

Order Execution Policy

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The aim of this document is to define the Order Execution Policy adopted by Banco Finantia, S.A (hereinafter Banco Finantia), and the internal directives and procedures related with its correct application, in order to comply with the requirements established in domestic legislation and in the Directive on Markets in Financial Instruments (hereinafter MiFID II).

The Order Execution Policy identifies the reasonable measures adopted by Banco Finantia, to obtain the best execution of its clients' orders, taking into account the factors of price, costs, speed, likelihood of execution and settlement, size, nature of the transaction and any other consideration relevant to the execution of the order.

These measures are applied whether the service is provided directly by Banco Finantia or by a third-party entity used by the Bank.

1 Scope of Application

1.1 Clients

This policy applies to clients, classified as professional investors and non-professional investors, for whom Banco Finantia provides financial intermediation services.

The best execution obligation does not apply to orders received from clients classified as eligible counterparties.

1.2 Instruments

This policy applies to the execution of orders relating to financial instruments covered by MiFID II, namely securities, money-market instruments, investment fund units, options, futures, swaps and other derivatives contracts.

Depending on the type of instrument, Banco Finantia may execute the client's order directly (order execution service), when it has direct access to the market, or may use a third-party entity (order receipt and transmission service) to execute the order, when direct access to the market where the instrument is traded is not possible.

Currently, Banco Finantia executes clients' orders in line with the table below:

Financial Instrument	Order Execution	Order Receipt and Transmission
Listed instrument	X *	✓
Unlisted variable income instruments	✓	✓
Unlisted fixed income instruments	✓	✓
Investment funds	X	✓

* Unless the instruments are traded off-market

1.3 Financial Services

This policy applies to instruments traded by the Bank as part of the provision of the following services:

- > Order Execution Service;
- > Order Receipt and Transmission Service;
- > Non-Independent Investment Advisory Service;
- > Placing of Financial Instruments.

1.4 Exclusions

This policy is not applicable to the following cases:

- > Transactions executed after a quote has been communicated by Banco Finantia to the client, either at the client's request or on an ongoing basis, in respect of a particular financial instrument and the client has decided to trade the financial instrument on the basis of that price; and
- > The Bank acts on its own behalf for its portfolio.

2 Order Execution Factors

For the purposes of the Order Execution Policy, Banco Finantia has adopted the following order execution criteria:

- > **Price** – consideration will always be given to the markets on which the instrument is being traded and where the best possible price can be obtained for the client;
- > **Costs** – all costs inherent to the operation and venue of execution and any additional costs that may arise from auxiliary services are taken into account, with a view to obtaining the lowest cost for the client;
- > **Speed** – time and capacity to execute the transaction quickly and efficiently, regardless of the size of the order;
- > **Likelihood of execution and/or settlement** – analysis of the liquidity of the security taking into account the law of supply and demand and the different venues where the instrument is traded;
- > **Size of the order** – the size of supply and demand for a specific financial instrument in the available execution venues, which will determine the market depth/liquidity at those venues and the price at which trading can take place, establishing the likelihood of execution of the client's order;

- > **Nature of the order** – type of order given by the client (order at best market price, limit order, etc.);
- > Any other consideration relevant to the execution of the order, such as the reputation of the intermediary or the quality of the trading structures.

The importance of each of the above-mentioned criteria is determined according to the characteristics:

- > Of the client, including their classification as a professional or non-professional client;
- > Of the order;
- > Of the financial instruments;
- > Of the organised trading facility or financial intermediary to which the order can be directed.

When Banco Finantia executes an order on behalf of a non-professional client, the best possible result will be determined in terms of the total consideration, representing the price of the financial instrument and the costs related to its execution, which include all the expenses the client will incur which are directly related to the execution of the order, including execution venue fees, clearing and settlement fees and any other fees paid to third parties involved in the execution of the order.

However, in certain circumstances, Banco Finantia may decide to give precedence to another criterion or combination of criteria to determine the best execution.

By way of example, in some markets price volatility may mean that the likelihood and/or speed of execution is a priority, while in markets with low liquidity the execution itself may constitute the best execution. In other situations, the choice of trading venue may be limited, considering the nature of the order, and there may even be only one trading venue for the execution of orders.

Whenever there is more than one execution venue, competing for the execution of an order on a financial instrument, Banco Finantia will take into account, for the purposes of best execution, the costs of executing the order at each of the eligible execution venues.

3 Specific Instructions for Order Execution

If a client gives specific instructions relating to an order or a particular aspect of an order, Banco Finantia will execute the order in accordance with the client's specific instructions. If those instructions relate to only part of the order, the policy will apply to the remaining part. **We draw your attention to the fact that specific client instructions may mean it is not possible to apply this policy and, consequently, the measures to obtain the best possible result in the execution of the order.**

4 Trading (organised trading facilities and financial intermediaries)

For the purposes of executing clients' orders, Banco Finantia uses the following organised trading facilities or financial intermediaries, since it considers that they consistently provide the best execution:

- > Regulated Markets;
- > Multi-lateral Trading Facilities (MTF);
- > Organised Trading Facilities (OTF)
- > Systematic Internalisers;
- > Market Makers;
- > Banco Finantia acting as a counterparty (own portfolio or market maker positions);
- > Other liquidity providers.

