

## Table of Contents

<b>1   INTRODUCTION</b> .....	<b>2</b>
<b>2   OBJECTIVE</b> .....	<b>2</b>
<b>3   REGULATORY FRAMEWORK. REGULATION AND APPLICABLE LAW</b> .....	<b>3</b>
<b>4   SCOPE</b> .....	<b>4</b>
<b>4.1 Definition of Conflicts of Interest</b>	<b>4</b>
<b>4.2 Subjective Scope: Subject Persons</b>	<b>5</b>
<b>5   GENERAL PRINCIPLES</b> .....	<b>5</b>
<b>5.1 General Principles of the Policy</b>	<b>5</b>
<b>5.2 General Principles Applicable to Subject Persons</b>	<b>6</b>
<b>6   OPERATING PROCEDURES</b> .....	<b>6</b>
<b>6.1 Identification of Conflicts of Interest</b>	<b>6</b>
<b>6.2 Prevention Measures</b>	<b>9</b>
<b>6.3 Management Measures</b>	<b>10</b>
<b>6.4 Disclosure of Situations of Conflict of Interest</b>	<b>11</b>
<b>6.5 Register of Conflicts of Interest</b>	<b>11</b>
<b>7   CONTROL FRAMEWORK</b> .....	<b>12</b>
<b>8   GOVERNANCE FRAMEWORK</b> .....	<b>13</b>
<b>8.1 BPI's Board of Directors</b>	<b>14</b>
<b>8.2 Risk Committee</b>	<b>14</b>
<b>8.3 Audit Committee</b>	<b>14</b>
<b>8.4 Executive Committee of the Board of Directors</b>	<b>15</b>
<b>8.5 Global Risk Committee</b>	<b>15</b>
<b>8.6 Availability of the Policy to Customers and Subject Persons</b>	<b>15</b>
<b>8.7 Training of Subject Persons</b>	<b>15</b>
<b>8.8 Management of Exceptions and Specificities</b>	<b>16</b>
<b>9   INFRINGEMENTS AND SANCTIONS</b> .....	<b>16</b>
<b>10  INFORMATION AND REPORTING STRUCTURE</b> .....	<b>16</b>
<b>11  POLICY UPDATE</b> .....	<b>17</b>
<b>12  SUPPORT - DEFINITIONS</b> .....	<b>18</b>
<b>13  SUPPORT - CATALOGUE OF MITIGATION MEASURES</b> .....	<b>18</b>

## 1 | INTRODUCTION

- Within the scope of the services provided by BPI, conflicts of interest represent inherent risks, both potential and real, both in banking and in financial intermediation activities.
- It is therefore essential to adopt measures aimed at managing the risk that these conflicts may cause the Bank, and in particular its Employees, to act inappropriately towards its Customers.
- The principles and procedures contained in this Policy are based on BPI's commitment, as a CaixaBank Group entity, to act with diligence, ensuring compliance with applicable legislation as well as conformity with the Group's other guiding principles: respect, integrity and transparency, excellence and professionalism, confidentiality, and social responsibility, also contained in BPI's Code of Ethics and Operating Principles.
- This General Policy on Conflicts of Interest of BPI will constitute a general framework for the management of conflicts of interest within the Bank, in alignment with the corporate guidelines and principles established for the CaixaBank Group. The very existence of this Policy is an element that mitigates conflicts of interest, since it provides a general framework for dealing with them. This general framework covers other mandatory internal regulations and normative documents<sup>1</sup> relating to different services and activities in specific areas, which also include sections expressly dedicated to conflicts of interest.

<sup>1</sup> On the date of approval of this Policy, the referred internal regulations include, among others, the following documents:

- BPI's Code of Ethics and Operating Principles.
- Internal Code of Conduct for Securities Markets.
- Policy on Conflicts of Interest for the Securities Markets.
- BPI's General Remuneration Policy.
- BPI's Remuneration Policy applicable to the Members of the Management and Supervisory Bodies.
- BPI's Identified Employees Remuneration Policy.

- BPI's Management and Supervisory Bodies must adopt the relevant decisions to incorporate the provisions of this Policy and apply the guidelines established herein.
- This Policy does not alter the employment relationship between BPI and its Employees, nor can it be interpreted as an employment contract or a promise of employment for any period.
- The management of conflicts of interest is a responsibility of the whole organisation, not of a specific area. All the subject persons are managers of this risk and must seek to ensure compliance with the regulations in force and adjust their actions to the principles and values set out in BPI's Code of Ethics and Operating Principles and in this Policy.

[TABLE OF CONTENTS](#)

## 2 | OBJECTIVE

- This Policy is designed to serve as a reference framework for Bank Employees, covering in a harmonised and consistent manner the general principles and procedures for dealing with potential and actual conflicts of interest that may arise in the exercise of their activities and services<sup>2</sup>.

- In this respect, the Policy will serve as a guideline for BPI, particularly regarding:
  - Identification of the areas and situations in which, due to their nature, it is more likely that potential conflicts of interest capable of damaging the general interests of BPI and the CaixaBank Group, the Subject Persons, the Shareholders and/or the Customers are likely to occur.
  - Definition and adoption of measures for the prevention, identification, and management of conflicts of interest, as well as their registration.
  - Conflicts of interest disclosure procedure, where applicable, in cases where said measures prove ineffective to eliminate, or where this is not possible, to satisfactorily mitigate, any residual disclosable risk that could damage the interests of the Subject Persons, Shareholders and/or Customers<sup>3</sup>.

