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1 | INTRODUCTION

1.1 Background

- The transposition of Directive 2014/65/EU of the European Parliament and of the Council of May 15, 2014 on markets in financial instruments ("MiFID II") revised the discipline introduced by Directive 2004/39/EC of April 21, 2004 ("MiFID I") (and both together ("MiFID")) to meet the objectives of enhanced investor protection and transparency, determining that firms providing investment services, when executing client orders, should take enough measures to obtain the best possible result for their clients taking into account different variables such as price, costs, speed, likelihood of execution and settlement, size, nature or any other factor relevant to the execution of the order.
- In this context, BPI revised, among other aspects, its Order Execution Policy, and the basic principle remains the development of BPI's best efforts so that the orders received from Clients are executed under the best conditions, keeping in view the variables described above.
- Any specific instructions as to the treatment to be given to the presented order transmitted by the Client may prevent BPI from obtaining the best possible result, in accordance with said execution policy.
- BPI has contracted the service of execution of its clients' orders for securities (hereinafter referred to as "securities"), with CaixaBank, S.A. - Portuguese Branch.
- Delegated Regulation 2017/565/EU also introduced the obligation for BPI to provide clients with information concerning the quality of execution and related execution measures and to publish, annually, for each class of financial instruments, appropriate information on the top five entities to which orders were transmitted or placed.

1.2 Objectives

- This document describes BPI's Policy for Executing Orders (hereinafter the "Execution Policy" or "Policy") in the provision of the services of reception and transmission of orders and execution of orders on behalf of its clients in financial instruments.
- This Policy is subject to the applicable legal provisions in force at any given time.
- The Execution Policy will be permanently updated and is available for consultation at any BPI branch and on BPI's website.
- The contents of this Policy comprise:
 - General principles governing the circuits of orders in financial instruments at BPI.
 - Governance Framework.
 - Control Framework.
 - Information and Reporting.
 - Policy Update.

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2 | SCOPE OF APPLICATION

Clients

- This Execution Policy applies to the relationship between BPI and its respective clients (Clients).
- BPI's Execution Policy applies to clients classified by BPI as "Retail" clients and "Professional" clients, considering for this purpose the definition established in the Securities Code.
- This Execution Policy does not apply to clients classified by BPI as "Eligible Counterparties".

Services

- This Policy applies to the service of reception, transmission and execution of orders provided by BPI regarding financial instruments, which occurs when:
 - i. BPI receives orders transmitted by its clients and retransmits them to third parties for execution; or
 - ii. BPI receives orders transmitted by its clients and executes them against its portfolio, being the client's counterparty.
- In the case referred to in (i), BPI has subcontracted the services of CaixaBank, S.A. – Portuguese Branch, an entity qualified to provide order execution services, to which it retransmits the orders referred to therein.

Financial Instruments

- The Execution Policy applies to financial instruments identified as such in MiFID II ("Financial Instruments") and in respect of which BPI is qualified to provide and provides the services referred to in this Policy.
- BPI may not provide its clients with the service of reception, transmission, and execution of orders on every Financial Instrument, whereby its Execution Policy will be exclusively applicable to the Financial Instruments in respect of which BPI provides this service at any given time.
- In the case of orders concerning securities (shares, bonds, equities, units in collective investment institutions, autonomous warrants, detached rights, exchange trade funds ("ETFs") and others classified as such), hereinafter referred to as "securities", the Bank retransmits the orders to CaixaBank, S.A. – Portuguese Branch.
- In the case of orders concerning financial derivative instruments traded on a forward basis (such as options, futures, swaps, forward rate agreements, and any other forward derivative contracts), hereinafter referred to as "derivatives", BPI executes them against its portfolio.

Channels for Receiving Client Orders

- BPI offers its clients in general the following channels for the reception of orders relative to the Financial Instruments covered by this Policy:
 - Face-to-face channels of the BPI network (Branches, Premier Centres, Private Banking and Business Centres).
 - BPI's electronic channels (BPINet or any other electronic platform provided by BPI).
 - BPI's telephone channels integrated with voice recording systems.
 - Other means with recording systems, if specifically agreed with the client, such as e-mail or specific financial chat (Bloomberg, Reuters, etc).

