OROC under no. 43 and in CMVM with no. 231 represented by its partner Paulo Alexandre de Sá Fernandes, ROC nr. 1456 and alternatively by Jorge Carlos Batalha Duarte Catulo, ROC n.º 992.

40. State the number of years that the statutory auditor consecutively carries out duties with the company and/or group

The company Deloitte & Associados SROC, S.A was elected for the first time on 21 April of 2016 and re-appointed for the two-year period 2019/2020; therefore it performs functions consecutively for 4 years and is currently in its second term-of-office.

41. Description of other services rendered by the statutory auditor to the company

On this matter, see the information presented in item 46.

V. EXTERNAL AUDITOR

The Policy for the Selection and Evaluation of External Auditors is detailed in the internal service order no. 0209 already duly approached in Chapter IV.

42. Identification of the external auditor appointed for the purposes of article 8 and its corresponding representative partner statutory in the performance of duties, together with the CMVM's registry number

The Bank's external auditor and the statutory auditor is Deloitte & Associados – Sociedade de Revisores Oficiais de Contas, S.A., registered in OROC under nr. 43 and registered in CMVM under nr. 2016/1389, represented permanently by its partner Paulo Alexandre de Sá Fernandes registered in OROC under nr. 1456 and in CMVM under nr. 2016/1066 and alternately by Jorge Carlos Batalha Duarte Catulo, registered in OROC under no. 992 and in CMVM under no.2016/0607.

43. Number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group.

The company Deloitte & Associados SROC, S.A was elected for the first time on 21 April of 2016 and re-appointed for the two-year period 2019/2020; therefore, it performs functions consecutively for 4 years and is currently in its second term-of-office.

44. Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties

The Bank complies with the rotation rules laid down in Article 17 of Regulation (EU) No. 537/2014 of the European Parliament and Council, of April 16, 2014 and Article 54 of Law No. 140/2015, of September 7 and, therefore, its External Auditor and the Statutory Auditor will not perform functions for more than three terms and the initial term of office combined with any renewal thereof shall not exceed the maximum duration of ten years.

45. Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out

The Audit Committee is, under the terms of the Bank's Articles of Association, the body responsible for assessing the quality of the services rendered by the external auditor and respective partner Statutory Auditor, under the terms referred to in item 21 - Audit Committee and in item 37.

This assessment highlights the professionalism of the auditors, transparency, ethics, quality control and good performance. The Audit Committee permanently monitors the activity of the external auditor and respective partner statutory auditor, in particular appraising in particular the conclusions of the audit to the financial statements, on an individual and consolidated basis, analysing the conclusions of the Desktop Review of the financial statements of the 1st and 3rd quarters and the Limited Review of the half-year interim financial statements. It holds meetings with them whenever necessary.

The Audit Committee annually assesses the quality of the services provided by external auditors, regarding the quality of the service provided as well as of their independence, objectivity and critical requirements demonstrated in the performance of their duties. The Bank officials who maintain relevant contact with the Auditors take part in this evaluation.

See the information presented in item 21; - Audit Committee

46. Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment. Apart from the Audit work, which includes legal review of accounts services and other reliability assurance services, the fees charged by KPMG include also the payment of the following services:

- Tax Advisory Services – tax advisory services to the Group in Portugal and abroad, in which the external auditor intervenes pursuant to a legal requirement;
- Services other than legal review of accounts, namely: (i) Reliability assurance services, (ii) Tax advisory services and (iii) Services other than legal review - provided within the scope of services other than legal review, which are permitted in accordance with the defined rules of independence and subject to monitoring by the Audit Committee.

With regard to the approval of the engagement of these services and indication of the reasons for their engagement, the bank maintains a very strict policy of independence in order to prevent any conflicts of interest in the use of the services of its external auditors. As auditor of the BCP Group Deloitte & Associados, SROC, S.A. (hereinafter referred to as "External Auditors") complies with the rules on independence defined by the Group, including those established by Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014, by Law 148/2015 of 9 September and by Law 140/2015, of 7 September (Statute of the OROC).

In order to safeguard the independence of the External Auditors, and the national and international good practices and standards, the Audit Committee approved a series of regulatory principles, as described below:

- The External Auditor and the companies or legal persons belonging to the same network ("Network") cannot render to the Bank or to the Group the services that may be considered forbidden under the terms of the Statute of the OROC. Although it is generally considered that the independence of External Auditor could be affected by the provision to the Group of services unrelated to legal review or audit, the Audit Committee identified a set of services that may be undertaken by the External Auditor without jeopardising its independence. These services are validated by the Group's Compliance Office and subject to approval or ratification, depending on the amount of the fees, of the Audit Committee;
- the provision of services which are not discriminated in the above mentioned number of services is object of specific approval by the Audit Committee prior to the signing of the contract in question.

On this matter, see the information presented in item 38.

47. Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (For the purposes of this information, the network concept results from the European Commission Recommendation No. C (2002) 1873 of 16 May)

The amount of the annual remuneration paid in 2019 by the Company and/or legal persons in controlling or group relations, to the external auditor (Deloitte) and other natural or legal persons belonging to the same network¹, detailed with their respective percentages, is shown in the following table:

REMUNERATION PAID TO DELOITTE BETWEEN 1 JANUARY AND 31 December 2019

1) Remuneration paid to Deloitte for services rendered - 1 January to 31 December 2019	Euros				%			
	Audit	Reliability Assurance Services	Tax Advisory	Other Services	Total	Audit	Reliability Assurance Services	Other Services
Companies in Portugal								
Banco Comercial Português, S.A.	2 284 000	932 000		121 950	3 337 950	68,4%	27,9%	3,7%
Banco de Invest. Imobiliário, S.A. (1)	30 000	38 000			68 000	44,1%		55,9%
Banco ActivoBank S.A.	30 000	22 500			52 500	57,1%		42,9%
Millennium BCP - Prestação Serviços, ACE	29 000				29 000	100,0%		
Millennium bcp Imobiliária, S.A.	21 000				21 000	100,0%		
Interfundos-Soc. Gestora de Organismos de Invest. Coletivo, S. A	16 000	9 750			25 750	62,1%		37,9%
BCP Capital Soc. Capital Risco	7 500	3 750			11 250	66,7%		33,3%
Servitrust - Trust and Management Services, S.A.	2 500				2 500	100,0%		
Millennium BCP Participações Financeiras, SGPS, Soc. Unipessoal	6 500				6 500	100,0%		
Imabida - Imobiliária da Arrábida, S.A.	7 000				7 000	100,0%		
BCP África, SGPS, Lda. (formerly BII Internacional, SGPS, Lda)	15 000				15 000	100,0%		
Irgossal - Urbanização e Construção, S.A.	3 500				3 500	100,0%		
Millennium bcp - Serviços de Comércio Electrónico, S.A.	2 500				2 500	100,0%		
Millennium bcp Foundation	12 000				12 000	100,0%		
Magellan 3	35 400				35 400	100,0%		
Total	2 501 900	1 006 000		121 950	3 629 850	68,9%	27,7%	3,4%

(1) by a public deed signed on December 27, 2009, Banco de Investimento Imobiliário, S.A. ("BII") was incorporated by merger into Banco Comercial Português S.A. ("BCP"), with a global transfer of the respective assets and consequent extinction of BII as of December 31.

(2) corporate name until 27/02/2020: Interfundos – Gestão de Fundos de Investimento Imobiliário, S.A.

2) Remuneration paid to Deloitte for services rendered - 1 January to 31 December 2019	Euros				%			
	Audit	Reliability Assurance Services	Tax Advisory	Other Services	Total	Audit	Reliability Assurance Services	Other Services
Companies Abroad								
Bank Millennium, S.A. (Poland)	592 923	154 548			747 471	79,3%		20,7%
Millennium BIM S.A. (Mozambique)	14 500	71 000		114 529	200 029	7,2%		35,5%
Banque Privée BCP (Suisse), S.A.	11 500	15 000			26 500	43,4%		56,6%
Millennium BCP Bank & Trust (Cayman Islands)	18 000	3 000			21 000	85,7%		14,3%
BCP Finance Bank, Ltd. (Cayman Islands)	10 500	1 500			12 000	87,5%		12,5%
BCP Finance Company (Cayman Islands)	7 500	1 500			9 000	83,3%		16,7%
BCP Investment, B.V. (Netherlands)	15 000				15 000	100,0%		
BCP International B.V. (Netherlands)	17 000				17 000	100,0%		
Magellan 2 (Ireland)				3 750	3 750			100,0%
Magellan 3 (Ireland)	18 500			3 750	22 250	83,1%		16,9%
Total	705 423	246 548		122 029	1 074 000	65,7%	23,0%	11,4%

SUMMARY OF THE REMUNERATION PAID TO DELOITTE IN PORTUGAL AND ABROAD BETWEEN 1 JANUARY AND 31 December 2019

	Portugal	%	Abroad	%	Total	%
Legal review of accounts	2 501 900		705 423		3 207 323	
Reliability assurance services	1 006 000		246 548		1 252 548	
1. Total for Audit Services	3 507 900	89,2%	951 971	88,64%	4 459 871	94,8%
Tax Advisory Services	0		0		0	
Services Other than Legal Review of Accounts	121 950		122 029		243 978	
2. Total for Other Services	121 950	10,8%	122 029	11%	243 978	5,2%
Total	3 629 850	100%	1 074 000	100%	4 703 849	100%

C. INTERNAL ORGANISATION

I. Articles of Association

48. The rules governing amendment to the company's articles of association

Article 24 of the Bank's Articles of Association establishes the requirement of a constitutive quorum, above the legal one, of over one third of the share capital for the General Meeting of Shareholders to be able to validly meet and resolve on first call.

¹ For purposes of this information, "network" shall mean article 2, paragraph p) of the Legal Framework for the Supervision of Audit, approved by Law nr. 148/2015, of 9 September.

Regarding the resolution quorum, the Articles of Association only diverge from the law with respect to resolutions on the merger, demerger and transformation of the Company, which require approval by three quarters of the votes cast, and dissolution of the Company where a majority corresponding to three quarters of the paid-up share capital is required.