<sup>2</sup> This global framework is complemented by the Policies, procedures, and rules in force, without prejudice to their possible adaptation to the provisions of this Policy.  
<sup>3</sup> The general operating procedure covering the matters listed herein is developed in detail in the chapter "Operating Procedures".

TABLE OF CONTENTS

## 3 | REGULATORY FRAMEWORK. REGULATION AND APPLICABLE LAW

- This Policy is governed by the applicable legislation and regulations in force, as well as any updates or repeals that may occur in the future. The following is a non-exhaustive list of the legislation and/or other documents that constitute the regulatory context of this Policy:

### Portugal

- Commercial Companies Code, approved by Decree-Law 262/86, of September 2.
- Legal Framework of Credit Institutions and Financial Companies, approved by Decree-Law no. 298/92, of December 31, and republished by Law no. 23-A/2022, of December 9.
- Securities Code, approved by Decree-Law 486/99, of November 13, as amended by Law 23-A/2022, of December 9.
- Law No. 35/2018, of July 20, which amends the rules on the marketing of financial products and the organisation of financial intermediaries.
- Notice no. 3/2020 of the Bank of Portugal, regulates the governance and internal control systems, and defines the minimum standards on which the organisational culture of the entities subject to supervision by the Bank of Portugal must be based.
- CMVM Guidelines on the assessment of suitability for the exercise of regulated functions and holders of qualifying holdings (2020.09.09).

### European Union

- Directive 2000/12/EC of the European Parliament and of the Council of March 20, 2000, relating to the taking up and pursuit of the business of credit institutions.
- Commission Directive 2006/73/EC of August 10, 2006, implementing Directive 2004/39/EC of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and defined terms for the purposes of that Directive.

- Commission Regulation (EC) No 1287/2006 of August 10, 2006, implementing Directive 2004/39/EC of the European Parliament and of the Council as regards record-keeping obligations for investment firms, transaction reporting, market transparency, admission, trading of financial instruments, and defined terms for the purposes of that Directive.
- Directive 2013/36/EU of June 26, 2013, on the access to the activity of credit institutions and the prudential supervision of credit institutions and investment firms.
- Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014, on markets in financial instruments and amending Directive 2002/92/EC and Directive 2011/61/EU (recast version).
- Regulation (EU) No 596/2014 of the European Parliament and of the Council of April 16, 2014, on market abuse (Market Abuse Regulation or MAR) and repealing Directive 2003/6/EC of the European Parliament and of the Council and Commission Directives 2003/124/EC, 2003/125/EC, and 2004/72/EC.
- Regulation (EU) No 600/2014 of the European Parliament and of the Council of May 15, 2014, on markets in financial instruments and amending Regulation (EU) No 648/2012.
- Regulation (EU) No 909/2014 of the European Parliament and of the Council of July 23, 2014, on improving securities settlement in the European Union and on Central Securities Depositories and amending Directives 98/26/EC and 2014/65/EU and Regulation (EU) No 236/2012.
- Directive (EU) 2016/97 of the European Parliament and of the Council of January 20, 2016, on insurance distribution.
- Directive (EU) 2016/1034 of the European Parliament and of the Council of June 23 amending Directive 2014/65/EU on markets in financial instruments.
- Commission Delegated Directive (EU) 2017/593 of April 7, 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards safeguarding financial instruments and funds belonging to clients, product governance obligations and the rules applicable to the provision or receipt of fees, commissions or any monetary or non-monetary benefits.
- EBA Guidelines (EBA/GL/2021/04, 2021.07.02) - Guidelines on sound remuneration policies under Directive 2013/36/EU.
- EBA Guidelines (EBA/GL/2021/05, 2021.07.02) - Guidelines on internal governance.
- Joint EBA and ESMA Guidelines (EBA/GL/2021/06 and ESMA35-36-2319, of 2021.07.02) - Guidelines on assessing the suitability of board members and key function holders.
- EBA Guidelines (EBA/GL/2020/06) - Guidelines on the granting and monitoring of loans.
- International Chamber of Commerce - ICC Conflicts of interest guidelines July 2018.

TABLE OF CONTENTS

## 4 | SCOPE

### 4.1 Definition of Conflicts of Interest

- Based on the generic concept of the European Banking Authority (EBA), conflict of interest can be defined as a situation of discrepancy or collision between a natural or legal person's duty and private interests and those of another natural or legal person, which improperly influences the performance of his/her duties and responsibilities.
- With the aim of establishing common criteria for the identification of potential conflicts of interest which may arise within BPI and companies controlled, directly or indirectly, by Banco BPI, S.A.

(jointly designated "BPI"), or within other entities belonging to the same economic Group as BPI, it is necessary to assess whether any of the situations described below exist:

- Obtention of an economic, political, personal, or other benefit to the detriment of another Subject Person and/or Customer.
- Existence of a different interest in the result of the service or activity in question from that of a Subject Person and/or Customer.
- Existence of financial or other incentives aimed at favouring the interests of one Subject Person and/or Customer to the detriment of the interests of other Subject Persons and/or Customers.
- Execution of a professional activity identical to that of the Subject Person and/or Customer.
- Receipt by a third party of incentives related to the service or activity, other than the usual commission or remuneration for the service or activity in question (e.g., money, goods, or services, political or professional benefits).