Accordingly, the Bank may execute orders outside of a regulated market, MTF or OTF, and act as a counterparty of the client, whenever it is qualified to do so. The client may refuse this type of execution, but that option may limit the best execution possibilities. Banco Finantia may also transmit its clients' orders to other financial intermediaries for execution.

5 Selection of Financial Intermediaries

Banco Finantia uses third parties to execute its clients' orders in relation to instruments that are traded in markets to which it does not have direct access, since it is not registered with them. The following criteria are applied when selecting the intermediary to which Banco Finantia will transmit the client's order:

> Order Execution Policy

The Bank only considers financial intermediaries that have their own Order Execution Policy that complies with the applicable domestic legislation and the MiFID II requirements;

> Access to Execution Venues

The Bank only considers financial intermediaries that have access to the markets or execution venues considered relevant for executing the order of each client and taking into account the type of instrument and order.

> Best Execution

The Bank only accepts financial intermediaries that are capable of guaranteeing that they will systematically and consistently obtain the best possible execution, at the relevant execution venues, for the orders of Banco Finantia's clients.

Banco Finantia currently uses the following financial intermediaries to execute its clients' orders:

- > Banco Finantia Spain, S.A.
- > Banco Carregosa, S.A.
- > Millennium BCP, S.A.

In no event does Banco Finantia receive any benefit or remuneration from execution platforms or from third parties to which it transmits orders.

6 Receipt of Orders

Orders will be valid if transmitted to Banco Finantia by one of the following means:

- a In writing, signed by the client or their representative;
- b By email to: privatebanking@finantia.com;
- c By telephone to the following numbers: 217202020, 217202028 or 217202048;
- d By any other means expressly agreed between the Bank and the client.

In written orders, the client must state their name, the date and time of the request, the financial instrument to be purchased or sold, and any other specific instructions that they wish to be followed.

Orders given by phone are recorded, and the client must state their name, the financial instrument they wish to purchase or sell, and any other specific instructions that they wish to be followed. Banco Finantia reserves the right to require the client to confirm orders transmitted by telephone, by means of a written document signed by them, and execution of those orders is suspended until the aforementioned written confirmation has been properly received.

Orders are registered when they are received and are executed in sequence and quickly. Banco Finantia keeps a file of all orders and their execution, which allows all transactions to be traced and reconstructed for the purposes of proving that this policy has been complied with.

Without prejudice to the applicable legislation, Banco Finantia agrees to act with due diligence so that orders are correctly transmitted and executed as quickly as possible, unless, due to technical, operational or legal constraints, it is only possible to perform that operation later. In such cases, Banco Finantia will not be liable for any differences between the amount the client intended to hand over or receive based on the order transmitted and the amount actually handed over or received following a time lapse between the client transmitting the order to Banco Finantia and the actual time it was executed.

Banco Finantia is not liable for any damage or loss, arising from the use of means of communication or any other means used, which results in the non-receipt or interrupted, defective, partial, duplicated, or falsified receipt, or the sending to an incorrect address (physical or electronic) or person, of information or other items, whether these are sent by the client, or by a third party indicated by the client, unless there is fault on the part of Banco Finantia or its employees.

Orders will be received and registered within Banco Finantia's working hours and days, i.e., business days from 9.00 a.m. to 5.00 p.m. in Portugal (Lisbon). Non-business days are Saturdays, Sundays and Public Holidays. Orders received after 5.00 p.m. or outside the timetable of the trading platform where the financial instrument is traded are registered as being received on the business day immediately following.

7 Order Execution

As a rule, orders relating to financial instruments admitted to trading on regulated markets, MTF or OTF, and provided they are effectively traded there, are executed on those trading platforms.

Orders relating to shares admitted to trading on regulated markets, MTF or OTF that are effectively traded there, are, as a rule, executed on those trading platforms. Banco Finantia is not a direct member of any regulated markets, and these orders are therefore transmitted for execution to other financial intermediaries. As a rule, orders relating to shares listed in international regulated markets are sent to Banco Finantia Spain, S.A. (a subsidiary of Banco Finantia) to that the latter may execute them (directly or indirectly) on the respective market. Shares listed on the domestic market (Euronext Lisboa) are sent to Banco Carregosa, S.A. to be executed on the aforementioned stock exchange.

Orders relating to subscriptions or redemptions of investment funds are sent to Banco Millennium BCP, S.A.

Orders relating to debt instruments are, as a rule, executed directly by Banco Finantia on the Bloomberg and MarketAxess MTFs.