The Bank and the shareholders that approved the articles of association in force consider that, since Banco Comercial Português is one of the companies with the largest free float in the Portuguese Stock Exchange, it is important to ensure that, in any circumstance and not only in the case specifically mentioned in the law, the shareholders, regardless of their respective representativeness, receive the guarantee that, on first call, the items submitted to the appraisal of the General Meeting can only be resolved on if the capital is minimally represented.

Also regarding the deliberative quorum, the Bank and the shareholders that approved the articles of association in force, that determined structuring issues such as the merger, demerger or transformation of the company should not, for the sake of the shareholding stability and transparency in the decision-making process, such not be adopted at first call without achieving a broad consensus among the shareholders.

II. Communication of Irregularities

49. Reporting means and policy on the reporting of irregularities in the company and prevention of conflicts of interest

The Bank upholds a culture of responsibility and compliance, preventing conflicts of interest and recognising the importance of an appropriate framework and processing of the communication of irregularities. For this purpose, BCP implements suitable means for receiving, treating and filing communications of irregularities allegedly committed by members of governing bodies and employees of the Bank and companies included in the BCP Group.

The policy of communication of irregularities is regulated in an internal service order OS0131 - Communication and reporting of irregularities and is available at the Bank's website:

http://ind.millenniumbcp.pt/pt/Institucional/governacao/Documents/Reg_Comunicacao_Irreg/

In accordance with the policy for the communication and reporting of irregularities of the bank, are considered irregularities the acts and omissions, intentional or negligent, related with the management, accounting organization and the internal supervision of the Bank, which are able of , seriously:

- Breach the law, regulations and other rules in force;
- Endanger the assets of clients, shareholders and of the Bank;
- Damage the BCP's reputation.

The Bank implements the appropriate means for the reception, handling and archive of the communications of irregularities allegedly committed by members of the corporate bodies or by employees of the companies part of Group Banco Comercial Português or any other person within the scope of the provision of services to any of the companies part of Group Banco Comercial Português.

For that purpose the Bank observes, on an ongoing basis, the principles and requirements set forth in article 116-AA of the Legal Framework for Credit Institution and Financial Companies, in article 305-F of the Securities Code and in section 13 of the guidelines issued by EBA, on internal governance (EBA/GL/2017/11) of 26 September 2017.

Hence and in accordance with the Regulations OS0131, those entitled to communicate irregularities are:

- the employees, agents, commissioners or any other person that renders services, either permanently or occasionally, to the Bank or to any entity of the Group, (ii) shareholders and (iii) any other person.
- the shareholders;
- any other individuals The Employees have the duty to report to the Audit Committee any irregularity occurred that they are aware of, in particular, those who manage people or exercise functions in the areas of the three defence lines of the bank, internal audit, risk management or compliance.

The irregularities can be reported by any means of written communication, addressed to: Comissão de Auditoria – Av.ª Prof. Dr. Cavaco Silva (TagusPark), Edifício 1, 2744-256 Porto Salvo, or to the e-mail address: comunicar.irregularidade@millenniumbcp.pt.

The Audit Committee is responsible for managing the communication of irregularities system and for assuring the confidentiality of the communications; this Committee receives support from its own Secretariat.

Once a communication is received, the Audit Committee shall undertake all efforts deemed necessary to assess if there are sufficient grounds to open an investigation and may establish a prior contact with the author of the communication, if known. If there are sufficient grounds, the Audit Committee will develop all necessary investigations to become totally aware of all facts and it may request the support of the Audit Division, Risk Office, the Compliance Office or any other divisions or areas of the Bank. Once the investigation is over, the Audit Committee shall make a report for the internal transmission of its conclusions so that the appropriate diligences may be adopted to correct the irregularity and sanction it, if need be. It must also report it to external entities whenever so is justified by the specific situation.

The communications received, as well as the reports thereto connected are mandatorily kept for a minimum period of five years in paper or in a durable format enabling their full and unaltered reproduction, pursuant to the provisions in article 120 of the Legal Framework for Credit Institutions and Financial Companies (LFCIFC).

The confidentiality of the communications will be ensured and the same cannot be used as grounds for any disciplinary, civil or criminal proceedings, or the adoption of discriminating practices forbidden by law.

During 2019, the inbox received 13 (thirteen) messages and a letter addressed to the Audit Committee but not all were included within the scope of participation of irregularities. However, they were all investigated and handled.

The Bank makes and presents to Banco de Portugal an annual report describing the specific, independent and autonomous means used to receive, investigate and file the participations of serious irregularities related with its administration, accounting organization and internal supervision and of serious signs of infractions of duties foreseen in the Legal Framework for Credit Institutions and Financial Companies and in the Regulations (EU) 575/2013, of 26 June.

The Bank also sets forth the principle of participation of irregularities in its Code of Conduct which is available on its website at:

<https://ind.millenniumbcp.pt/en/Institucional/governacao/>

The Bank's Code of Conduct establishes the fundamental principles and rules to be observed in the exercise of the activity developed by the entities that form Group Banco Comercial Português and the principles underlying the conduct, good practices and observance of the institutional values by the universe of people that form the Group.

In its Code of Conduct, the Bank aims at regulating a behaviour of excellence by the members of the corporate bodies, of employees and of the service providers of Group Banco Comercial Português, establishing therein behavioural rules targeted at the consolidation of a brand of reference and prestige that it intends to preserve and perfect.

The Bank and its employees guide their actions on principles of respect for people's rights, of preservation of social and environmental sustainability, and of culture and institutional values, committing themselves to behave in an upstanding and honest manner in all relations they establish among themselves, with customers, or any other person or entity with whom they relate.

This Code of Conduct enshrines the most important values and the behaviour standards and corporate responsibility to be observed by all the companies part of Group BCP and enumerates the preventive measures aimed at preventing discrimination and harassment in the workplace, better detailed in the specific document called Code of Conduct on Equality, Harassment and Non-Discrimination, in force.

Knowledge of the Code of Conduct by all its addressees is guaranteed by its regular reporting by the internal media, its permanent publication in a prominent place in the Bank's internal communication system via intranet, and by regular e-learning training for all its addressees.

The Bank's Audit Division, in its supervision of the Bank's operations, ensures the identification of irregular situations and issues recommendations for their correction.

The code of Conduct of Group BCP, states mandatorily that, the members of the management and supervisory bodies, as well as the employees, should avoid any situation that may give rise to conflicts of interest within the scope of their functions, so that they may act with full independence of mind, impartiality and exemption and that the members of the management and supervisory bodies cannot intervene in the appraisal and approval of operations, professional status of employees and procedures for the acquisition of goods and services in which there is a risk of conflicts of interest.

The Bank also disposes of a Group Code (GR0038) that defines the principles and the main processes adopted to identify and manage conflicts of interest that occur within the Group.

The Group Code above-mentioned implements in the Bank and in Group BCP, namely, the guidelines issued by the

European Banking Authority (EBA/GL/2017/11), on internal governance, identifies the control procedure to enable an efficient and prudent management of situations of conflict of interests at an institutional or personal level, including the segregation of functions, the information barriers and the specific process of transactions with the so called “related parties”, in order to simultaneously defend and protect the interests of all stakeholders and the interests of the Bank and of the Group.

The Group Code also formalizes the governance principles applicable within the scope of the provision of services and investment activities and ancillary services identified, respectively, in articles 290 and 291 of the Securities Code and formalizes the governance principles applicable internally, within the scope of the policy for the management of conflicts of interests.

The Compliance Office is responsible for the development of the approaches and methods that allow for the identification of real or potential conflicts of interest, in compliance with the Conflicts of Interest Policy. The Compliance Office, at least one a year, develops a global analysis to identify and assess the materiality of the situations of conflict of interests at an institutional levels and reports to the Executive Committee and to the Audit Committee the respective conclusions, identifying the measures required to correct the identified situations.

The Group Code on the prevention and management of conflicts of interests is available on the Bank’s website at:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/Pages/Politicass-de-Compliance.aspx>

In addition, the Regulations of the Board of Directors in its article 14 (4) determines, in the event that some of its members considers as being prevented from voting due any incompatibility or conflict of interests, that he/she has the duty to previously inform the Chairperson of that impediment and dictate for the minutes of meeting a statement regarding such situation.

III. Internal control and risk management

50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems.

The Group’s internal control is based upon a risk management system that identifies, evaluates, follows-up and controls the risks the Group is exposed to. The same is based on an information system and an efficient communication and on an effective monitoring process enabling to ensure the adequacy and efficiency of the internal control system.

Within that context, Banco Comercial Português, in accordance with the objectives defined in Notice 5/2008 of Banco de Portugal, ensured the creation of specific areas to manage compliance and internal audit risks - the Risk Office, the Compliance Office and the Audit Division.

The coordinating-managers of these Divisions are those responsible, at Group level, for the conformity of the functions of the internal control system, through which the objectives outlined in Banco de Portugal Notice 5/2008 are achieved, namely:

- respect for all the applicable legal or regulatory provisions;
- efficient performance of the activity;
- That there is financial and management information that is complete, material, reliable and updated.

The Executive Committee of the Board of Directors also created the Compliance and Operational Risks Commission The competences concerning the internal control system of this specialized commission are, among other,

- Monitoring the making of the Internal Control Report as well as the evolution and resolution of the deficiencies identified within the scope of the assessment on the functioning of the Internal Control System;
- analyse and decide on proposals for improving and alter the processes (reinforcement of the internal control environment).

The divisions that are part of the internal control system have the technical and human resources that match the Bank’s size and also the degree of complexity and significance of the risks inherent to the several business and business support activities.

These Divisions are dimensioned to operate within the scope of an extensive volume of regulation - both external and internal - arising from regulations aimed at demarcating the banking activity within the limits of prudence, safety and control set by regulators and by the Bank's management body. Thus, when allocating resources to the mentioned areas, the Bank adopts the principle of proportionality, matching the mobilised resources to the size and granularity of the risks and other constraints of its activities, for the sake of effectiveness, business sustainability and scrupulous compliance with the established rules.

The number of employees placed in each one of the 3 areas specifically involved, under analysis and whose functions are executed in accordance with the highest standards of independence, objectivity, impartiality, integrity and professional competence, reached, on 31/12/2019, to:

- Risk Office 56
- Compliance Office: 44
- Audit Division: 47

A) Risk Office

The main function of the Risk Office is to support the Executive Committee in the development and implementation of risk management and internal control processes, as described in greater detail in the chapter on Risk Management of the Management Report 2019.