## 4.2 Subjective Scope: Subject Persons

- This Policy applies to persons who participate or may participate in BPI's activities, that is, Employees and members of the Management and Supervisory Body, considered to be "Subject Persons"<sup>4</sup>.
- Said Subject Persons shall avoid all conflicts of interest or, when they cannot be avoided, the necessary internal mechanisms shall exist to resolve them without granting privileges to any of these persons.
- Associated Persons (as defined) shall abide by the principles of this Policy, although the wording of this Policy may not be directly applicable to them.

<sup>4</sup> Without prejudice to the provisions of the Legal Framework of Credit Institutions and Financial Companies, regarding persons related to members of the Management and Supervisory Body.

TABLE OF CONTENTS

## 5 | GENERAL PRINCIPLES

### 5.1 General Principles of the Policy

- In the pursuit of its objectives, the policy described in this document is designed to have the following attributes:
  - **Generality**, serving as a framework for the Entities controlled by BPI, with management capacity based on the internal regulations of the Group's Entities.
  - **Flexibility**, involving the application in an adequate manner to the size, nature, scale, and complexity of the activity of each Organisation controlled by BPI.
  - **Permanence**, serving as a stable framework for dealing with conflicts of interest at BPI.
  - **Dynamism**, aimed to be reviewed on a recurrent basis to maintain its currency and effectiveness.
  - **Applicability**, in the sense that it is appropriate and allows addressing concrete practical situations.

## 5.2 General Principles Applicable to Subject Persons

- Subject Persons, without prejudice to the specific duties and obligations stipulated throughout this Policy, must provide services, and exercise their activities in accordance with the guiding principles contained in "BPI's Code of Ethics and Operating Principles". Consequently, and in compliance with their duty of loyalty, they must, in all their professional activity, place the interests of Customers, BPI and its Shareholders above their own personal interests.
- In addition, they should assume the following general principles of action:

### (i) Independence

- Subject Persons must always act with freedom of judgement, acting in good faith and loyalty towards the Customer, BPI, and its Shareholders, regardless of their own interests, the interests of persons related to them or other persons who, in the specific case, may be related to the Subject Person.

### (ii) Abstention

- Subject Persons shall abstain from intervening in or influencing decision-making that may concern themselves, Shareholders and/or Customers with whom there is a conflict, as well as from accessing relevant or privileged information that may be relevant to such conflict.

### (iii) Communication

- Subject Persons must disclose potential conflicts of interest that may result from their activities outside BPI, their family relationships, personal wealth or for any other reason. Potential conflicts of interest must be communicated through the communication channels established by BPI, and this communication must be made as swiftly as possible and, in any event, before any decision/action is taken which could be affected by the potential conflict of interest.

### (iv) Transparency

- Subject Persons shall provide accurate, truthful, and understandable information regarding the identified conflict of interest so that the Subject Person and/or the Customer can make an informed and knowledgeable decision on whether or not to continue the activity or service in question.

TABLE OF CONTENTS

## 6 | OPERATING PROCEDURES

- The procedures for dealing with conflicts of interest described in this section apply to BPI, whereby Subject Persons must act in a manner consistent with this Policy.

### 6.1 Identification of Conflicts of Interest

- Conflicts of interest can be grouped, according to the entities involved, in the following categories:

#### Conflicts of interest between BPI and its Customers

- BPI may incur in a situation of conflict of interest in its relations with its Customers when, amongst others, there occurs or there is a real risk of occurrence of one of the situations described below:
  - Receiving incentives in cash, goods, or services, political or professional benefits, or other benefits other than the usual commission or remuneration for providing services to the Customer.

- Taking advantage of BPI's capacity to influence or condition the Customer's decision, to his/her detriment.
- Use of confidential information which gives BPI an advantageous position relative to the Customer in connection with a service or activity.
- Prioritise BPI's interests by providing a service which is not suited to the Customer's needs and is not performed under the best conditions for the Customer.
- Carrying out the same activity as the Customer whenever this results in an incompatibility that creates a discrepancy between the interests of both parties.
- To prevent conflicts of interest with Customers, Employees or members of the Management and Supervisory Body, personally or through Related Persons, must not accept gifts, hospitality, gratuities, or other benefits from Customers, particularly when these are for the purpose of carrying out any operation, except in permitted circumstances, which are specified in BPI's Anti-Corruption Policy.

## Conflicts of interest between Customers

- A conflict of interest will exist when BPI, on the basis of economic or other relations, promotes a preferential treatment of one of its Customers in relation to others, to the detriment or with prejudice of the latter.

## Conflicts of interest between BPI and members of the Board of Directors

- BPI's Directors and Related Persons, in accordance with their duty to avoid situations which give rise to potential conflicts of interest, must abstain from:
  - Using BPI's name or invoking their status as Directors to exert undue influence on the execution of certain operations.
  - Using BPI's assets, as well as taking advantage of their position at the Bank, to obtain patrimonial advantage or for any private purposes.
  - Using for personal gain business opportunities for BPI which have arisen during the exercise of their office.
  - Obtaining advantages or remuneration from third parties, other than BPI, associated with the exercise of the position they occupy.
  - Developing activities for their own account or for the account of third parties which imply effective or potential competition with BPI's activities.
  - Carrying out, directly or indirectly, professional, or commercial transactions with BPI, apart from exceptional cases established in law or in internal regulations in which such transactions are permitted.