8 Execution outside a regulated market, MTF or OTF

Orders relating to financial instruments admitted to trading on regulated markets, MTF or OTF may also be exercised off-market (OTC – Over-the-Counter), against Banco Finantia's own portfolio or by bilateral negotiation with another financial intermediary. The predominant factors in this choice are basically the price, speed and likelihood of execution.

The execution of orders OTC seeks to guarantee execution in the best conditions, principally in line with the criteria of total consideration (price plus transaction cost), speed and likelihood of execution of the orders, given that some financial instruments admitted to trading on regulated markets, MTF or OTF may not have liquidity in those markets.

Orders relating to financial instruments not admitted to trading on regulated markets, MTF or OTF (as is the case, for example, of unlisted shares) must necessarily be executed OTC. In cases where this is low liquidity, the order may be executed, but the price factor will most likely be affected by the fact that there is low liquidity. Ultimately, it may not be possible to execute the order OTC due to a lack of liquidity, or rather, due to the lack of another order in the opposite direction for the same instrument and quantity.

In the case of an execution outside a regulated market, MTF or OTF, the transactions are executed OTC, through bilateral contracts with other counterparties (including Systematic Internalisers, Market Makers and other liquidity providers). The process for choosing the counterparties to be used in the OTC execution of clients' orders uses the following key criteria:

consistency of the bid, the price made available for each size and the speed of execution. In this context, the choice of counterparties is continually being assessed.

The procedure usually adopted in the execution of clients' orders OTC is to request the best price for the transaction from different counterparties and choose the best offer available within a reasonable time period. The market conditions or the characteristics of certain financial instruments may limit the offer of prices to only one counterparty.

Orders relating to investment fund units are always executed by means of subscription or redemption of these at their management companies, even though some may be admitted to trading on regulated markets.

9 Control Procedures

The best execution of operations executed by other financial intermediaries in the market (usually applicable to variable income instruments) is monitored annually by an analysis of the best execution policy of those financial intermediaries.

For fixed income instruments, evidence of best execution is monitored on a quarterly basis.

10 Order Aggregation

Banco Finantia may, if it deems it appropriate:

- > Aggregate a client's orders with orders from Banco Finantia or with orders from other clients if:
 - It is unlikely that the aggregation of orders and transactions will result, in general terms, to a detriment to any client whose order is to be aggregated;
 - All clients whose orders are to be aggregated are informed that the effect of aggregation may be prejudicial to them, in relation to a specific order.
- > Allow the entry to which the order is transmitted to combine or aggregate the client's order with other orders.

If the orders of two or more clients are aggregated and partially executed, the transaction will be proportionally allocated to the clients.

Whenever the Bank aggregates a client's order with a transaction performed on its own behalf and the aggregated order is only partially executed, the Bank will prioritise allocation of the client's transactions, unless the Bank can demonstrate on reasonable grounds that, had the orders not been combined, it could not have executed the order on such advantageous terms or simply would not have been able to execute it, in which case the transaction may be allocated proportionally.

11 Limit Orders

Unless the client provides specific instructions otherwise, we will disclose limit orders relating to shares admitted to trading on regulated markets which are not immediately executed, under prevailing market conditions.

12 Abnormal market conditions

This policy is not applicable at times of market turbulence and/or in situations of internal or external systems failure, which may even limit access to trading platforms. In such situations, precedence is given to the factors of likelihood and speed of order execution. If there is a systems failure, we may not have access to some trading platforms.

13 Monitoring and Review

This policy is reviewed at least annually, or whenever there is a significant change that may affect the Bank's capacity to continue obtained the best possible result in relation to the execution of its clients' orders, on a regular basis, using the organised trading facilities or financial intermediaries included in this policy.

A significant change is deemed to be an important event that may affect the parameters for execution in the best conditions, such as costs, price, speed, likelihood of execution and settlement, size, nature or any other consideration relevant to the execution of the order.

This policy may be amended, without the need for any prior notice, and therefore is available to be consulted on a permanent basis, in its most up-to-date version, on Banco Finantia's internet site (www.finantia.com).

14 Consent

By consenting to this policy, the client confirms that they have read and understood the entire contents of this document.

For orders to be executed outside a regulated market, MTF or OTF relating to financial instruments admitted to trading on those markets, the client will be required to provide express prior written consent. Consent may be provided by sending it in writing (by email, letter or fax), or by signing the portfolio management contract or the contract for the deposit of securities and registration of book-entry securities.

15 Annual Report

Annually, the Bank will publish a report, on its internet site (www.finantia.com), on each type of financial instrument regarding which the Bank has executed orders, identifying the five best execution venues in terms of volume of transactions where it executed its clients' orders in the previous year and information on the quality of execution obtained. The client may request from the Bank:

- > An analysis of the procedure for selecting the execution platform or third party that the Bank used; and
- > Information on the operation performed (reconstruction of the operation).

16 Entry into Force

This Policy came into force on 1 November 2013.

Date of last review: 20 January 2021.