The Risk Office is a paramount area of the second line of defence of the internal control system of Group BCP, assuming functions of supervision, making and implementing risk management policies and procedures, establishing, for example, limits to the assumption of risks and improving the respective appropriate execution and compliance.

The Head of the Risk Office is appointed by the Board of Directors after listening to the Committee for Nominations and Remunerations and obtaining a technical opinion from the Committee for Risk Assessment.

In the performance of its functions, the Risk Officer reports hierarchically to the Executive Committee and functionally to the Committee for Risk Assessment.

Within the scope of functional reporting, the Risk Officer regularly reports to the Executive Committee, to the Audit Committee and to the Board of Directors management information on the main risks faced by the Bank and by the Group.

The Risk Officer has direct access to the Chairpersons of the Board of Directors and of the Committee for Risk Assessment and Audit Committee.

The Committee for Risk Assessment issues an opinion of the annual work plan of the Risk Office, being also the recipient of the current status reports on the their making as well as on the evolution shown by the resources allocated to the risk management function.

Risk Officer: Luís Miguel Manso Correia dos Santos

B) Compliance Office

The main mission of the Compliance Office is to develop the implementation of internal and external ruling that rule the Group's activity and watch out for their respective compliance by all the institutions of the Group, as well as of the relevant contractual commitments and ethical values of the organization, ensuring the existence of an internal control culture in order to mitigate the risk of such institutions being sanctioned or imputed significant losses, in terms of both reputation and assets.

The Compliance Office, included in the Group's organizational structure, which is based on the so called "Model of 3 lines of defence", guarantees the execution of typical functions of the 2nd line of defence, including the compliance functions, as a function of conformity regarding the several specific risks, namely the legal risk (non-compliance with applicable laws and regulations) and operational risks.

To the Compliance Office pertains, in particular:

- exercising the functions attributed to it by the Portuguese law or by another source of law.
- exercising the functions attributed to it by the Bank's corporate bodies.

In the exercise of the above mentioned competences, the performance of the Compliance Office is based on a risk approach at the level of business, customers and transactions.

The Compliance Office informs the Chairperson of the Board of Directors is also informed, within the maximum period of two business days, of any failure reputed to be of high risk.

The regulations issued by the Compliance Office, within the scope of the competences attributed to it by law or other source of law, are mandatory, except if a decision to the contrary is made by the internal decision bodies competent for that purpose and through the written authorization from two Directors, being one of them the one responsible for the area involved. Are excluded from this scope, the regulations regarding the duties of abstention, refusal and communication foreseen in Law 83/2017, of 18 August, that cannot be reversed.

While exercising the respective functions and within its powers, the Compliance Office is empowered to suspend any and all transactions or processes it deems to be against the rules in effect.

The Compliance Office is responsible for communicating to the administration body of all situations of non-compliance detected in the exercise of its functions that may cause the institution to undertake an administrative offence or any other illicit action and incur in significant asset or reputation losses. It also makes and sends to the Board of Directors, at least every six months, a report identifying the situations of non-compliance that occurred and the recommendations and rulings issued to correct the identified compliance issues or deficiencies.

The Compliance Office shall actively intervene in the employee training policy, namely by providing training sessions on compliance to the entire Group, by maintaining a high level of intelligence on compliance-related matters, namely on anti-money laundering and counter terrorism financing - AML/CTF issues and by fostering a culture of internal control within the Group.

In order to guarantee the adequacy and independence of the compliance function, Banco Comercial Português, S.A.:

- Creates the Compliance function and provides it with the necessary and sufficient autonomy;
- Appoints, through its Board of Directors and, following a proposal made by the Executive Committee and after getting a favourable prior opinion from the Committee for Nominations and Remunerations, an individual responsible for the function, providing him/her with all the necessary powers for the performance of his/her functions in an independent manner, particularly regarding access to relevant information.

The Head of the Compliance Office (Compliance Officer):

- is appointed by the Board of Directors after getting the favourable opinion from the Committee for Nominations and Remunerations, reports to the Executive Committee, namely to the director responsible for the Compliance Office, reporting functionally to Audit Committee;
- is responsible for the compliance with the rules on the prevention of money laundering and terrorism financing and may appoint a specific individual in charge of a direct monitoring of the operations and transactions related with this theme (AML Officer), who reports directly to him/her;
- is also responsible for the follow-up and monitoring of the Compliance activities and policies at the Group's level;
- Does not have any responsibility whatsoever, functional or hierarchical, in the business areas;
- While performing his/her functions, the Compliance Officer sends to the management body (Executive Committee) and to the supervisory body (Audit Committee) every quarter, reports on his/her activity, describing the deficiencies identified and reporting of situations of non-compliance. With the same periodicity, he/she sends to the Chairperson of the Board of Directors and every six months to the Board of Directors, a report on the main compliance risks at the level of the Bank and of the Group.

The Audit Committee issues an opinion on the work plan carried out by the Compliance Office, and this Committee is also the recipient of a report on the works carried out by the compliance function, among which one may highlight those related with financial statements, conflicts of interests and detection of irregularities.

Compliance Officer: Pedro Manuel Francisco da Silva Dias

C) Audit Division

The Audit Division is responsible for the Internal Audit function of Banco Comercial Português. This Division carries out its mission by adopting principles of internal auditing which are internationally recognised and accepted, issuing recommendations based on the outcome of the assessments made, aimed at adding value to the organisation and improving the control and quality of the Bank's operations, contributing to the achievement of its strategic interests and ensuring that:

- the risks are duly identified and managed, and the implemented controls are correct and proportional to the risks;
- the system of assessment of the Bank's capital is adequate in relation to its level of exposure to risk;
- the operations are recorded correctly and the operational, financial and managerial information is rigorous, reliable and provided in due time;
- the safeguarding and security of the interests and assets of the Bank and Group or which were entrusted to them are duly ensured;
- the Employees perform their duties in conformity with the internal policies, rules and procedures and with the legislation and other applicable regulations;
- the resources are economically acquired, efficiently used and adequately protected;
- legal and regulatory matters of significant impact on the organisation are recognised, clearly understood and integrated in operative processes;
- the programmes, plans and objectives defined by the management are followed;
- the different governing bodies interact in an adequate and efficient manner.

The activity of the Audit Division contributes to the pursuit of the objectives defined in Banco de Portugal Notice 5/2008 for the internal control system of institutions covered by the Legal Framework for Credit Institutions and Financial Companies, ensuring the existence of:

- an adequate control environment;
- a solid risk management system;
- an efficient information and communication system;
- an effective monitoring process.

The Head of the Audit Division is appointed by the Board of Directors after getting the opinion from the Committee for Nominations and Remunerations and the technical opinion from the Audit Committee, reporting to the Chairperson of the Board of Directors and functionally to the Audit Committee.

The Strategic Plan and the Annual Activities Plan of the Audit Division as well as eventual alteration proposals are approved by the Audit Committee, after obtaining the approval from the Chairperson of the Board of Directors and the opinion from the Executive Committee.

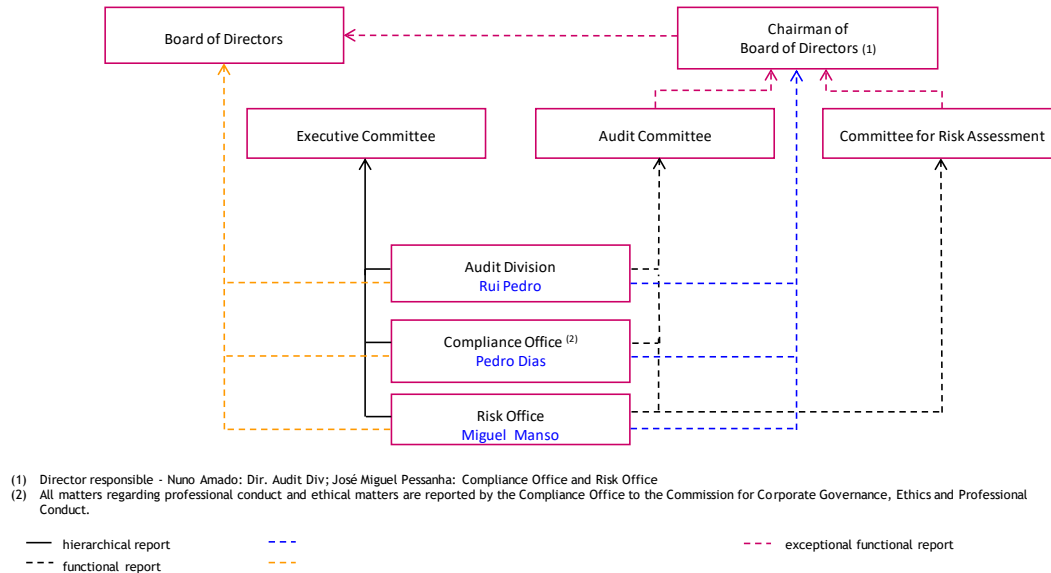
The Audit Committee presents regularly to the Executive Committee, the Board of Directors and to its Chairperson, reports on the monitoring of the activity developed, in accordance with the periodicity defined at each moment, with information on the execution of the Activities Plan, main deficiencies detected and respective recommendations and status of the recommendations not yet implemented.

In addition, the Audit Division informs the Chairperson of the Board of Directors, the Chairperson of the Audit Committee and the Chairperson of the Executive Committee on themes under their responsibility that present material relevance for the accomplishment of the mission of those bodies, namely on any high-risk deficiency identified.

Head: Rui Manuel Pereira Pedro.

51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company

Currently the hierarchical and/or functional dependence of the Audit Division, Compliance Office and Risk Office in relation to other corporate bodies or committees is presented in the table below:



52. Other functional areas responsible for risk control

Together with the control areas that compose the risks management system - the Risk Office and the Compliance Office (as defined in Chapter III of the Notice 5/2008 of Banco de Portugal) - and the area responsible for evaluating the adequacy and efficiency of the internal control system - the Audit Division (as per article 22 of Chapter V of that same Notice), there is an information and communication system which supports decision-making and control processes, both at an internal and external level, for which the Accounting and Consolidation Division and the Research, Planning and Assets and Liabilities Management Division are responsible, which ensures the existence of substantive, current, timely and reliable information, enabling an overall and encompassing view of the financial situation, development of activity, compliance with the defined strategy and objectives, identification of the institution's risk profile, and performance and prospects of evolution of the markets.

