

## Order Execution Policy

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## 1 Framework

The purpose of this document is to define the Order Execution Policy adopted by Banco Finantia, S.A. (hereinafter Banco Finantia). The Order Execution Policy identifies the reasonable measures adopted by Banco Finantia with a view to obtaining the best execution of its clients' orders, taking into account the criteria of price, costs, speed, probability of execution and settlement, volume, nature of the operation and any other elements 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 it uses.

Banco Finantia also acts in accordance with its Code of Conduct, which includes the commitment to treat all its clients with absolute honesty, professionalism and transparency, even in cases where this Order Execution Policy is not directly applicable.

## 2 Scope of application

### 1.1 Customers

This policy applies to clients, categorised as professional and non-professional investors, to whom Banco Finantia provides financial intermediation services. The categorisation of each client is assigned by Banco Finantia in line with the requirements of MiFID II, additional information on which can be found in the Supplementary Information document, available on the Banco Finantia website.

The duty of best execution does not apply when receiving orders from clients classified as eligible counterparties, except in cases where clients classified *per se* as eligible counterparties request their reclassification in order to benefit from greater protection (professional and retail investors).

### 1.2 Instruments

This policy applies to the execution of orders relating to the financial instruments referred to in Section C of Annex I to MiFID II, namely transferable securities, money market instruments and units in investment funds.

Depending on the type of instrument, Banco Finantia may execute the client's order directly, when it has direct access to the market, or use a third party to execute the order, when direct access to the market where the instrument is traded is not possible.

As a rule, Banco Finantia executes client orders under the terms identified in the table below:

<b>Financial Instrument</b>	<b>Direct execution</b>	<b>Execution with transmission of the Order</b>
Instruments traded on a regulated market	X *	✓
Fixed income instruments traded on MFTs, OTFs or OTCs	✓	✓
Investment Funds	X	✓

\* Unless the instruments are traded over-the-counter

### 1.3 Financial Services

This policy applies to instruments traded by the Bank within the scope of providing the following services:

- > Order Execution Service;
- > Order reception and transmission service;
- > Non-Independent Investment Consultancy;
- > Placement of Financial Instruments.

### 1.4 Exclusions

This policy does not apply in the following cases:

- > Transactions carried out after Banco Finantia has communicated a price (quote) to the client, either at the client's request or on an ongoing basis, relating to a particular financial instrument, and the client has decided to trade the financial instrument on the basis of that price;
- > Banco Finantia acts on its own behalf for its portfolio;
- > The reception, execution and transmission of orders from clients considered Eligible Counterparties;
- > Whenever the customer provides Banco Finantia with specific instructions regarding his order or any part of the order, including the choice of a specific execution venue, as follows from point 4 of this policy;
- > When there are technical and/or computer failures, interruption or suspension of communications or systems, suspension of the markets themselves, among other external events beyond the Bank's control that make it impossible to comply with this policy, as well as in other situations better identified in point 14 of this policy.

### 3 Order Execution Criteria

When executing orders, Banco Finantia endeavours to obtain the best possible result for the client. Thus, for the purposes of the Order Execution Policy, Banco Finantia has adopted the following order execution criteria:

- > **Price of the financial instrument** - account will always be taken of the markets in which the instrument is being traded and where the best possible price can be obtained for the client;
- > **Costs** - all the costs inherent to the operation and execution site are taken into account, as well as any additional costs that may arise from auxiliary services, with a view to obtaining the lowest cost for the client;
- > **Speed of execution and/or settlement** - time and capacity to execute the transaction quickly and efficiently, regardless of the volume of the order. The speed of order execution may vary depending on the different trading venues available for the same financial instrument.
- > **Likelihood of enforcement and/or settlement** - analysing the liquidity of the security in the light of the law of supply and demand and the different places where the instrument is traded;
- > **Order volume** - the volume of supply and demand for a particular financial instrument in the available execution centres, which will determine the depth of market/liquidity there and the price at which it can be traded, establishing the probability of the client's order being executed;
- > **Nature of the order** - type of order given by the client (order at best market price, limit order, etc.);
- > Other considerations relevant to the execution of orders, such as the reputation of the intermediary or the quality of the trading structures.