- The use of the above channels will depend on the type of Financial Instrument to which the order relates and the typology of the client.
- The use of telephone channels implies that the client accepts the recording of the conversation. In the event the client does not consent to the recording, BPI cannot accept orders via this channel, and the client must opt to transmit the respective instruction via any other type of channel available.

Specific Instructions from Clients

- A "specific instruction" from the client will be any specific instruction given by the client relating to the order that the latter wishes to transmit, namely, an indication of the trading structure to which the client wishes the order to be sent, the execution method, the characteristics relating to price/quote and the time of execution of the order on the market.
- Where the client issues specific instructions to BPI, BPI will use its best endeavours to execute the order as transmitted and obtain the best possible result for the client, provided that such instructions are compatible with the characteristics of the service provided by BPI and with applicable legislation, where compliance with such instructions may result in the client not obtaining the best possible result as regards the elements affected by that instruction.
- As mentioned above, the transmission of specific instructions in relation to an order may limit the application of this Execution Policy regarding that order. Notwithstanding where the specific instructions refer only to a part of the elements of an order, the Execution Policy will apply to the remaining elements of the order which are not affected by those specific instructions.
- For illustrative purposes only, specific indications will be considered:
 - The express indication by the client of the trading structure to which he/she wishes the order to be sent.
 - The indication expressed by the client of the currency of the order, in the case of financial instruments quoted in different currencies.
 - Certain types of instructions, such as "stop-loss" instructions, which are executed in accordance with the evolution of the price of the asset in a market.
 - Any type of execution strategy followed by the client, including the deadline set by the client for execution of the order, the volume or percentage of volume to be executed in each session or the price to be obtained on execution.
- BPI will seek to obtain the best possible result for the client in orders with specific indications, in strict compliance with applicable legislation and, particularly, the corresponding market regulations and applying, to the extent possible, the Execution Policy for the order in question as regards the remaining characteristics not specified by the client.
- BPI reserves the right not to accept orders with specific indications.

Record keeping

- BPI records and archives (i) all electronic communications and/or telephone calls exchanged within the scope of the service of reception, transmission, and execution of orders, as well as (ii) the relevant electronic communications and/or telephone calls which result, or are intended to result, in transactions, under the terms established by law and resulting from the provisions of the Client Order Reception Channels.

- The data collected will be archived in accordance with the legal retention periods, i.e., for a minimum period of five years (extendable for seven years when requested by the competent authority) and will be available to the client on prior written request to BPI.

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3 | REGULATORY FRAMEWORK. REGULATION AND APPLICABLE LAW

- This Policy is subject to 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:
- Securities Code, approved by Decree-Law 486/99, of November 13, as amended by Law 23-A/2022, of December 9.
- Delegated Regulation 2017/565/EU of the Commission of April 25, 2016, supplementing Directive 2014/65/EU of the European Parliament and of the Council as regards organisational requirements and operating conditions for investment firms and the concepts defined for the purposes of that Directive.

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4 | ORDER EXECUTION

Best execution

Securities

- For the execution of orders on securities, Caixabank, S.A., through its branch in Portugal was the entity chosen by BPI, considering that it is an entity also subject to compliance with best execution policies, within the scope of MiFID II. An analysis of this policy shows that it combines the necessary measures to ensure the best execution conditions for BPI clients. The policy and the selection of the main execution venues and financial intermediaries can be consulted at https://www.caixabank.es/deployedfiles/particulares/Estaticos/pdf/general/Politica_de_Mejor_Ejecucion_2021_CAST.pdf.
- BPI will periodically evaluate the entity selected for the execution of orders, to ensure that this entity guarantees compliance with the obligations to which it is bound, guarantees the quality of the execution under the best conditions and, if necessary, corrects the deficiencies found.
- BPI has considered, and will continue to consider, the following factors in this selection and in its periodic evaluation of that selection:
 - Coverage and access to a multiplicity of relevant markets.
 - Reputation and professionalism: market presence, order execution capability, speed of processing and incident resolution capacity.
 - Alignment of the selected entity's execution policy with the Bank's execution policy.
 - Quality of execution, clearing and settlement of operations.