The financial information and management process is assisted by the accounting and management support systems which record, classify, associate and archive, in a timely, systematic, reliable, complete and consistent manner, all the operations carried out by the institution and its subsidiaries, in accordance with the determinations and policies issued by the Executive Committee.

Hence, the Risk Office, Compliance Office, Accounting and Consolidation Division, Research, Planning and Assets and Liabilities Management Division ensure the implementation of the procedures and means required to obtain all the relevant information for the information consolidation process at a Group level, both of accounting nature and relative to support to the management and risk monitoring and control, which should cover, namely:

- The definition of the contents and format of the information to be reported by the entities included in the consolidation perimeter, in accordance with the accounting policies and guidelines defined by the management body, as well as the dates when the reporting is required;
- the identification and control of the intra-Group operations;
- assurance that the managerial information is consistent between the different entities, so that it is possible to measure and monitor the evolution and profitability of each business, verify compliance with the objectives that have been established, as well as evaluate and control the risks incurred by each entity, both in absolute and relative terms.

Still within the scope of the risks control environment, one must mention the role performed by several specialized offices which are first line structures directly reporting to the administration:

- The Office for the Validation and Monitoring of Models, which is the structure responsible for the monitoring and validation of the internal models for the assessment of risks and metrics used by the Bank and, the mission of which is to ensure, in an independent manner, the quality and suitability of the risk management framework at the level of the internal models, metrics and completeness of the records thereto related;
- Regulatory and Supervisory Monitoring Office whose mission is to assist the Executive Committee in issues deriving from the evolution shown by the regulatory framework and the practice of supervision and promote the coordination and / or participation, in articulation with other Divisions of the Bank, in transversal projects and / or with external entities, promoting the dissemination of knowledge and the involvement of the competent areas of the Bank, in order to achieve a specialized follow-up of the information and of interactions established with authorities, definition of a positioning and compliance with information duties towards supervisory and regulatory entities;
- The Personal Data Protection Office, whose head is the Data Protection Officer of the Bank who has the mission of controlling the conformity of policies and procedures of the Bank with the ones from the Legal Framework of Data Protection and other data protection requirements from the EU or from EU Member-States, including awareness and training of employees involved in personal data processing operations.

Regarding credit risk, the Credit Division also performs risk assessment and control duties pursuant to its main competences:

- appraise and issue opinions or decisions on credit proposals submitted by the Bank's business areas, as well as credit restructuring proposals submitted by the Bank's recovery areas, pursuant to the competences defined in internal regulations;
- monitor and follow-up of the loan portfolio of Customers managed in the commercial areas, anticipating possible situations of default and promoting restructuring solutions whenever necessary and applicable;
- start up and/or participate in Bank-wide projects aimed at the improvement of credit and operating risk in the underlying internal processes/procedures, including opinions on products or services with credit risk;
- develop, monitor, adjust or implement algorithms and automatic procedures to support the credit decision, detection of fraud, prevention of default, efficiency in collection and recovery.

In addition there is also the Rating Division, which participates in the control of risks associated to loans, where its primary responsibility is the attribution of risk levels to Companies which are Bank Customers, assuring that they are appropriately assessed on an ongoing basis. In order to assure the sound pursuit of this responsibility, specialised competences in the assessment of particular segments were developed within the Rating Division, namely *Small, Mid e Large Corporate*, Real Estate promotion, *Project Finance*, State-owned companies and Funds. At the same time, the Rating Division systematically analyses the evolution of risk levels in order to assess the adequacy of the rating models used and identify matters for their fine-tuning.

53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity

On this issue, see the information provided in the Annual Report 2019, in the chapter on Risk Management.

54. Description of the procedure for identification, assessment, monitoring, control and risk management

On this issue, see the information provided in the Annual Report 2019, in the chapter on Risk Management.

55. Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information

In the context of the Internal Control System and, more specifically, of the Risk Management System, the Board of Directors acquires adequate knowledge of the types of risks to which the institution is exposed and of the processes used to identify, assess, monitor and control these risks, as well as the legal obligations and duties to which the institution is subject, being responsible for ensuring that the Bank has effective internal control systems and promotes the development and maintenance of an appropriate and effective risk management system.

Hence, the administration body of Banco Comercial Português, namely through its Executive Committee (and respective specialised commissions), Audit Committee and Committee for Risk Assessment:

- defines and reviews the overall and specific objectives with respect to risk profile or level of tolerance to risk and relative to the decision levels of the functional areas where these decisions are applicable;
- approves policies and procedures which are specific, effective and adequate for the identification, assessment, monitoring and control of the risks to which the institution is exposed, ensuring their implementation and compliance;
- verifies the compliance with the risk tolerance levels and risk management policies and procedures, assessing their efficacy and continuous adequacy to the institution's activity, so as to enable the detection and correction of any failures;
- ensures that the risk management activities have sufficient independence, status and visibility and are subject to periodic reviews;
- issues opinions on the reports prepared by the Risk Management and Compliance areas, namely, on the recommendations for the adoption of corrective measures;
- ensures the effective implementation of its guidelines and recommendations so as to introduce corrections and/or improvements in the Risk Management System.

The management body is also responsible for ensuring the implementation and maintenance of information and reporting processes which are suitable to the institution's activity and risks, for defining the accounting policies to be adopted, for establishing the guidelines and for defining the decisions which, in the context of such policies, must be taken, in order to ensure the reliability of the financial reporting.

Therefore, and at a more operational level, it is responsible for approving the reporting or external disclosure outputs produced for this effect.

Regarding the Internal Control Report stipulated in Banco de Portugal's Notice 5/2008, in CMVM's Regulation 3/2008, and in article 245-A (1) (m) of the Securities Code, the responsibilities of the Board of Directors, through its Audit Committee - and of the Statutory Auditor are:

- on an individual basis: issue of a detailed opinion substantiated by an autonomous report of an external auditor different from the financial auditor, contracted for the purpose on an annual basis, on the efficacy/ adequacy of the Internal Control System, and issue of an opinion by the statutory auditor on the process of preparation and disclosure of individual financial information (Financial Reporting);
- on a consolidated basis: issue of an opinion by the Group's parent company, substantiated by an autonomous report of an external auditor different from the financial auditor, contracted for the purpose on an annual basis, on the efficacy/adequacy of the Control System, which should include a reflection on the coherence of the internal control systems of the branches/subsidiaries, including those abroad and off-shore establishments, where this opinion may be based on the respective opinions prepared for the effect by the supervisory bodies of each branch/subsidiary, and issue of an opinion by the statutory auditor on the process of preparation and disclosure of consolidated financial information (Financial Reporting).

IV. Investor Support

56. Department responsible for investor assistance, composition, functions, the information made available by said department and contact details.

The Board of Directors of the bank is responsible, namely, for ensuring the implementation and maintenance of information and reporting processes which are suitable to the institution's activity and risks, for defining the accounting policies to be adopted, for establishing the guidelines and for defining the decisions which, in the context of such policies, must be taken, in order to ensure the reliability of the financial reporting. Therefore, and at a more operational level, it is responsible for approving the reporting or external disclosure outputs produced for this effect.

Through the Investor Relations Division, the Bank establishes permanent dialogue with the financial world – Shareholders, Investors, Analysts and Rating Agencies, as well as with the financial markets in general and respective regulatory entities.

a) Composition of the Investor Relations Division

The Investor Relations Division is composed of a head and a staff of three employees who share the Division's tasks in order to ensure the best service in market relations.

b) Duties of the Investor Relations Division

The main duties of the Investor Relations Division are:

- promoting comprehensive, rigorous, transparent, efficient and available relations with investors and analysts, as well as with the financial markets in general and respective regulatory entities, namely with respect to the disclosure of privileged information and mandatory information, including the coordination and preparation of the Bank's report and accounts;
- monitoring the update of the evolution of the shareholder structure;
- representation of the Bank in conferences and other types of events targeting investors of debt or shares;
- collaboration with the commercial areas in the provision of institutional information and disclosure of the Group's activity;
- management of the relations established with Rating Agencies, including the preparation and sending of relevant information on a regular basis or related to important events.

c) Type of information provided by the Investor Relations Division

During 2019, as in previous years, the Bank pursued broad activity related to communication with the market, adopting the recommendations of the CMVM (Portuguese stock market regulator) and the best international practices in terms of financial and institutional communication.

For purposes of compliance with the legal and regulatory obligations in terms of reporting, the Bank discloses quarterly information on the Bank's results and activity, holding press conferences and conference calls with Analysts and Investors involving the participation of members of the Board of Directors.

It also provides the Annual Report, Interim Half-year and Quarterly Reports, and publishes all the relevant and mandatory information through CMVM's information disclosure system.

In 2019 the Bank made more than 230 communications to the market, of which 40 regarding privileged information, participated in several events and attended 13 conferences and 8 *roadshows* in Europe and USA, where it presented institutional papers and held one-to-one meetings with investors and meetings with more than 300 investors, figures that reveal the interest of investors in the Bank.

In order to deepen its relations with its shareholder base, the Bank maintained a telephone line to support shareholders, free of charge and available from 09:00 to 19:00 on business days.

The relationship with the Rating Agencies consisted in the holding, in 2019, of the following meetings:

- With S&P (1 March), with the DBRS (14 March), with Fitch Ratings (23 September) and with Moody's (17 October);
- 12 conference calls with the above mentioned agencies that attribute rating to BCP, to debate the earnings disclosed every three months by BCP;
- 6 meetings with a commercial nature with each one of the rating agencies and also with other two that intended to commence covering BCP (Dagong and Scope Ratings);
- 2 conference calls to debate the proposal for revising the methods used to attribute ratings to banks by Fitch Ratings;
- Conference calls related with the issue of rating letters to the Bank's debt issues held in 2019 (issues of Additional Tier 1 and Debt Tier 2);
- Revision of the a Credit Opinions, Press Releases and Rating Reports issued by the Rating Agencies throughout the year.

