POLICY ON ORDER AGGREGATION AND TRANSACTION ALLOCATION

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1 | INTRODUCTION

- Under the terms and for the purposes of Articles 68 and 69 of Commission Delegated Regulation (EU) 2017/565 of 25 April 2016, Banco BPI, S.A.'s (BPI) policy on the aggregation and allocation of orders for transactions in financial instruments is described below.
- Order aggregation means the combination into a single transmitted order (hereinafter "aggregated order"), for the purposes of execution, by BPI to the market or to another financial intermediary of orders (hereinafter "single orders") received from more than one Client or the combination, for the same purpose, of an order from one Client, or several, with an order relating to an operation to be carried out by BPI on own account.
- Order allocation refers to the operation of distributing the result of the transaction carried out in the execution of an aggregated order among the ordering of the single orders. This operation is particularly important when the aggregated order is not fully executed and/or when it is not fully executed at the same price/at the same time or under different conditions.
- Protecting the interests of BPI's Clients and treating them fairly, all within the framework of the requirements defined by law in this matter, are the principles underlying BPI's aggregation and allocation of orders policy described herein.

2 | ORDER AGGREGATION

- In the exercise of the activities of receiving, transmitting, and executing orders on behalf of third parties, order aggregation by BPI has a highly exceptional nature.
- BPI will only aggregate the orders of several Clients into a single order when this is appropriate to safeguard the best interests of its Clients. BPI will only aggregate, in a single order, the orders of several Clients or the orders of Clients with orders relating to operations carried out on own account, when:

  - This is manifestly necessary so that the Client's order can be executed more quickly and in the Client's interest or when this is determined by the entity managing the trading venue to which the order is to be directed.

  - Aggregation is not, in global terms, detrimental to any ordering.

  - Clients whose orders are aggregated have been informed of the possibility that the effect of aggregation may be detrimental to their specific order.

  - The Client does not oppose the order aggregation.

3 | CRITERIA FOR ORDER ALLOCATION

- When BPI aggregates orders placed on own account with one or more Client orders, it does not affect the corresponding operations in a way that is detrimental to the Clients.
- Without prejudice to the provisions of the following paragraph, whenever BPI aggregates an order from a Client with an order from its own portfolio and the aggregated order is partially executed, it allocates the corresponding operations to the Client as a priority.

- BPI may affect the operation referred to in the previous paragraph in a proportionate manner if it substantiates that, without the order aggregation, it would not have been able to execute it or would not have been able to execute it under such advantageous conditions.
- When aggregating orders transmitted by several Clients, BPI allocates the corresponding operations proportionally to each Client, i.e., at the weighted average price and divided according to the volume of the order transmitted.

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