- Access to information on executed orders: details and quality of information that trading platforms can provide on executed orders.
- Costs, commissions and/or fees applied.
- At least once a year, BPI will review the selected financial intermediary/intermediaries.
- In any case, if circumstances are identified that are or may be impeding compliance with the established selection criteria, an immediate review will be conducted.
- The purpose of the review, regardless of when it takes place, will be to verify compliance with said selection criteria to ensure compliance with the Execution Policy.
- The change or selection of new financial intermediaries will be disclosed to clients through any durable medium or by publishing the updated list on the website www.bancobpi.pt.
- Express consent to execute orders outside trading platforms.
- By accepting this Execution Policy, the client gives express consent for the orders to be executed outside the trading platforms (i.e., outside organised markets, multilateral trading facilities and organised trading facilities), in accordance with BPI's choice of trading platforms, and provided that, in accordance with the selection criteria indicated above, such circumstance is recommended to obtain the best result for the client.

Derivatives

- In the execution of orders relating to derivatives and given that they are executed with BPI's intermediation, BPI monitors, through the appropriate tools, the prices which other financial intermediaries are quoting for the same operations, so that the operations which BPI executes with its clients are executed in the best conditions for them.

Execution with intervention of BPI

- BPI can act as the client's counterparty, intervening in the negotiation between the client and the trading structure, the financial intermediary or the counterparty to the order or even being the Customer's final counterparty. The main types of orders that can be transmitted with BPI's intervention are described below:
 - a) Back-to-back execution
 - BPI acts as a mere intermediary, acting simultaneously on both sides of the operation, acting as a mirror of each party (in accordance with the definition of the term "back-to-back" provided by the European Securities and Markets Authority ("ESMA")).
 - b) Execution outside trading platforms
 - BPI may execute orders off trading platforms / Over the Counter ("OTC"), acting as the client's counterparty. This type of execution applies in the case of derivatives, where the order execution process begins with a prior request for quote by the client, in accordance with the Prior Quote / Price Request.

Prior Quote / Price Request

- The client may request a quote/price from BPI for a specific financial instrument prior to taking a decision and transmitting the order instruction (Quote Request).
- In these cases, the Execution Policy will be deemed to have been complied with to the extent that BPI executes the order on the terms previously agreed with the client. Such agreement may relate to:

- The moment and form of the request for a Prior Quote.
- The number of counterparties or trading platforms for which it has requested a Prior Quote.
- The determination of specific counterparties or trading platforms.
- In the case of orders to be executed with a Prior Quote, Banco BPI must verify whether the Prior Quote presented to the Customer is appropriate ("Price Fairness") considering the market data which have been applied to estimate the referred Prior Quote, namely:
 - In the case of sufficiently liquid instruments, compared with the quote/price offered by other counterparties in the market and/or with the price of similar or comparable instruments.
 - In the case of illiquid instruments, by means of the timely justification of the calculation of the theoretical price, based on the observance of market variables associated to the financial instrument in question.

Conflicts of Interest

- In certain circumstances, there may be a conflict of interest between obtaining the best possible result for clients and for BPI, in which case the best possible result for the client shall have priority.

Order management

- When BPI executes or transmits orders received from clients, it shall ensure that the following requirements are met:
 - Identifying the holder of the order, and where a third party or representative transmits the order on behalf of the holder identifying that third party or representative; and
 - That the investment decision has been taken before the order is transmitted and, consequently, before the result of the operation is known.
- BPI is obliged to ensure the correct formation of prices on the markets, whereby there may be delays in sending certain orders for execution when their volume or price limit may affect the integrity of the market, in which case the order will lose its execution priority in the order book.

Priority in the execution of orders

- In general, the following priority rules apply when executing client orders:
 - Under equal conditions of price and characteristics of the orders, the first order received shall have priority.
 - Orders received from clients shall have priority over orders for BPI's own account.
 - As regards orders for BPI's own account, and to ensure the safeguarding of clients' interests, the investment decision of BPI entities will be taken by a distinct area, independent from the trading rooms which receive orders from clients, applying the provisions of the previous paragraph.

Order Aggregation

- As a rule, BPI does not combine client orders, nor does it combine client orders with BPI orders.
- The criteria for the aggregation and allocation of BPI's orders in the execution of operations on financial instruments are defined in BPI's Policy for the Aggregation of Orders and Allocation of Operations.

