

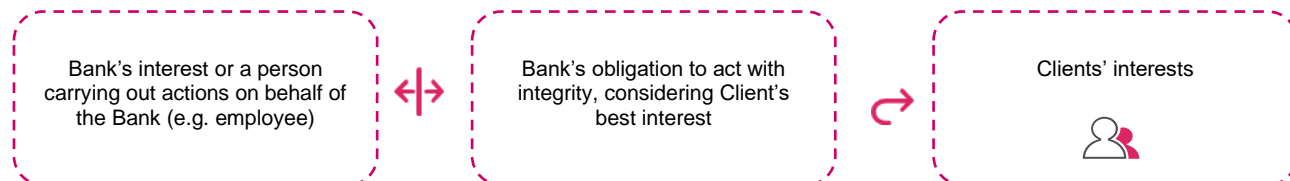


DESCRIPTION OF RULES ON CONFLICTS OF INTEREST MANAGEMENT AT BANK MILLENNIUM S.A.

WHAT IS A CONFLICT OF INTEREST?



Conflict of interest is a situation when there is a contradiction between:



Conflict of interest covers also situation resulting from the **Bank's belonging to the Bank Millennium Capital Group**, considering transactions concluded by the Bank and other entities within group. It also encompasses the Bank's belonging to the capital group that is created by its parent entity - Banco Comercial Português S.A.

HOW THE BANK MANAGES CONFLICTS OF INTEREST?



Frist – analysis. To manage conflicts of interest in a correct way, the Bank must know what could cause them, for example:

- possibility for the Bank to make a profit at the expense of a loss incurred by the **Client**,
- considering only Bank's advantage at the expense of the **Client**,
- conducting competitive or similar activity to those of the **Client**, by the **Bank** or its employees,
- acceptance by the **Bank** of benefits other than standard fees or commissions for services provided to the **Client**.

Second – identification. After well conducted analysis the Bank know, what conflicts of interest may arise in its operations, in particular:

- a Bank employee recommends to a Client the purchase of a product that does not meet the client's needs - the employee knows that by selling this product the Bank will obtain higher income,
- the Bank grants financing to a company, whose financial instruments it then recommends to Clients - on one hand the Bank knows the condition of the company, and on the other hand it sees no obstacles to selling the company's financial instruments to Clients,
- the Bank recommends a specific financial instrument to a Client, but disposes of it itself, considering it's too risky or loss-making.

Third – prevention. How the Bank prevents identified conflicts?

- the Bank ensures protection of information considered confidential or a professional secrecy,
- the Bank does not accept or give certain benefits that may be considered as prohibited,
- the Bank determines the rules under which its employees may carry out transactions on financial instruments,
- the Bank employs experienced staff and supervises them on an ongoing basis; this is to be ensured in particular through initial and recurrent training on the management of conflicts of interest.

Fourth – assessment. There is no system that could be found as perfect; management of conflicts either. That is why the Bank at least annually reviews it and assesses its effectiveness.

Fifth – conflicts disclosure. Sometimes, despite the Bank's best efforts, some conflicts cannot be avoided. Information about the conflict will be provided to the Client on a durable medium (e.g. on a paper).

What should be included in such information? First of all:

- detailed conflicts description,
- general character and conflict source,
- description of the risk that the Client faces because of the conflict and the steps taken by the Bank to mitigate it.

If the person or entity in question is not yet a Bank's Client, it must confirm receipt of such information before concluding the agreement. Otherwise the Bank may not conclude an agreement with such person or entity.

If the person or entity is already a Bank's Client and receives such information during the term of the agreement, it must confirm its will to continue the agreement. Until that time, the Bank will have to refrain from providing the conflicting services.

WHERE I CAN FIND MORE INFORMATION ON MANAGING CONFLICTS OF INTEREST?



To properly manage conflicts of interest, the Bank adopted a dedicated document - „*Policy of counteracting conflicts of interest in Bank Millennium S.A.*” for application.

The Bank will provide the Client with this document upon each request.