All the information of relevant institutional nature disclosed to the public is available on the Bank's website, in Portuguese and English, on the page with the following address:

<https://ind.millenniumbcp.pt/pt/Institucional/investidores/Pages/Inv.aspx>

c) Investor Relations Division contact information

Phone: + 351 21 113 10 84

Fax: + 351 21 113 69 82

Address: Av. Prof. Doutor Cavaco Silva, Edifício 1 Piso 0B, 2740-256 Porto Salvo, Portugal

e-mail: investors@millenniumbcp.pt

The company's website: www.millenniumbcp.pt

57. Market Liaison Officer

The Bank's representative for market relations is Bernardo Roquette de Aragão de Portugal Collaço.

58. Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years

During 2019, the Bank received, essentially via e-mail and telephone, a variety of requests for information from shareholders and investors. These requests were all handled and replied to, mostly within two business days. By the end of 2019, there were no outstanding requests for information relative to previous years.

V. Website

59. Address(es)

The Bank's website address is as follows: www.millenniumbcp.pt

60. Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available

The above information is available on the Bank's website, on the page with the following address:

<http://www.millenniumbcp.pt/Institucional/governacao/>

61. Place where the articles of association and regulations on the functioning of the boards and/or committees are available

The Bank's Articles of Association and the regulations of the governing bodies and specialised committees of the Board of Directors are available on the Bank's website at the following address:

<http://www.millenniumbcp.pt/Institucional/governacao/>

62. Place where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective functions and contact details

The information on the identity of the members of the governing bodies is available on the Bank's website, on the page with the following address:

<http://www.millenniumbcp.pt/Institucional/governacao/>

The information on the identity of the representative for market relations, the Investor Relations Division, respective duties and contact details are available on the Bank's website, on the page with the following address:

<https://ind.millenniumbcp.pt/en/Institucional/investidores/Pages/Inv.aspx>

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements

The information on the financial statements relative to each financial year, semester and quarter of the last ten years (pursuant to article 245.1 of the Securities Code) is available on the Bank's website, on the page with the following address:

<https://ind.millenniumbcp.pt/en/Institucional/investidores/>

The calendar of corporate events is published at the end of every year, relative to the following year, and covers the planned dates of the General Meeting and presentation of quarterly results (to the press, analysts and investors). The publication is available on the Bank's website, on the page with the following address:

<https://ind.millenniumbcp.pt/en/Institucional/investidores/>

64. Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed

Whenever a General Meeting is convoked and on the date of the respective call notice, it is created in the website (www.millenniumbcp.pt), a temporary page to support the General Meeting of Shareholders containing all the preparatory information and supporting information for the General Meeting, together with an inbox - pmag@millenniumbcp.pt, to receive the shareholder's correspondence, namely a letter stating the intention to participate in the meeting and proxy letters.

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available

The historical records, including the call notice, the share capital represented, the proposals submitted and results of the voting, relative to the last ten years are available on the Bank's website, on the page with the following address:

<http://www.millenniumbcp.pt//Institucional/Governação/AssembleiasGerais/>

The Bank also discloses in the above mentioned address and keeps it for 10 years, the historical records with the deliberations taken at the company's general meetings, the share capital represented and the results of the voting.

D. REMUNERATIONS

I. Competence for determination

66. Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company

The Remuneration and Welfare Board (CRP), pursuant to sub paragraphs a) and b) of article 14 of the Bank's Articles of Association and under the competence delegated, for the four-year period of 2018/2021, by the General Meeting, is the competent body to determine the remuneration of the governing bodies, including the members of the Executive Committee and the terms of the supplementary pensions due to retirement, old age or invalidity of executive directors.

The Remuneration and Welfare Board, together with the Committee for Nominations and Remunerations is also competent to submit, to the Bank's General Meeting, a statement on the remuneration policy for the Bank's governing bodies.

The Remunerations and Welfare Board is also competent to analyse the regulations for the execution of the remuneration policy of the members of the corporate bodies which is sent, every year, by the Committee for Nominations and Remunerations and to execute a regular monitoring the evolution of the compliance with the Regulation of the Policy for the Remuneration of the members of the corporate bodies, informing the Board of Directors of its conclusions.

The Board of Directors, pursuant to article 7 (2.1.r) of its Regulations and as established in article 115-C (5) of the RGICSF, has exclusive competence to approve and review the Bank's remuneration policies and practices. In this duty, it is assisted by the Committee for Nominations and Remunerations which formulates and issues informed and independent judgements on the remuneration policy and practices and on the incentives created for purposes of risk, capital and liquidity management.

Addressed to the Remuneration and Welfare Board (RWB) and the Committee for Nominations and Remunerations (CNR), KPMG conducted an independent and specific audit, carried out in abidance by the International Standard on Related Services and by Art. 8 (4) of the Commission Delegated Regulation (EU) No 153/2013 of 19 December 2012, on the remunerations that, during 2019, were paid to members of the different governing bodies and Coordinating Managers that report directly to the Board of Directors and to the Executive Committee.

In the Factual Conclusions Report issued pursuant to the validation of the remunerations established and received in 2019 by the holders of Bank's corporate offices and Coordinating Managers, KPMG concluded that the data reported to the RWB, CNR and Audit Committee was accurate and compliant and suited to the resolutions adopted by the corporate bodies with powers to do so.

II. Remuneration and Welfare Board

67. Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.

The remunerations commission, mentioned by article 399 of the Companies Code is elected by the General Meeting, adopts the denomination of Remunerations and Welfare Board being composed by three to five members.

Within the scope of its activities, the Remunerations and Welfare Board must take into consideration the long run interests of the shareholders, investors and of those interested in the institution and also the public interest and to prevent the decision-making of the management body from being overpowered by any person or small number of people jeopardizing the Bank's interests in general.

The Remuneration and Welfare Board was elected at the General Meeting of Shareholders held on 30 May 2018, with the exception of Mr. Nuno Almeida Alves who was elected on 22 May 2019, to exercise functions in the four--year period 2018/2021. Currently, the Remuneration and Welfare Board has the following composition:

Chairman: Jorge Manuel Baptista Magalhães Correia

Members: Ana Paula Alcobia Gray

Nuno Maria Pestana de Almeida Alves

During the 2019 financial year, the Remunerations and Welfare Board adopted three unanimous resolutions in writing and met four times, having been written up and approved minutes of meetings and had the logistic and technical support of the Company Secretary Office. The Company Secretary acted as the Committee's secretary.

Attendance of the Remuneration and Welfare Board meetings by each of its members is shown in the following table:

Members of the Remuneration and Welfare Board	Number of Meetings Attended	Effective Participation Index
Jorge Manuel Baptista Magalhães Correia	4	100.00%
Ana Paula Alcobia Gray	4	100.00%
Nuno Maria Pestana de Almeida Alves(*)	1	100.00%

(*) The member of the Remuneration and Welfare Board was elected on 22 May 2019

The Regulations of the Remuneration and Welfare Board are available on the Bank's website at:

https://ind.millenniumbcp.pt/pt/Institucional/governacao/Documents/Regimento_CRP_BCP.pdf

Traditionally, the members of the Remunerations and Welfare Board and the members of the Committee for Nominations and Remunerations attend the General Meetings of Shareholders held by the Bank. At the Annual General Meeting, held on May 22, 2019 all members of the Remuneration and Welfare Board and the members of the Committee for Nominations and Remunerations attended the meeting.

All the members of the Remuneration and Welfare Board exercising functions are independent regarding the executive members of the administration body., The Remunerations and Welfare Board aiming at developing its competences in line with best international practices on remuneration issues, being able, in accordance with its Regulations, to use all the technical means it deems appropriate, including the use of external advisers, paid by the Bank, contracted Mercer Portugal, an independent company and a leading worldwide company in human resources, for the provision of specialised technical advisory services, identifying a number of guidelines for the definition of the remunerations policy for the members of the corporate bodies and of material risk takers, observing the guidelines disclosed by the national and international supervisors, namely EBA.

As neither this consultant nor any of its senior staff have privileged relations with the Board of Directors, it is deemed that its engagement for the provision of the service, with the broad scope referred to in the preceding paragraph, can in no manner affect the independence of this consultant in relation to the Bank or its Board of Directors.

At the above-mentioned Annual General Meeting, an annual remuneration of 50,000 Euros was established for the Member, Nuno Maria Pestana de Almeida Alves, and 30,416.69 Euros were paid in 2019.

68. Knowledge and experience in remuneration policy issues by members of the Remuneration Committee

The members of the Remunerations and Welfare Board exercise for several years, top positions in banking and financial companies or large listed companies, a fact that gives them professional experience, knowledge and the adequate profile in what concerns the remunerations policy, as may be seen in the respective curricula, see Annex II.

III. Structure of remunerations

69. Description of the remuneration policy for the management and supervisory bodies

The Remuneration and Welfare Board, after hearing the Committee for Nominations and Remunerations, submitted to the General Meeting of 22 May 2019, with a binding character, the Remuneration Model of the Board of Directors, including the Executive Committee, which was approved by 99.39% of the votes cast, being the meeting attended by shareholders or their representatives holding 64.58% of the share capital. The most relevant aspects are transcribed below:

“1. Basic Principles

The Remuneration Policy of the Members of Management and Supervision Bodies (MMSB) of Banco Comercial Português S.A. is based on a set of principles aiming to ensure:

- a governance model in line with best practices;
- a competitive fixed remuneration enabling to attract and retain competent professionals and a variable remuneration intended to stimulate individual and collective performance, as well as reward the results achieved;
- the attribution of benefits, namely in what concerns the retirement complement, aligned with best market practices;
- the alignment of the interests of all stakeholders, namely regarding the sustainability of the short, medium and long run earnings and a prudent management of risk, through deferment mechanisms, reduction and reversion of the variable remuneration;
- the compliance with regulations and applicable guidelines in terms of procedures and remuneration policy.

Hence, and in compliance with the law and the Articles of Association of Banco Comercial Português, S.A., it pertains to the Committee for Nominations and Remunerations (CNR) and to the Remunerations and Welfare Board (RWB) the definition the guidelines of the remuneration policy of the MMSB, submitting them to the General Meeting of Shareholders and, once approved by the latter, make the regulations for the establishment and execution of the above mentioned remuneration.

BCP resorted to an external independent entity so as to assess the competitiveness, against the domestic and international market, of the fixed and variable component of the remuneration, as well as of the benefits currently attributed to the MMSB.