## Conflicts of interest between BPI and its Shareholder (including their representatives)

- In the context of BPI's general meetings, the shareholder and his/her representatives may incur in a potential conflict of interest when it comes to adopting a resolution which has as its object:
  - Waiving an obligation or granting a right to the shareholder.
  - Providing the shareholder with any kind of financial assistance, including the provision of guarantees in his/her favour.

- Discharging the shareholder of the obligations associated with the duty of loyalty legally established for Directors.

## Conflicts of interest between Employees, Associated Persons or Related Persons and BPI

- Employees, Associated Persons, or Related Persons may be subject to situations of conflict of interest should any of the circumstances described below occur or if there is a real risk of them occurring:
  - Overlapping of their interests with those of BPI, affecting their professional performance.
  - Intervention in activities or transactions of any kind in which Employees or Related Persons are direct or indirect beneficiaries or participants.
  - Undue use of any information to which they have access by virtue of their position, assets, or intellectual property, for personal purposes or purposes unrelated to BPI's corporate purpose. This situation will be particularly serious if it involves privileged or confidential information.
  - Use of BPI's name with the objective of improperly influencing the performance of an activity or service resulting in an economic, personal, political, or other benefit and harm to BPI's interests, values, or reputation.
  - Use of their position or status as an Employee, Associated Person, or Related Person to obtain a patrimonial advantage.
  - Development of activities for their own account or for the account of third parties which involve actual or potential competition with BPI.

## Conflicts of interest between BPI and its Suppliers

- BPI may be faced with a conflict of interest with its suppliers when a situation arises which could represent a risk of the occurrence of any of the following situations:
  - Undue influence in the selection of suppliers who have economic or family ties with BPI Employees/Members of the respective Management and Supervisory Bodies or persons related to them.
  - Receipt of gifts, hospitality, gratuities, or other benefits by a supplier, except in circumstances permitted by social custom, specified in BPI's internal rules.
  - Disclosing confidential information regarding the economic, technical, or other conditions presented by competing suppliers to favour a third party.
  - Issuing a request for proposal for the procurement of a specific good or service that has different requirements depending on the supplier to whom the request is sent.

## Conflicts of interest between BPI and/or CaixaBank Group Departments

- Situations of conflict of interest between BPI and/or CaixaBank Group Departments may arise in the event of the occurrence or the possibility of the occurrence of any of the following situations:
  - Exchange of confidential or privileged information regarding activities or services that are detrimental to the interests of Customers or other entities.
  - Exercise of undue influence on other Departments in relation to the performance of their activities or services.
  - Simultaneous or consecutive participation in different services or activities, the nature of which generates a potential risk of damaging the interests of the Customer or other entities.

## Conflicts of interest between BPI and CaixaBank Group

- BPI may incur in a conflict of interest with the CaixaBank Group when situations occur which may represent a serious risk of the occurrence of any of the situations described below, in a non-exhaustive manner:
  - Implementation of corporate development strategies or other structural changes that may be harmful to the interests of the Group and its companies.
  - Approval and offer of products or services whose characteristics and distribution strategy neither suit nor satisfy the needs of the target market, consequently damaging the interests and reputation of CaixaBank Group as a whole.
  - Use of a brand that is contrary to the positioning, values, and characteristics of the CaixaBank Group.
  - Communications to the market, shareholders, analysts, or media, among others, whose message is harmful to CaixaBank Group's interests.
  - Favouring or preferential treatment of a Customer in relation to other Customers of the Group, due to economic ties or of another nature.
  - Use of the name of CaixaBank Group with the objective of improperly influencing the performance of an activity or service resulting in an economic, political or other benefit and damage to the interests, values or reputation of the CaixaBank Group.

## Other possible conflicts of interest

- Other situations which, not having been contemplated in the categories mentioned above, are susceptible of generating conflicts of interest resulting from the services provided and activities carried out, as well as in the relationship with the different Subject Persons, Shareholders and/or Customers, will also be identified.

## 6.2 Prevention Measures

- BPI must establish measures to prevent the conflicts of interest identified. The main measures are listed below, in a non-exhaustive manner:
  - BPI's Code of Ethics and Operating Principles constitutes an important element/factor in mitigating conflicts of interest, based on the guiding principles set out therein and which should govern the activity of all Subject Persons to this Policy.
  - Existence of an organisational structure aimed at the prevention and management of conflicts of interest that guarantees adequate monitoring of the policies and procedures established, as mentioned above, and which ensures the existence of a credible and robust control environment, where the current model, structured into three lines of defence, contributes to an adequate division of functions.
  - Register of activities leading to conflicts of interest, including listing persons who have had access to inside information in the case in question.
  - Existence of periodic reporting to the Management and Supervisory Bodies, to allow verification of the existence of adequate control procedures and suitability of the measures adopted.
  - Establishing remuneration policies that do not encourage the recommendation of financial instruments and other products that are unsuitable for the Customers for their own benefit, mitigating conflicts of interest.