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5 | CROSSING OF CUSTOMER ORDERS

- BPI will not cross client orders internally, or client orders with its own orders, except in cases where the regulations of the corresponding trading structure so permit (such as, for example, block transactions), and where the client's prior consent or instruction has been obtained.

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6 | GOVERNANCE FRAMEWORK

- The governance structure at BPI, in matters of execution of orders in financial instruments, is as follows:

6.1 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 conduct of business risk relating to the execution of orders in financial instruments.
- It is responsible by law for determining BPI's management policies and strategies. Within the scope of conduct risk management as regards the execution of orders on financial instruments, it is particularly responsible for:
 - Defining a system of governance to ensure the sound and prudent management of BPI, including an appropriate distribution of functions in the organisation and prevention of conduct risk in the execution of orders in financial instruments, the monitoring of the implementation of the system and the periodic control and evaluation of its efficiency, adopting, if necessary, the appropriate measures to address possible disputes.
 - Establishing the general principles of action, supervision, and communication of conduct risk in matters of execution of orders in financial instruments which will serve as a reference to enable BPI to develop the necessary organisational measures and procedures

6.2 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 the management of conduct risk when executing orders in financial instruments, 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, in collaboration 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 in this sphere of action and decision, detecting any risk of non-compliance and monitoring and analysing any shortcomings in accordance 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 conduct risk management strategy as regards the execution of orders in financial instruments.

6.3 Audit Committee

- The Audit Committee oversees 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, aiming at exercising its supervisory function as a Governing Body, within the scope of the Policy for execution of orders on financial instruments, namely proposing to the Board of Directors the approval of this Policy.

6.4 Executive Committee of the Board of Directors

- The Executive Committee of the Board of Directors is responsible for approving the procedures necessary for the implementation of this Policy, as well as the decisions to be adopted in the context of the management of conduct risk about the execution of orders in financial instruments.

6.5 Global Risk Committee

- BPI's Global Risk Committee is a body dependent on the Risk Committee responsible for managing, controlling, and monitoring in an overall manner the risk resulting from eventual defaults in the execution of orders in financial instruments, among others, as well as evaluating the respective implications for the management of liquidity, level of solvency and consumption of regulatory and economic capital.
- For this purpose, 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.
- Accordingly, 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.

6.6 Transparency Committee

- The Transparency Committee is a body under the Executive Committee of the Board of Directors responsible for assessing and approving in first instance the Policy for execution of orders in financial instruments.

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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 encompasses the entire organisation and enables 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** comprises the business areas, business support and central services, and is 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 conduct of business risk regarding the execution of orders in financial instruments.
 - Establishing and implementing appropriate controls to ensure compliance with obligations in relation to the execution of orders in financial instruments.
 - The Compliance Department, as the **second line of defence** against conduct risk in matters of execution of orders in financial instruments, carries out the following functions:
 - Promoting the approval of the Policy by the Governing Body, as well as of any substantial change thereto.
 - Reviewing satisfactory compliance and the effectiveness of the measures adopted by BPI, within the scope of the general operating procedures for the execution of orders in financial instruments described in this Policy.
 - Reviewing and evaluating the Policy on an annual basis or less frequently if the situation so requires, considering possible changes in the applicable regulations and internal procedures.
 - Issuing recommendations on the improvement or adoption of additional measures concerning the general operating procedures for the execution of orders in financial instruments resulting from the abovementioned review procedure.
 - Timely informing the Governing Body of any relevant event or occurrence concerning possible shortcomings on the execution of orders in financial instruments.
 - Clarifying any doubts about the Policy that may arise during its application by BPI.
 - Ensuring adequate promotion and awareness of the Policy, through campaigns, awareness-raising actions, and training programmes.
 - The Internal Audit Department acts as the **third line of defence**, and its mission is to supervise the actions 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 about the execution of orders in financial instruments 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 in the execution of orders in financial instruments that it detects during its activity.

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8 | INFORMATION AND REPORTING

- Achieving an adequate reporting structure is key to managing conduct of business risk when executing orders in financial instruments.
- The main reporting objectives are the following:
 - Providing the Governing Bodies, whenever necessary and in a timely manner, with accurate, clear, and sufficient information to facilitate decision-making and to verify whether BPI is acting in accordance with the legal and regulatory provisions in force, as well as in compliance with the applicable internal rules.
 - Meeting the information requirements of Supervisors/Regulators.
 - Keeping the sole shareholder and BPI's stakeholders informed of the principles of action regarding the execution of orders on financial instruments.
 - 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 regarding the execution of orders in financial instruments.
- Additionally, BPI makes available in the "BPI Investor Manual" information on the execution of orders in financial instruments.

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9 | COMMUNICATION OF THE POLICY

- Clients who conclude a contract with BPI for the provision of financial intermediation services will have at their disposal the updated version of the Execution Policy in the "BPI's Investor Manual", which is available at the Bank's branches and at www.bancobpi.pt. A paper copy can also be requested.

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10 | OBTAINING THE CONSENT OF CLIENTS

- BPI shall obtain its clients acceptance to the Execution Policy upon the Client's signature of the Products and Services Subscription or prior to the provision of the order reception and transmission and execution service. The client expressly acknowledges that the request for the execution of the first order after the Client's signature of the Products and Services Subscription or the first order after any amendment to BPI's Execution Policy shall be deemed as acceptance of BPI's Execution Policy.

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11 | POLICY MONITORING

- In accordance with the Securities Code, BPI must periodically verify compliance with the execution policy adopted and, particularly, the quality of execution of the entities covered by said policy.
- The Execution Policy will be reviewed at least once a year, without prejudice to its revision whenever there is a significant change that affects BPI's capacity to offer its clients the best possible result in accordance with the terms contained in this Policy.
- Annually, BPI will disclose the five financial intermediaries most frequently used to execute client orders in terms of volume of transactions in the previous year, for each category of financial instrument, as well as information on the quality of execution of orders obtained. Such information will be disclosed on the website (www.bancobpi.pt).
- Supervision and control will be ensured through the following procedures:

Assessment of the execution policy itself

- BPI assesses its execution policy by considering the need to change or include factors that determine execution under the best conditions.

Checking compliance with the execution policy

- Compliance with this Policy will be verified by reviewing the compliance of internal processes, as well as the controls associated with them.
- This verification shall not consist of checking each order individually, but of verifying that there is a process subject to periodic review that demonstrates that controls are functioning correctly.

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12 | EVIDENCE OF EXECUTION IN ACCORDANCE WITH THIS POLICY

- Should clients so request, BPI shall demonstrate that the orders subject to this Execution Policy transmitted by it have been executed in accordance with this Policy.

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13 | POLICY UPDATE

- This Policy will be submitted for review by the Board of Directors annually.
- The Compliance Department (CD), as the body responsible for the Policy, must review its content and, whenever it considers relevant, may propose modifications which will be submitted for approval to the Board of Directors, after hearing the Risk Committee and the Audit Committee.
- Additionally, the Policy may be updated at any time when the DC 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 processes.
 - Changes deriving from results obtained in monitoring and control activities.
 - New Policies or modifications to existing ones, which affect the content of this Policy.
 - Change to organisational structure implying a change of conduct of business risk management functions regarding the execution of orders in financial instruments.
- As a review procedure, the responsible body of the Policy should:
 - Share the results of the analysis carried out with the other BPI structures involved in the management of conduct risk regarding the execution of orders in financial instruments and make any necessary amendments to the Policy.
 - Submit a proposed revision to the Policy which will include a summary of the review conducted in the "Changes to Latest Version" section at the beginning of this Policy.
 - Propose to the Global Risk Committee, to submit the revision of this Policy to the Risk Committee and to the Audit Committee, which will analyse its compliance prior to the consideration of the Board of Directors.
 - In situations where updates are made outside the established period (annual review), if they are immaterial, they may be approved by the Global Risk Committee. For these purposes, immaterial updates are considered those resulting from organisational changes without implications for the conduct risk management functions regarding the execution of orders in financial instruments, typographical corrections or those resulting from the updating of documents referenced in this Policy. The Risk Committee and the Audit Committee will always be informed of the updates approved by the Global Risk Committee. These Committees, in turn, will decide whether to inform the Board of Directors of these updates.
 - The Organisation and Presidency Department is responsible for the archiving and accessibility of this Policy, ensuring the correct functioning of the processes of archiving, distribution and, where appropriate, publication.
 - This Policy will be integrated in the "BPI's Investor Manual", available on BPI's public website.

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