The Remuneration Policy of the MMSB of BCP takes the following into consideration:

2. Establishment of the Remuneration

2.1. Non-Executive Directors:

The remuneration of the non-executive members of the Board of Directors is composed by a fixed annual remuneration divided into 12 monthly payments.

2.2. Executive Directors:

The remuneration of the Executive Directors of BCP includes a fixed and a variable component.

2.2.1. Fixed Component:

The fixed remuneration intends to adequately remunerate the function performed considering factors such as its nature and complexity, the required competences and the sustainability of the group's performance.

The fixed component represents an amount that is sufficiently high to ensure an appropriate balance between the fixed and variable components of the total remuneration.

The annual fixed remuneration results from the payment of 14 monthly wages.

2.2.2. Variable Component

The short and long term variable remuneration is aligned with the strategy defined for the Bank and with the Bank's objectives, values and long term interests.

The attribution of a variable remuneration is dependent on the sustainable growth of the Bank's income as well as on the market conditions and on the possible risks that may affect the business.

At least 40% of the variable remuneration is deferred throughout a minimum period of 3 years.

The variable remuneration also foresees reduction (malus) and reversion (clawback) mechanisms in order to be able to comply with the legal and regulatory requirements and also observe the recommendations and guidelines issued by the competent entities. The ability to totally or partially reduce (malus) the payment of a deferred remuneration, the payment of which is not yet an acquired right, as well as to, partially or totally retain the payment of a variable remuneration, the payment of which is an acquired right, (claw-back), is limited to extremely significant events, duly identified and wherein the individuals involved had a direct participation.

The application of the claw-back mechanism must be supplementary to the reduction (malus) mechanism, i.e. in case of occurrence of an extremely significant event, the application of the reduction mechanism (malus) shall be a priority and only when the latter is deemed used up and insufficient should one consider using the reversion mechanism (claw-back).

The addition of the portions of the variable remuneration of the several directors cannot exceed 2% of the consolidated earnings of the Group, nor 200% of the respective fixed remuneration. When the intention is that the variable remuneration exceeds 100% of the fixed remuneration of each director, the RWB must, in compliance with the applicable legislation, submit to the General Meeting of Shareholders a proposal along those lines.

The attribution of a variable remuneration is based on the different degrees of fulfilment of the previously defined quantitative and qualitative objectives, which are associated to objective, simple, transparent and measurable performance indicators. For that purpose, shall be taken into consideration indicators related with the creation of value for the shareholders, solvency and profitability, capital requirements, efficiency and liquidity.

The evaluation is carried out within an annual and multi-year framework, ensuring that the short and long term performance is taken into consideration, wherever possible coinciding with the duration of the terms-of-office of the Board of Directors.

The attribution of the variable remuneration is associated with the performance. Therefore, its value may vary from zero, if the degree of accomplishment of the goals is under the defined threshold, and a maximum that cannot exceed twice the fixed component of the remuneration. For that purpose, a maximum level of achievement is defined, from which the variable remuneration will not increase (cap).

The variable remuneration should be composed by a portion in cash and a portion in shares or equivalent instruments issued by BCP.

The payment of the variable remuneration will also observe the deferment rules and the reduction (malus) or reversion (claw-back) mentioned above.

The variable remuneration, regardless of having already been paid and whether acquired rights have already been established, or not, is subject to reduction or reversion mechanisms whenever it is proven that the Executive Director participated in or was responsible for an action that resulted into significant losses for the Bank or ceased to comply with the adequacy and good repute criteria.

No guaranteed variable remuneration shall be granted, except when hiring a new Executive Director and only in the first year of activity and it will only be granted if the institution has a solid and strong capital base.

The variable component is subdivided into two components, one annual (Annual Variable Remuneration - AVR) and a long-term one (Long-Term Variable Remuneration - LTVR).

a) Annual Variable Remuneration (AVR)

The annual variable remuneration of each Executive Director should be paid 50% in cash and 50% in shares or equivalent instruments issued by BCP, after the approval of the financial statements of the year it concerns and taking into account the degree of compliance with the objectives defined for that purpose.

The payment of that remuneration is also conditioned to a set of conditions related with the Bank's sustained performance.

b) Long-Term Variable Remuneration (LTVR)

The long term variable remuneration of each Executive Director is attributable depending on the degree of fulfilment of the Bank's long-term economic and financial objectives, defined for that purpose.

The LTVR applies to the period of the term-of-office, beginning on 1 January 2018, and the consequent payment is made in shares or equivalent instruments issued by BCP.

3. Other benefits

The directors are entitled to a health insurance and, when applicable, to a credit card and mobile phone, as applicable to all other employees of the Bank.

The executive directors, as well as the non-executive directors exercising functions under an exclusive regime, are entitled to a complement due for retirement, old age and disability and the Bank may enter into insurance contracts in favour of such directors.

4. Final Provisions

4.1 Insurances

The Directors must subscribe to a director bond in abidance by article 396 of the Companies Code.

In addition, the Bank subscribes to a Directors & Officers insurance policy following market practices.

The Directors or the Bank are not allowed to use risk hedging mechanisms or similar mechanisms, on their behalf, as provided in article 115-E (15) of the Legal Framework for Credit Institutions and Financial Companies.

4.2 Remuneration earned due to the performance of other functions related with BCP

Considering that the remuneration of the executive directors, as well as the one of the non-executive directors exercising functions under an exclusive regime is intended to directly compensate the activities they carry out directly at the Bank or in related companies (namely companies in a control or group relation with BCP) or in corporate bodies to which they have been appointed by indication or in representation of the Bank, the net value of the remunerations received annually for such duties by each Member of the Executive Committee will be deducted from their respective Annual Fixed Remuneration.

It is the obligation and responsibility of each director to inform the Bank of any additional compensation he/she may have received, for the purposes of complying with the procedure established above.

70. Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking

On this issue, see item 69.

71. Reference, where applicable, to there being a variable remuneration component and information on any potential impact of the performance appraisal on this component

The variable component of the remuneration is associated with the performance. Therefore, its total value may vary from zero, if the degree of accomplishment of the goals is under the defined threshold, and a maximum that can exceed twice the fixed component of the annual remuneration. For that purpose, a maximum level of achievement is defined, from which the variable remuneration will not increase (cap).

The calculation of the AVR amount is based on the results of the performance evaluation throughout the AVR evaluation period and stems from the sum of two autonomous and independent components:

- 80% of the amount is based on the evaluation of the level of compliance with the quantitative objectives (corporate KPIs);
- 20% of the amount is based on the evaluation of performance of each director regarding the qualitative objectives.

Hence, the rule established in the Regulations for the Execution of the Remuneration Policy of the members of Management and Supervision Bodies, is that no guaranteed variable remuneration shall be granted, except when hiring a new executive director and only in the first year of activity and it will only be granted if, pursuant to an opinion from the Audit Committee and the Committee for Risk Assessment, the institution has a solid and strong capital base.

In accordance with the Bank's articles of association, the establishment of the remuneration shall be made for each director individually, taking into account, notably, the medium and long-term interests of the Bank and the aim of not encouraging excessive risk-taking. The Articles of Association also set forth that the addition of the variable remuneration components of the several directors must abide by the legal limits, cannot exceed 200% of the respective fixed remuneration or 2% of the Group's consolidated earnings, and the respective attribution and establishment must observe the applicable rules, namely those regarding deferment, balance between cash and other instruments, reversion (clawback) and reduction (malus) mechanisms.

The evaluation is carried out within an annual and multi-year framework, ensuring that the short and long term performance is taken into consideration, wherever possible coinciding with the duration of the terms-of-office of the Board of Directors.

The qualitative evaluation of the Chairperson of the Executive Committee (CEO) will pertain to the Committee for Nominations and Remunerations, after listening to the Chairperson and to the non-executive Vice-Chairpersons of the Board of Directors. The qualitative evaluation of the remaining members of the Executive Committee pertains to the Committee for Nominations and Remunerations, pursuant to a proposal made by the CEO, after listening to the Chairperson and the non-executive Vice-Chairpersons of the Board of Directors.

The variable remuneration, both annual and long-term, may not be attributed under exceptional conditions, namely if, after an opinion from the Audit Committee and from the Committee for Risk Assessment, it is found that there is not a strong base of own funds or if its attribution could unduly limit the Company's ability to strengthen it.

Thus, in accordance with provisions of the Regulations for the Execution of the Remuneration Policy of the members of Management and Supervision Bodies, the variable remuneration, regardless of acquired rights have already been established, or not, is subject to reduction or reversion mechanisms whenever it is proven that the Executive Director, with malicious intent or gross negligence, participated or was responsible for a performance resulting in significant losses for the Company or ceased to comply with the adequacy and good repute criteria. The ability to totally or partially reduce (malus) the payment of a deferred remuneration, the payment of which is not yet an acquired right, as well as to, partially or totally retain the payment of a variable remuneration, the payment of which is an acquired right, (claw-back), is limited to extremely significant events, duly identified and wherein the individuals involved had a direct participation.

The application of the claw-back mechanism must be supplementary to the reduction mechanism, i.e. in case of occurrence of an extremely significant event, the application of the reduction mechanism (malus) shall be a priority and only when the latter is deemed used up and insufficient should one consider using the reversion mechanism (claw-back).

The occurrence of the situations described in this article is supervised by the Committee for Nominations and Remunerations and the application of those mechanisms shall only be made after listening to the Remunerations and Welfare Board and the Chairperson of the Board of Directors.

The attribution of the variable remuneration is subject to the positive performance of own funds under a prudential perspective and may not be considered, pursuant to a joint and grounded decision made by the Remunerations and Welfare Board and the Committee for Nominations and Remunerations, extraordinary operations that, for their size and/or impact, affect the capital.

72. The deferred payment of the remuneration's variable component and specify the relevant deferral period.

In accordance with the Regulations for the Execution of the Remuneration Policy of the members of Management and Supervision Bodies applicable to the financial year to which this report relates to, was deferred in 50% throughout a three-year period and paid a third each year, being the payment made 50% in cash and 50% in company shares, in the deferred portion and in the non-deferred portion.

The number of shares of the Company to attribute to each executive director results from the the quotient between the value of the annual variable remuneration, net of taxes and contributions, estimated after the assessment of the performance and the price of attribution of the shares of the Company estimated regarding each evaluation period.