- Establishment of specific training plans aimed at raising awareness and promoting honest and transparent professional conduct as a measure to prevent potential conflict of interest situations related, among others, to the improper use or personal purposes of confidential information, computer facilities, funds, assets, or intellectual property.
- All information received from the Customers shall be considered confidential and, as such, shall be handled strictly and responsibly, in accordance with the provisions of the applicable legislation.
- For the purposes of preserving said confidentiality, BPI must be equipped with measures which prevent the undue use and transmission of information.
- BPI has defined procedures which ensure the regular filing of situations of conflict of interest, as well as of high risk of conflict.
- The departments must have at their disposal sufficient resources, both human, financial, and material, to ensure the autonomy, independence and quality of their activities, supervising the functions that involve the performance of activities or the provision of services of a sensitive nature and that may represent a focus/situation of risk in terms of conflict of interest.

## 6.3 Management Measures

- The management measures applicable to Subject Persons, Shareholders and Customers are described below, together with the criteria for addressing conflicts of interest. The existing measures to mitigate institutional Conflicts of Interest or conflicts of interest concerning Employees are described in the exemplary document.

### Subject Persons and Shareholders

- Employees who identify a conflict of interest must report it and act in accordance with the internal procedures that govern the current Policy.
- BPI's Directors must communicate to the Governing Body any situation of direct or indirect conflict which they or persons related to them may have with BPI's interests. Accordingly, and in line with BPI's firm commitment as part of the CaixaBank Group to act with transparency, situations of conflict of interest involving members of BPI's governing body shall be recorded and reported in accordance with the internal procedures governing this policy.
- Conflicts of interest relating to Shareholders will be communicated through the communication channels established by BPI.
- All Subject Persons must also report, in the terms referred to in this policy, any conflicts of interest arising from positions held in the past and from past personal and professional relationships, with reference to the two years prior to their admission to BPI.

### Customers

- Should Customers identify situations which are likely to generate conflicts of interest, they must communicate these through the communication channels established at BPI. The Compliance Department must be involved and deal with the situations notified, conducting the necessary investigation, for which purpose it must request the participation of other areas or departments of the Bank as necessary.

## Criteria for resolving conflicts of interest with regard to Customers

- The resolution of conflicts of interest affecting Customers will take into consideration the following criteria:
  - In the event of a conflict between BPI and a Customer, the Customer's interest must be safeguarded.
  - In the event of conflict between Customers:
    - a) Favouring any party should be avoided.
    - b) It is not allowed, under any circumstances, to reveal to certain Customers the services or activities contracted by other Customers.
    - c) It is not allowed to encourage a Customer to contract a service or activity with the aim of benefiting another Customer.
- With regard to conflicts of interest which do not involve Customers, it is the responsibility of the person in charge of the area or areas affected or, failing this, BPI's Compliance Department or the person designated for this purpose, to proceed with the specific and *ad hoc* resolution of these conflicts of interest, in accordance with their nature and characteristics.

## 6.4 Disclosure of Situations of Conflict of Interest

- If the measures adopted by BPI are not sufficient to guarantee, with reasonable certainty, that the conflicts of interest related to the services it provides are eliminated, the Bank will apply the communication and warning procedures to Customers which are established in the regulatory framework in force, namely those within the scope of the rules applicable to Financial Intermediation in the context of the provision of investment or ancillary services.

## 6.5 Conflicts of Interest register

- BPI must keep an updated record of conflicts of interest which are communicated.
- Each Department must keep a centralised and up-to-date register of conflicts of interest relating to its areas of responsibility.
- Subject Persons must report potential personal Conflicts of Interest by registering the conflict in the management tool on conflict of interest managed by the Compliance Department. If the registered situation has changed, the employee or member of governing bodies must inform the Compliance Department.
- If the Subject Person intends to carry out a second activity involving a potential conflict of interest, he/she must register it through the conflicts of interest tool prior to the start of the activity and await analysis by the Compliance Department.
- The Compliance Department is responsible for analysing and responding to potential conflicts of interest registered in the conflicts of interest management tool, and informing the people subject to them of any mitigation measures that need to be implemented.
- If the employee or member of the governing body has any questions regarding the application of this policy or underlying internal regulations, he or she should consult the Compliance Department through BPI's existing [enquiries channel](#).
- The registration of information and disclosure of conflicts of interest in the context of investment or ancillary services shall be subject to the provisions of internal regulations, namely the Policy on Conflicts of Interest for the Securities Markets.

- The register of conflicts of interest shall contain at least the following elements:
  - Identified reality, including the causes and circumstances potentially giving rise to the conflict of interest.
  - Area or department where a conflict of interest may originate.
  - Subject Persons, Shareholders and/or Customers affected by the conflict of interest.
  - Preventive and management measures established for the effective mitigation of the risk inherent to the conflict.

TABLE OF CONTENTS

## 7 | CONTROL FRAMEWORK

- BPI promotes a risk culture which favours risk control and compliance, as well as the establishment of a solid internal control framework which covers the entire organisation and allows fully informed decisions to be taken on the risks assumed.
- BPI's internal control framework is structured according to the Three Lines of Defence model, which ensures a strict division of functions and the existence of several independent levels of control:

**The first line of defence** is comprised of the business areas, business support and central services, which are responsible for:

- Applying the regulations in force, including this Policy, as well as any manuals on specific operating procedures for the activity.
- Establishing procedures and proactively implementing measures to identify, mitigate and manage compliance risks relating to conflicts of interest.
- Establishing and implementing appropriate controls to ensure compliance with obligations in respect of conflicts of interest.
- Maintaining a centralised and up-to-date register of conflicts of interest relating to its areas of responsibility.
- Ensuring that training on conflicts of interest is properly conducted.
- Informing BPI's Compliance Department or the person designated for the purpose on relevant situations relating to compliance with the provisions of the regulations in force on conflicts of interest.
- Undertaking any other function attributed to them specifically related to their role as a first line of defence against potential situations of conflict of interest.

The Compliance Department, as the **second line of defence** against the risk of conflicts of interest, has the following functions:

- Promoting the approval of the Policy by the Board of Directors, as well as any substantial change thereto, in alignment with the Policy defined by CaixaBank.
- Reviewing the satisfactory compliance and effectiveness of the measures adopted by BPI, within the scope of the general procedures for dealing with conflicts of interest described in this Policy.

- Reviewing and evaluating the policy every two years or less, if the situation so requires, taking into consideration possible changes in CaixaBank's Corporate Policy on Conflicts of Interest, in applicable regulations and in internal procedures.
- Issuing recommendations regarding the improvement or adoption of additional measures concerning the general procedures for dealing with conflicts of interest, resulting from the review procedure mentioned above.
- Preparing an annual report evaluating compliance with the Policy for submission to the Audit Committee, which shall also take into consideration any directives issued by supervisory and regulatory bodies.
- Informing the Board of Directors, in a timely manner, of any relevant event or occurrence related to potential conflicts of interest.
- Managing the centralised register of identified conflicts of interest, as set out in the Register of Conflicts of Interest.
- Clarifying any doubts about the Policy that may arise during its application by BPI.
- Ensuring adequate disclosure and awareness of the Policy, through campaigns, awareness-raising actions, and training programmes.

The Internal Audit Department acts as the **third line of defence**, with the mission of supervising the performance of the first and second lines of defence. As an independent and objective function, it ensures the following functions:

- Including in the audit plans reviews of the effectiveness of management, control, and governance procedures on issues of conflicts of interest at BPI.
- Issuing relevant recommendations and monitoring their proper implementation to ensure the achievement of strategic objectives and the improvement of the control environment.
- Informing, among other areas, the Compliance Department of the risks of non-compliance or other potential conflicts of interest that it detects while carrying out its activity.

The Internal Audit Department also contributes to assessing and improving the risk management processes and internal governance controls through a systematic and disciplined approach.

BPI must ensure the existence of Internal Controls and Procedures for the adequate application of the general principles outlined in this Conflicts of Interest Policy.

[TABLE OF CONTENTS](#)

## 8 | GOVERNANCE FRAMEWORK

- The governance structure of the risk arising from possible conflicts of interest at BPI is based on the following foundations:
  - Compliance with the principles contained in this Policy by CaixaBank Group Entities.
  - Corporate supervision of CaixaBank Group over BPI.
  - Alignment of strategies between CaixaBank Group companies and, in turn, alignment with best practices, supervisory expectations and current regulations.

- Maximum involvement of the governing and management bodies.
- Internal control framework based on the Three Lines of Defence model which guarantees strict division of functions and the existence of several layers of independent control.

## 8.1 BPI's Board of Directors

- BPI's Board of Directors is ultimately responsible for compliance with the provisions of this Policy and consequently for the management of the compliance risk concerning conflicts of interest.
- It is responsible by law for determining BPI's management policies and strategies. Within the scope of the prevention and management of conflicts of interest, it is responsible, particularly, for:
  - The definition of a system of governance which ensures the sound and prudent management of BPI, including an appropriate distribution of functions within the organisation and the prevention of conflicts of interest, the monitoring of the implementation of the system and the periodic control and evaluation of its efficiency, and, if necessary, adopting the appropriate measures to resolve possible disputes.
  - The establishment of the general principles of action, supervision, and communication in matters of conflicts of interest which serve as a reference to enable BPI to develop the necessary organisational measures and procedures.

## 8.2 Risk Committee

- In the performance of its duties as an advisory and support body to the Board of Directors, the Risk Committee is responsible, namely, for advising the Board of Directors and the Audit Committee on the Company's risk policy and, within that framework, on BPI's general, current, and future risk appetite and strategy, and for assisting the Board of Directors in overseeing the execution of BPI's risk strategy by the Executive Committee.
- In the context of risk management in relation to conflicts of interest, the Risk Committee:
  - Proposes approval of this Policy to the Board of Directors.
  - Monitors the degree of adequacy of the risk assumed to the previously decided profile and ensures that the Bank's actions are consistent with the tolerance levels established.
  - Determines, jointly with the Board of Directors, the information that these bodies must receive, so that knowledge of exposure to this risk is sufficient for decision-making purposes.
  - Assesses the risk of compliance with applicable legislation and/or regulations in force within this area of action and decision, detecting any risk of non-compliance and monitoring and analysing any shortcomings in keeping with ethical or deontological principles.
  - Verifies whether BPI has the means, systems, structures, and resources in accordance with the best practices that allow it to implement its strategy in managing the risk of conflicts of interest.