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

- > The client, including their classification as a professional or non-professional;
- > The content and volume of the order issued;
- > The financial instruments subject to the order;
- > The organised form of trading or financial intermediary to which the order may be addressed.

When Banco Finantia executes an order on behalf of a retail client, the best possible result will be determined in terms of the **overall pecuniary consideration**, represented by the price of the financial instrument and the costs related to its execution, which include all expenses that the client will incur and that are directly related to the execution of the order, including execution venue, settlement or clearing commissions and any other commissions 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.

For example, in some markets the volatility of the price may make the probability and/or speed of execution a priority, while in markets with little liquidity the execution itself may already be the best execution. In other situations, the choice of trading venue may be limited, taking into account the nature of the order, and there may even be only one trading venue for the execution of orders.

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

#### 4 Specific Instructions for Order Execution

If the client gives specific instructions regarding an order or a precise aspect of an order, Banco Finantia will execute the order following the client's specific instructions. If these instructions relate to only part of the order, the policy will apply to the remaining part. **Please note that the client's specific instructions make it impossible to apply this policy and, consequently, the measures to obtain the best possible result when executing the order.**

#### 5 Trading (Organised Trading Platforms and Financial Intermediaries)

For the purposes of executing client orders, Banco Finantia uses the following organised forms of trading or financial intermediaries because it considers that they consistently provide the best execution:

- > Regulated Markets;
- > Multilateral Trading Facilities (MTF);
- > Organised Trading Facilities (OTF)
- > Systematic internalisers;
- > Third parties acting as *market makers*, other liquidity providers, or other entities providing similar functions;
- > Banco Finantia acting as counterparty (own portfolio positions or market maker);
- > Other liquidity providers.

In this way, the Bank can execute orders outside the regulated market, MTF or OTF, as well as acting as the client's counterparty, provided it is authorised to do so. The client may refuse this form of execution, but this option may restrict the possibilities of better execution. Banco Finantia may also pass on its clients' orders to other financial intermediaries for execution.

With regard to the execution of orders concerning financial instruments where it is only possible to carry out the operation on a single market or through a single intermediary, it is assumed that Banco Finantia and the client have obtained the best execution of the order.

#### 6 Selection of Financial Intermediaries

Banco Finantia uses third parties to execute its clients' orders for instruments traded on markets to which it does not have direct access, as it is not registered on those markets. For the purposes of selecting the intermediary to whom Banco Finantia transmits the client's order, the following criteria are applied:

##### > Order Execution Policy

Only financial intermediaries that have their own Order Execution Policy that complies with the applicable national legislation and MiFID II requirements are considered to be financial intermediaries;

### > **Access to Enforcement Centres**

Only financial intermediaries that have access (direct or indirect) to the markets or execution centres that are considered relevant for the purposes of executing each client's order and taking into account the type of instrument and order are taken into account.

### > **Best execution**

Only financial intermediaries who are able to guarantee that the best possible execution for Banco Finantia's clients' orders is obtained systematically and consistently in the relevant execution centres are accepted.

### > **Reputation and professionalism**

Financial intermediaries must conduct themselves on the basis of principles of quality, professionalism and efficiency, ensuring that the risks associated with their business are controlled.

Currently, the financial intermediaries that Banco Finantia uses to execute customer orders are:

- > Banco Carregosa, S.A.
- > CM Capital Markets Bolsa, S.V., S.A.
- > Intesa Saopaulo Spa
- > Millennium BCP, S.A.
- > Amundi Asset Management / Caceis Bank Luxemburg
- > Schroder Investment Management (Europe) SA
- > Allfunds Bank S.A.U.
- > Bloomberg
- > MarketAxess

Banco Finantia will inform customers if it changes or uses new financial intermediaries.

## **7 Order reception**

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

- > In writing, signed by the customer or their representative;
- > By e-mail to: [privatebanking@portugal.finantia.net](mailto:privatebanking@portugal.finantia.net) for Portugal and [Mercados@finantia.com](mailto:Mercados@finantia.com) for Spain;
- > By telephone on 21 720 20 26 in Portugal and 91 557 56 00 in Spain;
- > By any other means expressly agreed between the Bank and the client.

In written orders, the client must indicate their name, the date and time of the order, whether it is a purchase or a sale, the type of financial instrument, the instrument's title (*shortname* and/or ISIN), as well as any other specific instructions they wish to be carried out.