The non-deferred component of the annual variable remuneration was paid in June, the month following the date of approval of the Earnings by General Meeting of Shareholders.

If the member of the Executive Committee leaves office, for any reason other than removal with just cause, after the end of the evaluation period but before the payment of the annual variable remuneration, the annual variable remuneration will be paid in full, corresponding to that evaluation period, in compliance with the deferment periods and composition (cash or shares).

Likewise, the payment of the annual variable remuneration corresponding to the evaluation period during which the termination of functions of the member of the Executive Committee occurs, shall not be due, except in situations of termination of functions by agreement, retirement, death, disability or any other cause for the cessation of the term of office due to a cause not imputable to the Executive Director, namely the alteration of the control of the Company, among other, following a takeover bid or other fact outside the Executive's Director will, in which case the Remuneration and Welfare Board may resolve on a *pro rata temporis* attribution.

The Bank shall not bear any additional expenses with the retirement and disability pensions after the termination of each director's functions.

73. The criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value

The variable remuneration, both annual and long-term, may not be attributed under exceptional conditions, namely if, after an opinion from the Audit Committee and from the Committee for Risk Assessment, it is found that there is not a strong base of own funds or if its attribution could unduly limit the Company's ability to strengthen it.

The attribution of the variable remuneration is subject to the positive performance of own funds under a prudential perspective and may not be considered, pursuant to a joint and grounded decision made by the Remunerations and Welfare Board and the Committee for Nominations and Remunerations, extraordinary operations that, for their size and/or impact, affect the capital.

No guaranteed variable remuneration shall be granted, except when hiring a new executive director and only in the first year of activity and it will only be granted if, pursuant to an opinion from the Audit Committee and the Committee for Risk Assessment, the institution has a solid and strong capital base. Until his date, no guaranteed variable remuneration was attributed to executive directors.

The shares of the Company attributed as annual variable remuneration are subject to a retention policy for a period of one year commencing on the date the annual variable remuneration is paid; therefore, the executive director will not be able to sell them, except for the provisos of the following numbers, during the 12 months following their delivery.

The executive director may sell or encumber the shares equivalent to the totality of taxes and contributions to pay due to the attribution of the shares.

If the Executive Director is not elected for a new term of office, the unavailability regime will cease to be in effect and the totality of the shares may be sold or encumbered as of the date of termination of his/her term of office.

Only for purposes of estimating the attributable variable remuneration, the amounts corresponding to the pension supplementary regimes are not considered annual fixed remuneration.

The variable component of the remuneration is associated with the performance. Therefore, its total value may vary from zero, if the degree of accomplishment of the goals is under the defined threshold, and a maximum that can exceed twice the annual fixed remuneration.

The variable remuneration will be paid 50% in cash and 50% in BCP shares, not only in the deferred portion but also in the non-deferred portion in what concerns the annual variable remuneration.

Each beneficiary cannot, in any case whatsoever, receive a variable remuneration that, after the number of share is converted (evaluated at the average closing price of the Company during the two months prior to being made available) reach a total exceeding 200% the respective annual fixed remuneration, either in an year when there is only annual variable remuneration or in years when there are annual variable remuneration and long-term remuneration.

When the variable remuneration, estimated in accordance with the previous number, exceeds the component of the value of the annual fixed remuneration, the same will have to be approved by the General Meeting of Shareholders, following a joint proposal from the Remunerations and Welfare Board and the Committee for Nominations and Remunerations.

As provided for in Article 115-E (15) of the Legal Framework for Credit Institutions and Financial Companies, the Executive Directors or the Company, on their behalf, are not allowed to use risk hedging mechanisms or similar mechanisms.

74. The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price

During the financial year to which this report relates to, the Bank did not attribute a variable remuneration on options to the executive members of the Board of Directors.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits

On this issue, see item 76.

76. Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis

The arrangement for retirement due to old age or invalidity of members of the Executive Committee is defined in article 17 of the Articles of Association, transcribed below, and in the document approved at the General Meeting held on 30 May 2018.

- “1. The directors shall benefit from the social security regime applicable in each case.
2. The directors are also entitled to a supplement to the retirement or disability pensions and the Bank may enter into insurance contracts in favour of such directors.
3. At the beginning of each term of office and by agreement with each director, the insurance policy may be replaced by contributions to a pension fund of defined contributions.
4. The amount of the contributions of the Bank, within the scope of the two previous paragraphs, shall be established on a yearly basis by the Remuneration and Welfare Board.
5. The Bank shall not bear any additional expenses with the retirement and disability pensions after the termination of each director’s functions.
6. The right to the supplement shall only become effective if the beneficiary retires due to old age or disability, under the terms of the social security regime applicable to him/her.
7. At the time of the retirement, the beneficiary may choose to redeem the capital.
8. In case of death before retirement, the right to receive the accrued capital shall remain effective pursuant to the applicable provisions established by the contract or by law.”

No additional benefit is foreseen for directors in the event of early retirement.

The retirement supplements paid the the 2019 financial year are described in the following table:

Chairman and Executive Members of the Board of Directors	Position	Retirement Supplement (€)	Income tax withheld from Retirement Supplement (€)	Amount transferred to the Pension Fund (€)
Nuno Manuel da Silva Amado	Chairman of the Board of Directors	83,950.00	38,026.00	45,924.00
Miguel Maya Dias Pinheiro	Vice-Chairman of the BofD and Chairman of the FC	129,999.96	58,620.00	71,379.96
Miguel de Campos Pereira de Bragança	Vice-Chairman of the Executive Committee	103,999.98	45,124.00	58,875.98
João Nuno de Oliveira Jorge Palma	Vice-Chairman of the Executive Committee	103,999.98	46,172.00	57,827.98
Rui Manuel da Silva Teixeira	Member of the Executive Committee	91,000.00	41,218.00	49,782.00
José Miguel Bensliman Schorchht da Silva Pessanha	Member of the Executive Committee	91,000.00	41,218.00	49,782.00
Maria José Henriques Barreto Matos de Campos	Member of the Executive Committee	90,997.34	36,142.00	54,855.34
Total		694,947.26	306,520.00	388,427.26

The Retirement Regulations of the Executive Dorectors is available on the Bank’s website at:

<https://ind.millenniumbcp.pt/pt/Institucional/governacao/>

IV. Disclosure of remunerations

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same

In the financial year of 2019, the amount of the fixed remuneration paid as a whole and individually to members of the company's board of directors (executive and non-executive) is shown in the following table:

A - Annual Fixed Remuneration

	Position	Annual Fixed Remuneration			Income tax withheld (€)	Note:
		A	B	A + B		
Non-Executive Members of the Board of Directors		Paid Directly by BCP (€)	Paid Through Other Companies ^(a) (€)	Remuneration of the Corporate Bodies set BCP (€)		
Nuno Manuel da Silva Amado	Chairman of the Board of Directors	660,712.19	29,287.81	690,000.00	299,301.00	
Jorge Manuel Baptista Magalhães Correia	Vice-Chairman of the Board of Directors	110,000.04	0.00	110,000.04	43,440.00	
Ana Paula Alcobia Gray	Member of the Board of Directors	125,000.04	0.00	125,000.04	44,124.00	
José Manuel Alves Elias da Costa	Member of the Board of Directors	132,916.63	0.00	132,916.63	46,915.00	Suspended functions during the month of December
Julia Gu	Member of the Board of Directors	33,333.32	0.00	33,333.32	8,332.00	No longer receiving remunerations, at her request, as of May
Lingjiang Xu	Member of the Board of Directors	125,000.04	25,659.88 ^(b)	150,659.92	50,616.00	
Teófilo César Ferreira da Fonseca	Member of the Board of Directors	155,000.04	0.00	155,000.04	63,696.00	
	Sub-total	1,341,962.30	54,947.69	1,396,909.99	556,424.00	
Members of the Audit Committee						
Cidália Maria Mota Lopes	Chairwoman of the Audit Committee	168,083.37	0.00	168,083.37	66,497.00	Started being remunerated for the position of Chairwoman of the Audit Committee, as of May 22, 2019
Fernando da Costa Lima	Member of the Audit Committee	8,680.55	0.00	8,680.55	3,428.00	Remunerated only in the month of December, the month in which he took office.
Valter Rui Dias de Barros	Member of the Audit Committee	135,000.00	0.00	135,000.00	33,744.00	
Wan Sin Long	Member of the Audit Committee	150,000.00	0.00	150,000.00	37,498.00	Change in remuneration due to the cumulative performance of functions in the Audit and Risk Assessment Committees, as from January 2019.
	Sub-total	461,763.92	0.00	461,763.92	141,167.00	
Members of the Executive Committee						
Miguel Maya Dias Pinheiro	Vice-Chairman of the BofD and Chairman of the EC	625,383.09	24,616.89	649,999.98	327,564.00	
Miguel de Campos Pereira de Bragança	Vice-Chairman of the Executive Committee	480,410.89	39,589.15	520,000.04	248,170.00	
João Nuno de Oliveira Jorge Palma	Vice-Chairman of the Executive Committee	520,000.04	0.00	520,000.04	271,454.00	
Rui Manuel da Silva Teixeira	Member of the Executive Committee	454,228.86	771.14	455,000.00	242,326.00	
José Miguel Bensliman Schorcht da Silva Pessanha	Member of the Executive Committee	426,410.89	28,589.11	455,000.00	229,719.00	
Maria José Henriques Barreto Matos de Campos	Member of the Executive Committee	454,986.69	0.00	454,986.69	195,901.00	
	Sub-total	2,961,420.46	93,566.29	3,054,986.75	1,515,134.00	
	Total values of BCP's Corporate Bodies	4,765,146.68	148,513.98	4,913,660.66	2,212,725.00	

^(a) - the amounts indicated are net amounts, as provided for in the Regulations for the Execution of the Remuneration Policy of the members of Management and Supervision Bodies.

^(b) - this amount was not deducted from the remuneration paid at BCP, as provided for in the Regulations for the Execution of the Remuneration Policy of the members of Management and Supervision Bodies.