## 8.3 Audit Committee

- The Audit Committee supervises the effectiveness of the internal control system, ensuring that the established Policies and Systems are effectively applied, and assesses the effectiveness of the financial and non-financial risk management systems, for the purpose of exercising its supervisory functions as a management body, within the scope of the Policy of Action on Conflicts of Interest, namely proposing to the Board of Directors the approval of this Policy.

## 8.4 Executive Committee of the Board of Directors

- The Executive Committee of the Board of Directors is responsible for approving the procedures needed to implement this Policy, as well as the decisions to be adopted within the scope of risk management in respect of conflicts of interest.

## 8.5 Global Risk Committee

- BPI's Global Risk Committee is the body dependent on the Risk Commission responsible for managing, controlling, and monitoring in an overall manner the risk resulting from possible anti-competitive practices, among others, as well as evaluating the respective implications for the management of liquidity, level of solvency and consumption of regulatory and economic capital.
- To this effect, it must analyse the Bank's overall position in relation to this risk, establishing directly and/or through its possible Delegated Committees, the Policies and/or procedures which optimise its management, monitoring and control, in line with BPI's strategic objectives.
- In this context, the specific objective of this Committee is to adjust the strategy in this matter to that established by the Board of Directors within the scope of the risk appetite, to coordinate the measures to mitigate non-compliance and the reaction to early warnings, keeping the Board of Directors informed, through reports to the Risk Committee, on the main lines of action and their status at BPI.

## 8.6 Availability of the Policy to Customers and Subject Persons

### Customers

- BPI's Customers may consult the General Policy on Conflicts of Interest on BPI's website.

### Subject Persons

- This Policy is available to Employees and members of the Governing Body through BPI's Intranet.

## 8.7 Training of Subject Persons

- Employees and Board Members covered by the Policy will receive continuous training to ensure that they have adequate knowledge of conflicts of interest, particularly in relation to identifying, preventing, and managing them, with the aim of ensuring that they perform their duties with professionalism, honesty, and transparency.
- Besides the fact that all Subject Persons must comply with the provisions of this Policy, BPI must ensure that Associated Persons and Related Persons who do not receive training act in accordance with standards of conduct and values comparable to those envisaged in the Policy and in the other internal regulations relating to conflicts of interest.
- The Compliance Department will carry out periodic reviews with the goal of ensuring that BPI's training plans provide the relevant persons identified with adequate, up-to-date qualifications which are aligned with the regulatory requirements on conflicts of interest and with the inspiring principles contained in BPI's Code of Ethics and Operating Principles, considering the nature and particularities of the activity they perform.

- BPI's People and Organisation Department or the person appointed for the purpose, in coordination with the Compliance Department, is responsible for reviewing the following elements:
  - Training plan implemented by BPI.
  - Agenda of courses given to Employees and Members of the Governing Body.
  - Course recipients by business area and category.
  - Criteria for selecting the target audience for the courses.
  - Evaluation of the success and level of acceptance of the courses through internal surveys.
  - Frequency and duration of the courses.
- Similarly, specific training plans will be developed for Employees who work in areas more susceptible to potential conflicts of interest, such as investment and ancillary services, and who require greater awareness.
- On admission, Employees and members of BPI's Governing Body will receive an email containing a link to consult the Policy via the Intranet. Additionally, Employees who provide investment or ancillary services will receive the Policies and internal regulations relating to the areas mentioned.

## 8.8 Management of Exceptions and Specificities

- Any situation which, in accordance with the legal provisions which regulate or come to regulate the matter of conflicts of interest, and which require a specific procedure aimed at incorporating specific circumstances in the Policies on Conflict of Interest in force at BPI, will be communicated to the Compliance Department and reported to the Group Compliance Department, regarding the necessary actions.

[TABLE OF CONTENTS](#)

## 9 | INFRINGEMENTS AND SANCTIONS

- Non-compliance with the provisions of this Policy, namely by the Subject Persons who provide services within the scope of the securities market, is considered a serious or very serious infringement under the terms established in the regulations on the securities market<sup>5</sup>.

<sup>5</sup> Securities Code, as amended in accordance with Law no. 35/2018.

- Similarly, conduct contrary, either by act or omission, to the obligations contained in this Policy, as well as the internal rules related to conflicts of interest, may be regarded as disciplinary offences.

[TABLE OF CONTENTS](#)

## 10 | INFORMATION AND REPORTING STRUCTURE

- The establishment of an adequate information framework is fundamental for managing the risk resulting from possible situations of conflict of interest.

- The main objectives of the information structure are:
  - Providing the relevant Governing Bodies and the Senior Management of each Department, whenever necessary and in a timely manner, with precise, clear, and sufficient information to facilitate decision-making and to ascertain whether BPI is carrying out its activity within the stipulated risk tolerance.
  - Satisfying any information requirements of Supervisors / Regulators.
  - Keeping the Sole Shareholder informed, as well as CaixaBank Group's stakeholders, on matters of Conflicts of Interest.
  - Providing the heads of the different areas, especially the management and control areas, with the necessary data to monitor compliance with the strategy defined for BPI in matters of competition law.

TABLE OF CONTENTS

## 11 | POLICY UPDATE

- This Policy will be submitted for review by the Board of Directors every two years. Nevertheless, BPI's Compliance Department, as the body responsible for the Policy, must review its content annually and, if deemed necessary, propose changes to be submitted for the approval of the Board of Directors.
- Additionally, the Policy may be updated at any time, when BPI's Compliance Department has identified the need to amend it for the following reasons:
  - Changes in legislation and/or regulations.
  - Changes in business objectives and strategy.
  - Changes in management approach or processes.
  - Modifications derived from results obtained in the monitoring and control activities.
  - New or modifications to existing Policies that affect the content of this Policy.
  - Change in organisational structure entailing a change of risk management functions resulting from possible conflicts of interest.
- Notwithstanding the above, if changes are introduced outside the review period stipulated by default (biennial), if they are minor, approval by the Global Risk Committee is permitted. For this purpose, minor changes are understood as those resulting from organisational alterations without implications for the risk management functions resulting from possible situations of conflict of interest, merely typographical corrections or those resulting from the updating of documents referred to in the Policy. The Risk Committee will always be informed of the changes approved by the Global Risk Committee. If the Risk Committee considers it appropriate, it will submit the changes to the Governing Body.
- The People and Organisation Department is responsible for ensuring the accessibility and archiving of this Policy.

TABLE OF CONTENTS

## 12 | SUPPORT - DEFINITIONS

### Policy

- BPI's General Policy on Conflicts of Interest.

### Subject Persons

- Natural or legal persons who fall within the subjective scope of application of this Policy.

### Associated Persons<sup>6</sup>

- Natural or legal persons who, whilst not being classified as Employees, provide services to BPI, in their own name or on behalf of third parties.

<sup>6</sup> By way of example, consultants, mediators, tied agents and suppliers, among others, are considered Associated Persons.

### Related Persons

- Natural or legal persons whose interests, given the relationship with the Subject Persons, may be confusable. For this purpose, the persons who intervene in the name or on behalf of the Subject Person or of persons related to them shall also be considered Related Persons.

### BPI

- Company incorporated under Portuguese law, whose corporate purpose is the exercise of banking activities and other related activities permitted by law, as well as other companies controlled directly or indirectly by it.

[TABLE OF CONTENTS](#)

## 13 | SUPPORT - CATALOGUE OF MITIGATION MEASURES

- BPI has a complete catalogue of Potential Conflicts of Interest which identifies the main scenarios that may occur, including the measures deemed fundamental to manage and mitigate conflicts of interest, the main measure being the duty to abstain from acting directly or indirectly in a situation of conflict of interest.
- The Compliance Department may also provide clarifications (through FAQs or other means) that explain the practical implementation of the requirements of this Policy and the measures for managing and mitigating the risk of conflicts of interest.
- The mitigating measures used by BPI to resolve conflicts of interest are listed below on a non-exhaustive basis:

### Consideration and decision of operations or other matters

- Employees must abstain from assessing or intervening in the decision-making process concerning the decision of operations or any other matter in which they are directly or indirectly interested, as well as family members or companies or other collective entities in which they hold 10% or more of the share capital or voting rights / hold significant influence / hold senior management or supervisory positions. In these situations, the process is transferred to other Employees without their hierarchical dependence.

## Pursuit of activities outside BPI

- Employees may perform functions or activities outside BPI in situations where there is no conflict of interest and where the independence and reputation of the Institution are preserved. The development of a parallel activity, self-employed or on behalf of a third party, must comply with a set of specific requirements, such as: the requirement not to perform any activity which is identical to that of BPI; not to engage in any parallel activity during the periods in which he/she is performing functions at BPI; not to influence, directly or indirectly, the contracting process of service providers or suppliers so as to benefit the company with which he/she collaborates; not to share information obtained in the performance of his/her functions at BPI; nor to use in his/her parallel activity his/her functions at BPI and/or use its logo/corporate image.

## Member of Associations/Non-profit entities (including political parties)

- In the exercise of his/her civic/political activities, especially if these have a public impact, the employee/member of the governing body may not bind the Bank, and to this end must avoid using the name or image of the Bank in his/her political and social manifestations. Any link, association or collaboration with political parties or other public entities, institutions, or associations, shall be understood to be personal, and the employee must clarify the personal nature of the link.

## Family members in the chain of command

- In this situation, whenever possible, an attempt should be made to transfer to another functional area. Family members cannot impartially evaluate the performance and decide on the progression and remuneration of others. In cases where this transfer is not possible, the situation should be presented to the Compliance Department, which will issue an opinion based on the specific case.

## Employee performing simultaneous or consecutive tasks in different areas/departments in the Bank

- Employees may not perform conflicting tasks and must delegate this task to another employee and/or service provider (whether contracted or not for this purpose).
- The members of the Management and Supervisory Bodies cannot, as a rule, undertake credit operations with BPI. Only credit operations of a social nature or purpose or arising from the Staff Policy are permitted, as well as credit granted resulting from the use of credit cards associated with the deposit account, under similar conditions to those practiced with other Customers with a similar profile and risk.

## Hiring suppliers

- Employees may not take part in the selection of suppliers in which they have a particular interest. In the event of situations in which an Employee/Member of the governing body is involved in decision-making concerning the hiring of companies with which he/she may be related or has been related to in the last two years, he/she must abstain from participating in the process, reporting this to the person responsible for hiring.

TABLE OF CONTENTS