Orders given by telephone call are recorded, and the client must indicate their name, the financial instrument they wish to buy or sell, as well as any other specific instructions they wish to be carried out. Telephone calls and electronic communications relating to the reception, transmission

and execution of orders will be stored and recorded within the legal time limits, even if they do not result in the conclusion of transactions or the provision of services relating to client orders. If the client does not agree to the recording and archiving of the call, they must choose an alternative means of transmitting the order. Banco Finantia reserves the right to require the customer to confirm orders transmitted by telephone, by means of a written document signed by the customer, and the respective execution shall remain suspended until such written confirmation has been received.

Orders are registered the moment they are received and are executed sequentially and quickly. Banco Finantia keeps an archive of all orders and their respective executions, which makes it possible to trace and reconstruct all operations for the purposes of verifying compliance with this policy.

Without prejudice to applicable legislation, Banco Finantia undertakes to act with due diligence to ensure that orders are correctly transmitted and executed as quickly as possible, unless, due to technical, operational or legal restrictions, it is only possible to carry out this operation later. In such cases, Banco Finantia shall not be liable for any discrepancies between the amount the client expected to deliver or receive on the basis of the order transmitted and the amount actually delivered or received as a result of the time lapse between the transmission of the client's order to Banco Finantia and the actual moment of its execution.

Banco Finantia shall not be held liable for any damage or loss arising from the use of means of communication or any other means used, resulting in non-receipt, interrupted, defective, partial, duplicate or falsified receipt, as well as the sending to the wrong address (physical or electronic) or person, of information or other elements, whether sent by the customer or by a third party on their behalf, unless Banco Finantia or its employees are at fault.

Orders will be received and registered within the working hours and calendar of Banco Finantia S.A., namely working days from 9:00 a.m. to 5:00 p.m. in Portugal and working days from 9:00 a.m. to 3:00 p.m. in Spain. All Saturdays, Sundays and public holidays will be considered non-working days. Orders received after 17:00 in Portugal and after 15:00 in Spain or outside the hours of the trading platform where the financial instrument is traded or which, due to technical and/or operational constraints, cannot be executed immediately, will be recorded as received on the immediately following working day.

## **8 Order Execution**

As a rule, orders relating to financial instruments admitted to trading on regulated markets, MTFs or OTFs, and provided they are actually traded there, are executed on these trading platforms.

Banco Finantia is not a direct member of any regulated markets, so these orders are passed on for execution to other financial intermediaries. As a rule, orders for shares admitted to trading on the Spanish regulated markets (Sistema de Interconexión Bursátil Español, Mercado Alternativo Bursátil and Corros de la Bolsa de Madrid) and the international regulated markets are sent to CM Capital Markets Bolsa, S.V., S.A., for execution (directly or indirectly) on the respective market. Shares listed on the national market (Euronext Lisbon) are sent to Banco Carregosa, S.A. for execution on that exchange.



In Portugal, orders relating to subscriptions or redemptions of investment funds are sent to Banco Millennium BCP, S.A., Amundi Asset Management and Schroder International Management (Europe) S.A.. In Spain they are sent to Allfunds Bank S.A.U..

Orders for debt instruments are usually executed directly by Banco Finantia on the Bloomberg and MarketAxess MTFs. If they are traded on a regulated market, the financial intermediary of choice is usually Intesa Saopaulo Spa.

## **9 Off-Market Execution, MTF or OTF**

Orders relating to financial instruments admitted to trading on regulated markets, MTFs or OTFs may also be executed *over-the-counter* (OTC), against Banco Finantia's own portfolio or by bilateral negotiation with another financial intermediary. The predominant factors in the choice are fundamentally price, speed and probability of execution.

The execution of OTC orders aims to guarantee execution under the best conditions, above all according to the criteria of overall consideration (price plus transaction cost), speed and probability of order execution, since some financial instruments admitted to trading on a regulated market, MTF or OTF may not have liquidity on these markets.

Orders for financial instruments not admitted to trading on a regulated market, MTF or OTF (as is the case, for example, with unlisted shares) will necessarily be executed on OTC. In cases where there is little liquidity, the order can be executed, but the price factor will most likely be conditioned by the fact that there is little liquidity. In the end, it may not be possible to execute the order on OTC due to a lack of liquidity, i.e. the lack of another order in the opposite direction for the same instrument and quantity.

In the case of execution outside a regulated market, MTF or OTF, transactions are executed OTC through bilateral contracts with other counterparties (including Systematic Internalisers, Market Makers and other liquidity providers). The process of choosing the counterparties to be used in the OTC execution of client orders has as its main criteria the consistency of the offer, the price made available for each volume and the speed of execution. In this context, the choice of counterparties is continually assessed.

The procedure normally adopted when executing client orders on OTC is to ask different counterparties for the best price for the transaction and to choose the best available offer within a reasonable timeframe. Market conditions or the characteristics of certain financial instruments may limit price offers to just one counterparty.

Orders relating to investment fund units are always executed by subscribing or redeeming them with the respective management companies, even though some may be admitted to trading on regulated markets.

## **10 Suitability Profile Assessment**

In assessing the investor profile, the Bank complies with the provisions of the Additional Information for Clients document and other legislation in force.

## 11 Control procedures

The best execution of the operations carried out is monitored at least every six months. If the Bank detects any circumstances that indicate that financial intermediaries are not complying with the best execution criteria or that they do not fulfil all the selection criteria listed above, the Bank will immediately review and reassess that intermediary.

## 12 Order Aggregation

Banco Finantia may:

- > 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 will result, in global terms, in a loss for any client whose order is to be aggregated;
  - It is disclosed to all clients whose orders are to be aggregated that the aggregation effect may be detrimental to them in relation to a specific order.
- > Allow the entity 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 operation will be charged proportionally to the clients.

Where the Bank aggregates a client's order with a transaction carried out for its own account and the aggregated order is only partially executed, the Bank shall prioritise the transactions corresponding to the client, unless the Bank can demonstrate on reasonable grounds that, without the combination of orders, it would not have been able to execute the order under such advantageous conditions or would simply not have been able to execute it, in which case the allocation of the transaction may be carried out proportionally.

## 13 Limit orders

Unless specifically instructed otherwise by the client, we will disclose limit orders for shares admitted to trading on regulated markets that are not executed immediately under prevailing market conditions.

## 14 Abnormal Market Conditions

This policy does not apply in 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, priority is given to probability and speed in the execution of orders. In the event of a systems failure, the Bank may not have access to some trading platforms.

## 15 Monitoring and Review

Banco Finantia undertakes to monitor and review compliance with and the effectiveness of its Execution Policy, which is reviewed at least annually or whenever there is a significant change likely to affect the Bank's ability to continue to obtain the best possible result with regard to the execution of its clients' orders on a regular basis, using the organised forms of trading or financial intermediaries included in this policy.

A significant change is understood to be an important event likely to affect best execution parameters, such as costs, price, speed, probability of execution and settlement, volume, nature or any other consideration relevant to the execution of the order.

This policy may be amended without prior notice and is permanently available for consultation, in its most up-to-date version, on the websites of Banco Finantia and Banco Finantia, Sucursal de España, ([www.finantia.com](http://www.finantia.com) for Portugal and [www.finantia.es](http://www.finantia.es) for Spain). Any "significant change" affecting the Order Execution Policy will be communicated to clients on the aforementioned websites.

## 16 Consent

By agreeing to this policy, the customer is confirming that they have read and understood the entire content of this document.

For the execution of orders outside a regulated market, MTF or OTF relating to financial instruments admitted to trading on these markets, the client's prior, express and written consent is required. Consent can be given by sending it in writing (by e-mail or letter), as well as by signing the portfolio management contract or the securities deposit and book-entry securities registration contract.

## 17 Annual Report

The Bank will publish an annual report on its websites ([www.finantia.com](http://www.finantia.com) and [www.finantia.es](http://www.finantia.es)) for each type of financial instrument for which the Bank has executed orders, identifying the five best execution venues in terms of volume of transactions where it executed client orders in the previous year and information on the quality of the execution obtained. The client may request the Bank:

- > An analysis of the selection procedure of the execution platform used or of the third party to which the Bank resorted; and
- > Information on the operation carried out (reconstruction of the operation).

## 18 Entry into force

This Policy came into force on 1 November 2013.

Date of last revision: 29 October 2023