In the 2019 financial year, the amount of variable remuneration attributed to the executive members of the Board of Directors (executive Committee) of the Bank is shown in the following table:

B – Annual Variable Remuneration

Executive Members of the Board of Directors (Executive Committee)	Position	Annual Variable Remuneration (AVR)					
		Non-deferred AVR			Deferred AVR		
		Payment made in Cash (€)	No. Shares ^(a) made available (quant.)	Payment made in Shares ^(b) (€)	Income Tax withheld from AVR (Cash + Shares) (€)	Payment to be made in the next 3 years in Cash (€)	No. Shares ^(a) to be made available in the next 3 years (quant.)
Miguel Maya Dias Pinheiro	Vice-Chairman of the BofD and Chairman of the EC	56,553.00	219,709.00	44,359.25	45,511.00	56,553.00	219,708.00
Miguel de Campos Pereira de Bragança	Vice-Chairman of the Executive Committee	51,217.75	198,981.00	40,174.26	39,663.00	51,217.75	198,981.00
João Nuno de Oliveira Jorge Palma	Vice-Chairman of the Executive Committee	51,217.75	198,981.00	40,174.26	40,577.00	51,217.75	198,981.00
Rui Manuel da Silva Teixeira	Member of the Executive Committee	45,227.00	175,707.00	35,475.24	36,557.00	45,227.00	175,707.00
José Miguel Bensliman Schorch da Silva Pessanha	Member of the Executive Committee	45,227.00	175,707.00	35,475.24	36,557.00	45,227.00	175,707.00
Maria José Henriques Barreto Matos de Campos	Member of the Executive Committee	18,844.50	73,210.00	14,781.10	15,164.00	18,844.50	73,212.00
	Total	268,287.00	1,042,295.00	210,439.36	214,029.00	268,287.00	1,042,296.00

^(a) - average closing price of BCP shares from November 1, 2017 to December 31, 2017: € 0.2574.

^(b) - closing price of BCP shares on October 23, 2009: € 0.2019.

78. Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control.

Considering the provisions in the remuneration policy for members of the Board of Directors transcribed above in item 69, which establish that the net value of the remunerations earned annually by each Executive Director, on account of duties performed in companies or governing bodies to which they have been appointed through indication or in representation of the Bank, shall be deducted from the values of the respective annual fixed remuneration, see the table above of item 77-A which quantifies these deductions.

79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.

During the financial year to which this Report refers, no remuneration in the form of profit-sharing and/or bonuses was paid.

80. Compensation paid or owed to former executive directors concerning contract termination during the financial year.

During the financial year to which this Report refers, no indemnity was paid or owed to former directors relative to their termination of office during the year.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of 19 June

See the table of item 77. A - Annual Fixed Remuneration

82. Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting

In defining the remuneration of the elected members of the Board of the General Meeting, the Remuneration and Welfare Board took into consideration, for the term of office that began in May 2017, the amounts paid for this position by the major listed companies based in Portugal and similar in size to BCP, having established the annual remuneration of the Chairperson of the Board of the General Meeting at 42,000 Euros and the one of the Vice-Chairperson at 27,600 Euros.

V. Agreements with remunerative implications

83. The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component.

This issue is ruled by the provisos of article 403 (5) of the Companies Code, herein transcribed: "If a dismissal is not grounded on a fair cause, the director will be entitled to a compensation for damages, in accordance with the agreement established with him/her or as generally permitted by law. That compensation cannot exceed the amount of remunerations he/she would presumably receive until the end of the period of time for which he/she was elected."

Apart from those herein mentioned, no contractual conditions or limitations have been established for compensation payable for dismissal without fair cause.

On these issues, see items 71 and 72.

84. Reference to the existence and description, with indication of the amounts involved, of agreements between the company and members of the management board and directors, in observance of number 3 of article 248-B of the Securities Code, which establish compensation in the case of resignation, dismissal without fair grounds or termination of the work relation following a change in the control of the company (article 245-A/1/I)

There are no agreements between the Company and members of the management board, directors, pursuant to number 3 of article 248-B of the Securities Code, or any other employee who reports directly to the management which establish indemnities in the event of resignation, dismissal without fair cause or termination of employment relations following a change in the control of the company, exception made those determined by the general applicable law.

VI. Plans for the attribution of shares or stock options

85. Details of the plan and the number of persons included therein

Regarding the issues addressed in items 85 to 88, currently there are no plans with these features; hence, this chapter VI is not applicable to the Bank.

86. to 88. Not applicable

E. TRANSACTIONS WITH RELATED PARTIES

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties

The members of the governing bodies as well as the holders of qualifying stakes and entities related to them are identified and marked with special alerts in the Bank's computer records.

The internal rules on granting credit foresees specific procedures for the progression of the proposals regarding these entities, in particular, their approval by the Board of Directors and the issue of a prior opinion of the Audit Committee pursuant to an opinion issued by the Compliance Office relative to the compliance of the proposed transactions with the internal rules, legal and regulatory provisions, and all other applicable conditions.

Proposals relative to this particular group are submitted to the Audit Committee by the Executive Committee, which, in turn, receives the proposals from the Credit Commission.

This commission's functions are to assess and decide on credit granting to Customers of Banco Comercial Português, in accordance with the competences established by an internal regulation ("Credit Granting, Monitoring and Recovery"). Moreover, this commission also issues advisory opinions on credit proposals from Group subsidiary companies abroad.

The Credit Commission is composed of the totality of the members of the Executive Committee and may function with a minimum of three directors and one of them should be responsible for the proponent area. Apart from these, the Risk Officer, the Compliance Officer, the Company's Secretary, the Heads of the proponent areas, the 'Level 3' managers, the subsidiary entities' Credit Commission members (whenever there are proposals originated in those entities) and the Heads of commercial areas are also part of the Credit Commission. The Heads of the following Divisions are also members of this commission: Credit; Specialised Monitoring; Legal Advisory and Litigation; Investment Banking; Real Estate Business; Rating; Specialised Recovery and Retail Recovery.

The Director responsible for Risk, the Risk Officer, the Compliance Officer and the Head of Internal Audit are not entitled to vote but have the right to veto.

The Board of Directors, in accordance with its competences, conferred to it by its Regulations, reserved for itself the necessary and sufficient powers for the following acts:

- approve, after obtaining a prior opinion from the Audit Committee, the agreements established between the Bank and holders of stakes above 2% of the Bank's share capital or entities that are in a controlling or group relationship with them or members of the management and supervision body, directly or through third parties, provided that any one of the following conditions applies: (i) the object of the agreement is not encompassed in the Bank's business; (ii) the material engagement limit for assets and services exceeds the total amount of €100,000/year per group of suppliers part of the same economic group or client group, for the same type of assets and services; (iii) no special advantage is given to the party to the agreement in question;
- approve, after obtaining a prior opinion from the Audit Committee, credit operations, regardless of their form, to: (i) members of the corporate bodies (ii) shareholders with stakes over 2% of the Bank's share capital, computed under the terms of art. 20 of the Securities Code, and to (iii) natural or legal persons related to either of them.

In what regards credit transactions, the Service Order OS0016 sets forth that the Bank is not allowed to grant loans, directly or indirectly, in any form or of any kind (including acting as guarantor) to the members of its management and supervision bodies or to companies or legal persons directly or indirectly controlled by them.

In accordance with the above-mentioned Service Order, the granting of any type of credit (including the provision of guarantees) to:

- entities wherein the members of the Bank's management and supervision bodies are managers or have a qualifying holding that does not ensure a controlling position, directly or indirectly;
- shareholders holding 2% or more of the Bank's share capital and to related entities;

Is subject to the following special procedures:

- approval by a majority of at least two thirds of the members of the Board of Directors and the Members related to the entities involved in the loan application are not allowed to vote;
- the documentation on these loan applications to be sent by the Credit Division to the Executive Committee for appraisal and afterwards being sent to the Board of Directors must include an opinion issued by the Bank's Audit Division verifying compliance with the applicable internal regulations, legal and statutory provisos and all other conditions applicable to them;
- the documentation regarding each loan application to be sent to the Board of Directors for final appraisal must include a prior favourable opinion issued by the Audit Committee.

The operations involving related parties are approved at a meeting of the Board of Directors by a majority of, at least, two thirds of the members.

All the members of the Audit Committee are part of the Board of Directors and, as such, participate at the meeting and in the adoption of the resolution. Therefore, this Committee takes cognizance in loco of the decision made by the Board of Directors, not being justified, for being redundant, any other communication to the Audit Committee.

When an operation with a related party is being debated, the Chairwoman of the Audit Committee, qualified as independent member of the Board of Directors, or in her absence a member appointed for that purpose, informs the Board with detail on the contents of the prior opinion of the Audit Committee.

Lastly and also in accordance with the provisions of the Regulations of the Board of Directors, the members of the Board of Directors and of the supervisory bodies cannot take part in the analysis and in the decision-making process of credit granting operations to companies mentioned in the previous paragraph of which they are managers or wherein they hold stakes and any of these situation requires the approval by, at least, a majority of two thirds of the remaining members of the administration body and a favourable opinion from the Audit Committee.

90. Details of transactions that were subject to control in the referred year.

In 2019, were subject to control by the Compliance Office and the Audit Committee of the Board of Directors 16 opinions on credit operations and three on contracting of products or services relative to members of the management and supervisory bodies and shareholders with stakes greater than 2% of the Banks' share capital and entities related to them, of a total value of approximately 3,976 million Euros. The indicated amount includes extensions and reviews of limits.

91. A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.

Any business to be conducted between the Company and owners of qualifying holdings or entities which are in any relationship with them, are the object of appraisal and exclusive deliberation by the Board of Directors, supported by analyses and technical opinions issued by the Audit Committee, which in turn take into account approvals given by the Credit Division, in the case of credit operations, or by the Procurement Division and/or other areas involved in the contract, in the case of contracts for the supply of products and services. All the operations, regardless of their respective amount, and according to item 10 above, require a prior opinion issued by the Compliance Office in relation to the legal and regulatory compliance of the proposed operations.

II. Elements relative to business

92. Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data

On this issue, see the information provided in the Annual Report for 2019, in appraisal 51 of the Notes to the Consolidated Financial Statements.

Part II

Evaluation of the Compliance with the Recommendations and sub-recommendations from the Corporate Governance Code from IPCG.

The Bank assesses the compliance and justifies the non-compliance with the recommendations and sub-recommendations of the Corporate Governance Code from IPCG in the following table: