

# CONFLICTS OF INTEREST MANAGEMENT POLICY

## 1. MISSION

The mission of Banco de Investimento Global, S.A. (“BiG” or “Bank”) is to create value for clients and shareholders using a strategy of clear differentiation, based on an innovative client-oriented approach of the market.

## 2. ORGANISATIONAL CULTURE ON CONFLICTS OF INTEREST

BiG always strives to conduct its business according to ethical principles and the swift identification and fair management of conflicts of interest that could eventually arise, namely (i) between different clients that operate with one or more business areas of the Bank; (ii) between the Bank or the members of the corporate offices, employees, tied agents, and one or more clients; (iii) between the Bank or the members of the corporate offices, employees, tied agents and its shareholders; (iv) between the Bank or the members of the corporate offices, employees, tied agents and any other of its stakeholders; (v) between the interests of the Bank and the interests of any institution belonging to the BiG Group and (vi) conflicts of interest in the context of intra-group transactions.

The Bank always seeks to conduct its business using appropriate measures and instruments to ensure that the pursuit of its business strategy and the development of its activity is coherent with its duties to act honestly, fairly and professionally in the client’s best interest.

Besides measures of an organizational and control character, and its policies and procedures, all employees of the Bank are expected to perform their functions and provide BiG’s services consistently with the Bank’s organizational culture, and should always act honestly, fairly and professionally in the client’s best interest.

The Bank’s employees should permanently act in order to preserve and promote BiG’s reputation and should avoid placing themselves in positions that could lead to conflicts of interest, actual or potential, between themselves or third parties and the organization. In the same way, scenarios should be avoided that could cause interested parties to perceive that there is a conflict of interests (alleged conflict of interests).

## 3. LEGAL AND REGULATORY FRAMEWORK

The regulations applicable to Banks and to agents in the equity, namely articles 33(9), 86-A, 115-A(1) of the Credit Institutions Framework (“RGICSF”), as approved by Decree-Law no. 298/92,

of 31 December, and article 309 of the Securities Code (“CVM”), as approved by Decree-Law no. 486/99, of 13 November, both in their current redaction, require Banks that maintain and operate effective organizational and administrative mechanisms to take reasonable measures aimed to prevent conflicts of interest from prejudicing the adequate fulfilment of their duties.

BiG’s Conflicts of Interest Management Policy (the “Policy”) thus aims to fulfil the legal requirements applicable to banking business, contemplated in RGICSF and in the Guidelines on Internal Governance Directive (EU) 2019/2034 (EBA/GL/2021/14), of 22 November 2021 (“EBA Guidelines”) and, also, the requirements applicable to financial intermediation, in conformity with article 23(1) of Directive 2014/65/ EU of the European Parliament and of the Council of 15 May 2014 (Directive relating to financial instruments markets, - “MiFID II” - Available for consultation in <https://big.pt/Seguranca/RegulamentacaoFinanceira/MiFID>); and articles 33 and 34 of Delegated Regulation (EU) 2017/565 of the Commission, of 25 April 2016 (“Regulation”) and national transposition standards, specifically, of the CVM, and of Bank of Portugal Notice 3/2020, of 15 July (“Notice no. 3/2020”).

This Policy also aims to standardise the treatment on conflicts of interest in the distribution of different types of packages of retail investment products in order to guarantee an appropriate level of client protection, also applying to the distribution of structured deposits in BiG.

In strict fulfilment of the legal and regulatory provisions to which BiG is bound, this Policy is also intended to ensure the early identification, minimization and careful and independent monitoring of any potential conflict of interest situations.

## 4. SCOPE OF APPLICATION AND DEFINITIONS

In the provision of banking services, namely when BiG sells or provides counselling to clients on structured deposits, and in the provision of investment and ancillary services, or of a combination of both, BiG, as a financial institution, faces real and potential conflicts of interest.

This Policy aims to ensure the adequate identification, disclosure, prevention and management and mitigation or remedying of conflicts of interest in the provision of the above-mentioned services, eliminating or minimising adverse impacts in fulfilling the duties and responsibilities required of BiG and Relevant Persons (better defined below) and the negative effects potentially arising for clients from the same causes.

The Policy should thus be combined, among others, with the

Selection and Assessment Policy, the Remuneration Policies, the Policy on Related Party Transactions or the Policy on Personal Transactions, designed so that conflicts with the duty of acting in the interest of their clients do not arise, so as to foster responsible business conduct transparent and fair treatment, and the Product Governance Policy of BiG aims to ensure that incentives for the production, recommendation or sale of a financial instrument are not created when another instrument corresponds better to the needs of the retail client.

The Policy presupposes the integral fulfilment of Regulation (EU) 596/2014 of the European Parliament and the Council, of 16 April 2014, in its current redaction (“Market Abuse Regulation”) with regard to the use of privileged information.

The Policy should, especially, be articulated with the regime set out in articles 313 et seq. of the Securities Code and articles 11 et seq. of the Delegated Directive (EU) 2017/593 of the Commission, of 7 April 2016, on the prohibition of unlawful incentives and with the provisions, on the same matter, in Portuguese legislation relating to the conception, marketing and provision of consultancy services in relation to structured deposits.

The Policy should also be articulated with the Policy on independence and the decision-making process to avoid conflicts of interest in the Board of Directors and the Remuneration Policy for Members of the Management and Supervisory Bodies, which establish rules to ensure the independent performance of duties in the best interest of BiG.

It must also consider the “Guidelines on certain aspects of MiFID II requirements in matters of remuneration” (ESMA35-36-2537) (“ESMA Guidelines”), specifically regarding the coherent and effective application of the requirements set out in the MiFID II about remuneration policies and practices, conflicts of interest and standards of conduct in the field of remuneration.

In accordance with Paragraphs 18 and 19 of the aforementioned ESMA Guidelines, the qualitative and quantitative criteria used by companies in their remuneration policies and practices must be defined and documented sufficiently and clearly to ensure that they are not being used to indirectly reintroduce commercial criteria quantities likely to create conflicts of interest or incentives that could lead relevant people to favor their own interests or the interests of their company to the potential detriment of any client.

This Policy is part of the Bank’s internal regulations and should be seen as complementary to the other specific business procedures, the Code of Conduct, Internal Regulations, Employee Remuneration Policy and other similar rules.

The Policy applies to the members of BiG’s corporate offices, branch managers, to its employees and tied agents, any other natural person whose services are provided and are under BiG’s control and any natural person directly involved in the service provision to BiG or to a tied agent, under a subcontracting agreement, concluded for the provision of investment and ancillary services (hereinafter defined as Relevant Persons), and also covers conflicts that could arise from interests of people directly or indirectly connected to Relevant Persons through a close relationship or a relationship of control in the terms contemplated in article 2, definition 1) of the Regulation.

The Policy applies, with the necessary adaptations, to all the subsidiaries which comprise the BiG Group. The Policy also considers any circumstances that are or should be known to BiG and which could give rise to a conflict of interests, as a result of the structure and commercial activities of companies in the BiG Group.

A number of definitions and descriptions were assumed in the elaboration of this Policy that should be considered for its interpretation and application:

Clients: any(i) current clients, (ii) potential clients and (iii) clients who, meanwhile, may have terminated their relationship with BiG.

Investment services: includes all the investment services provided by BiG to its clients, in relation to which the latter may find themselves in a potentially disadvantageous situation originated by a conflict of interests, namely:

- Reception and transmission of orders relating to one or more financial instruments;
- Execution of orders on behalf of clients;
- Proprietary trading;
- Portfolio management;
- Investment advice;
- Underwriting of financial instruments and/or placement of financial instruments with guarantee;
- Placement of financial instruments without guarantee;
- Operation of multilateral trading facilities (“MTF”).

Structured deposit: a deposit shall be understood as defined in article 2(1), definition 3) (c) of Directive 2014/49/EU of the European Parliament and of the Council, in its current redaction, which is totally repayable on maturity, in such conditions that the interest or premiums will be paid, or are at risk, according to a formula that involves factors such as:

- a) an index or combination of indices, except for variable rate deposits whose return is directly connected to an interest rate

index such as the Euribor, Libor or other;

- b) a financial instrument or a combination of financial instruments;
- c) a commodity or combination of commodities or other non-fungible physical or non-physical assets; or
- d) an exchange rate of currencies or a combination of exchange rates of currencies.

**Relevant Persons:** The members of the corporate offices and the people who effectively direct or supervise BiG's activities and all the people who are involved in the service provision by BiG, specifically BiG's employees, tied agents who provide investment services on BiG's behalf and companies with which BiG subcontracts an investment service, and also any other natural person whose services are provided and are under BiG's control and any natural person directly involved in the service provision to BiG or to a bound agent, under a subcontracting agreement, concluded for the provision of investment and ancillary services.

A person with whom a Relevant Person has a close personal relationship is understood to be any one of the following people:

- a) the spouse of the Relevant Person or any partner of this person considered by national law as equivalent to a spouse;
- b) a dependent child or stepchild of the relevant person;
- c) father or other member of the household;
- d) any other relative of the Relevant Person who has shared the same household as that person for at least one year on the date in question.

**Conflicts of interest:** In this Policy, the expression "conflicts of interest" covers any conflicts:

- between the interests of BiG, including those of Relevant Persons or any people directly or indirectly connected with them through a close relationship or through control, and the interests of its clients;
- between the interests of BiG and the private interests of Relevant Persons, or of any people directly or indirectly connected with them through a close relationship or through control;
- between the interests of BiG and the interests of its shareholders;
- between the interests of BiG and the interests of any institution belonging to the BiG Group;
- conflicts of interest in the context of intra-group transactions; and or
- between the interests of the clients themselves, which could arise in the context of the provision of any services, including investment and ancillary services, or from combinations of these services, and in the distribution of structured deposits, such conflicts of interest including those caused by the acceptance of incentives from third parties or by BiG's own remuneration and other incentive structures.

In the Policy, the expression "conflict of interests" covers current, potential, real or presumed conflicts of interest (or rather, in which there is merely the perception of the existence of a conflict of interests), of an institutional, financial, professional, personal and political nature, in accordance with paragraph 2 of article 34 of Notice no. 3/2020 and Paragraph 101 of the EBA Guidelines.

The sources of conflicts of interest may be diverse. For the purpose of the Policy, significant sources of conflicts of interest are assumed to be the following:

- a) Sources of conflict of personal interest:
  - (i) the Relevant Person has a close personal relationship with members of the governing body, people who perform essential functions in the Bank or shareholders with a qualifying holding in BiG or in its affiliates;
  - (ii) the Relevant Person is party in a legal case against BiG or its affiliates;
  - (iii) the Relevant Person has, or has had in the last two years, significant business, individually or through a company, with BiG or its affiliates;
  - (iv) the Relevant Person held posts in BiG or had personal relations with members of the governing body, people who perform essential functions in the Bank or shareholders with a qualifying holding in BiG or in its affiliates which could lead to situations of conflicts of interest.
- b) Sources of conflict of professional interest:
  - (i) the Relevant Person, or someone with whom he/she has a close personal relationship, at the same time holds a position in the administration and senior management in BiG or in any competitor, or in any affiliate;
  - (ii) the Relevant Person has, or has had in the last two years, a significant commercial or professional relationship with competitors of BiG; (iii) the Relevant Person held posts in the last two years or had personal relations which could lead to situations of conflicts of interest.
- c) Sources of conflict of financial interest:
  - (i) the Relevant Person, or person with whom he/she has a close personal relationship, has a considerable financial interest or a considerable financial obligation with BiG or its affiliates; any client of BiG; or any competitor of BiG – examples of financial interests/financial obligations are: shareholdings, other investments and loans.

For the purpose of the Policy the existence of loans granted by BiG to the Relevant Person, or person with whom he/she has a close personal relationship, regarding staff policy, and also credit granted as a result of the use of credit cards associated with the

deposit account, in conditions similar to those practiced with other clients with an analogous profile and risk, is not considered to correspond to a considerable financial interest, with the exception of the situations contemplated in article 85 of the RGICSF, which are addressed in the Board of Directors' Conflicts of Interest Management Policy.

For the purpose of the Policy, the shareholding that the Relevant Person may have in BiG, or that of a person with whom it has a close relationship (without prejudice to the provisions in line c) above), is not considered a significant source of conflict of interest, but rather an instrument of alignment of interests between the interests of the Relevant Person and the long-term interest of BiG itself.

For the purpose of the Policy the existence of loans or the provision of services by a competitor or a shareholding in a competitor is not considered to correspond to a considerable financial interest provided that they are of limited value (financial) and are in non-preferential conditions compared to those usually practiced in the market for that type of act.

d) Sources of conflict of political interest - the Relevant Person or someone with whom he/she has a close personal relationship occupies or has occupied a position with significant political influence in the last two years.

The significant sources of conflicts of interest of the Relevant Person stated above are mere assumptions and given as examples. In the assessment of the significance of a source of conflicts of interest it is always necessary to assess the impact that this source can have on the capacity of the Relevant Person to perform his/her functions and on the harm this can cause to BiG's clients.

For the purpose of identifying the types of conflicts of interest that arise in the course of the service provision and where the existence of which can prejudice the interests of a client, BiG takes into account if BiG, a Relevant Person or a person directly or indirectly connected to a Relevant Person through a close relationship or relationship of control, is in one of the following situations, as a result of the service provision or for any other reason:

- a) BiG or this person may obtain financial gain or avoid financial loss, to the detriment of the client;
- b) BiG or this person has an interest in the results arising from a service provided to the client or from a transaction made on the client's behalf, which does not coincide with the client's interest in these results;

c) BiG or this person has a financial or other type of incentive to favour the interests of another client or group of clients over the client's interests in question;

d) BiG or this person performs the same activities as the client;

e) BiG or this person receives or will receive from a person other than the client an incentive relating to a service provided to the client, in the form of monetary or non-monetary benefits or services.

For the purpose of identifying the types of conflicts of interest that arise in the course of the service provision and where the existence of which can harm the Bank's interests, BiG takes into account if BiG, a Relevant Person or a person directly or indirectly connected to a Relevant Person through a close relationship or relationship of control, is in one of the following situations, as a result of the service provision or for any other reason:

- a) has an interest in the result of a determined activity which differs from the Bank's interest;
- b) receives a financial benefit or significant benefit of another kind, which is inappropriate by nature, as a result of the functions performed by the Relevant Person in BiG;
- c) has the opportunity to take or to influence decisions in BiG in order to gain personal advantage or financial gain for the Relevant Person or a person directly or indirectly connected to a Relevant Person through a close relationship or relationship of control;
- d) has a financial interest or a commercial relationship, or a prior commitment in a contractual relationship with another person or entity that prejudices or can prejudice the necessary judgement and objectivity in the performance of their duties in BiG.

A conflict of interests can also arise when an area of activity favours the interests of another area of activity which is inconsistent with the best interest of BiG, or when a transaction is performed with a

shareholder of reference or with an entity of the BiG Group, as a result of the proximity of existing relations.

The descriptions set out above merely exemplify frequent types of conflicts of interest relating to clients or to the Bank, and there may be others that are not described.

## 5. EXAMPLES OF CONFLICTS OF INTEREST

Regarding its activity, there are business areas of the Bank that are potentially exposed to greater risk of the occurrence of situations that may cause conflicts of interest, like for example:

- Concession of credit;
- Trading platforms;
- Investment Recommendations;
- Own portfolio management;
- Discretionary management of portfolios;
- Financial consultancy (Corporate Finance);
- Counselling on structured deposits;
- Own operations of employees.

In this context, under the terms of article 34(3)(d) of Notice no. 3/2020, below we indicate situations which may, potentially, originate greater risk of the occurrence of conflicts of interest, specifically related with the investment services and ancillary services that the Bank provides:

- Trading for one's own portfolio or for the portfolio of clients in relevant markets where other clients are active;
- An employee of BiG performs excessive trading to increase brokerage commission (i.e., excessive intermediation or churning, under the terms of article 310(1) of the CVM);
- The service provision of financial consultancy or of discretionary management of portfolios to clients, contemporaneously to the fact of being able to recommend or to sell instruments issued or produced by the Bank or by companies of the group;
- In general, to have an interest in the result of the provision of these services other than the client's interest;
- The Bank receives benefits, gifts or other type of incentives (including non-monetary incentives), which could influence behaviour in the provision, or acquisition, of a determined service and enter into a situation of conflict of interests with the clients of the Bank or other Stakeholders;
- The Bank issues investment recommendations relating to companies or group of companies for which it provides any type of financial consultancy;
- The Bank provided Corporate Finance services to a client who receives a proposal and the Bank seeks to provide services to the proposer;
- The discretionary management of portfolios of various clients and the criteria of placement;
- The possibility of recommendation or sale of products issued by BiG itself or by companies of the group regarding the discretionary management of portfolios of clients, and investment advice;
- Analysis and approval of loan transactions to people related to the Relevant Persons.

## 6. REQUISITES OF THE PROCEDURES AND CONTROL MECHANISMS TO BE ADOPTED

Conflicts of interest should be prevented and managed swiftly and

fairly. As minimum requirements of the procedures to be followed and the measures to be adopted to prevent or to manage these conflicts, BiG has, pursuant to article 34(3)(f) of Notice no. 3/2020:

- Effective procedures to prevent or control the exchange of information between Relevant Persons involved in activities that imply the risk of a conflict of interests, whenever the exchange of information can prejudice the interests of one or more clients;
- Differentiated supervision of Relevant Persons whose main functions involve performing activities on behalf of clients, or providing services to them, when their interests may be in conflict or when they represent different interests, specifically those of the company, which may come into conflict;
- The elimination of any direct relationship between the remuneration of Relevant Persons involved principally in the activity and the remuneration or revenue generated by different Relevant Persons, involved principally in another activity, in which a conflict of interests may arise in relation to these activities;
- The implementation of measures intended to prevent or limit the exercise by any person of inappropriate influence on the way in which the Relevant Person carries out the service provision by BiG;
- The implementation of measures intended to prevent or control the simultaneous or sequential involvement of a Relevant Person in different investment or ancillary services or activities, in which this involvement may condition the appropriate management of the conflicts of interest.

## 7. MITIGATING AND ORGANIZATIONAL MEASURES, CONTROL, PREVENTION AND REACTIVE PROCEDURES AND MECHANISMS

The mitigating and organizational measures, control procedures and mechanisms established by BiG, and foreseen in the Policy, aim to guarantee the identification, prevention, management and monitoring of potential conflicts of interest and an appropriate and effective management thereof, after their identification, establishing the measures to be adopted for the purpose.

For the purposes of article 34(3)(d) of Notice no. 3/2020, the following measures should be considered:

### A – Organizational measures

#### 7.1. Board of Directors in the supervisory function

The Board of Directors performs managerial functions and supervisory functions. When the Board of Directors acts in its supervisory function this body is expected to accompany and monitor the management function, to be capable of questioning its solutions and prepare recommendations, when necessary. The

exercise of the supervisory function by the Board of Directors has its own regulations and specific responsibilities in terms of conflicts of interest and the responsibilities are mentioned in the Policy

### 7.2. Internal Control System

BiG's internal control system has a Compliance function, under the responsibility of the Compliance Department, which aims to ensure the fulfilment of the applicable rules and internal procedures, which include those relating to conflicts of interest. The recipients of the Policy should clarify any doubts relating to conflicts of interest with the Compliance Department. BiG also has other internal control, risk management and internal audit functions, which complement BiG's internal control system. The Risk, Compliance and Audit Departments, which include the internal control system, perform totally segregated and independent functions from the operational areas, under the terms of article 9(1)(d) and article 15 of Notice no. 3/2020, ensuring that the policies and procedures relating to their respective areas of activity are respected in terms of the prevention, mitigation, management, and reporting of conflicts of interest, reporting any nonconformities directly to the governing body.

The internal control system supervises Relevant Persons whose main functions involve performing activities on behalf of clients or providing services to them differently when their interests may be in conflict or when they represent different interests, specifically those of BiG, which may come into conflict, whenever the identification of the possible conflict of interests does not imply a prohibition and performance.

### 7.3. Compliance Committee

Pursuant to the Bank's Policy on Committees, a collegial body was established to ensure the necessary articulation between the internal control system and the Board of Directors' supervisory function, without prejudice to the annual reports which, in accordance with the law, the internal control functions send directly to the administrative and supervisory boards.

### 7.4. Related party transactions

BiG has a Policy of Related Party Transactions in force, pursuant to article 33(6) of Notice no. 3/2020. In the terms contemplated in this Policy, BiG conducts operations with Related Parties in normal market conditions (arm's length basis). Operations with materially relevant Related Parties are analysed by the Board of Directors, being approved by a minimum of two thirds of its members, after obtaining the prior opinions of the risk management and

compliance functions and of the supervisory body.

It is also incumbent upon the Board of Directors to ensure that BiG identifies its Related Parties, in a complete list, updated at least quarterly, making it available to the competent supervisory authority whenever requested. This list should include the name or denomination of the Related Party, the taxpayer number or Legal Person Identification Number or equivalent and the respective percentage of all the direct and indirect holdings, when applicable, being approved by BiG's Board of Directors and being made known to the supervisory body.

The Policy on Related Party transactions, approved by the Board of Directors, after prior opinion of the supervisory body, will detail, among other things, the involvement and responsibilities of the internal control functions, both in the identification process and in the process of analysis of a transaction with a Related Party of BiG, which will be reviewed regularly and is disclosed internally to all employees, and is also published on BiG's website.

### 7.5. Product Governance Committee

BiG has a Product Committee, duly covered by the Policy on the approval of production and distribution of products, which has the duty to guarantee that the financial products produced by BiG or distributed by it correspond to the interests of the target market of these same products. BiG will also supervise the distributors of BiG's products, in the terms defined in its Product Governance Policy.

### 7.6. Reporting of Irregularities

BiG has a Policy on the Reporting of Irregularities, pursuant to which any notification made by clients or any interested party, including those related with the procedures and measures contemplated in the Policy, is analysed and answered in good time.

### 7.7. Tied Agents

The Internal Audit function considers the activity of tied agents in its independent risk assessment which is used as the basis for the elaboration of the multi-annual audit plan. In order to comply with its duties of supervision, BiG will conduct specific or thematic audits, with the frequency determined by its risk assessment.

### 7.8. Segregation of functions

For the purpose of preventing and mitigating institutional conflicts of interest, BiG has a clear division of functions between its different units covered by its Organic Structure Policy and Manual, under the



terms of article 9(1)(d) of Notice no. 3/2020 and Paragraph 97 of the EBA Guidelines. In this document, the areas which imply performing activities on behalf of clients, or providing services to them, or the commercial areas, and the areas that are infrastructural for the Bank are clearly differentiated. As mentioned above, the control functions also stand out in the infrastructural areas.

The commercial areas report to members of the Board of Directors who are responsible for the management and monitoring of the activity of these business areas. Responsibility, at Board of Directors level, for the infrastructural areas is clearly demarcated from responsibility for the business areas. Responsibility regarding the internal control system is attributed to the Board of Directors in the performance its duties of supervision.

Under this Policy, there is an adequate segregation of functions, under the terms of article 9(1)(d) of Notice no. 3/2020, for example, by entrusting to different people activities that can lead to conflicts of interest in the processing of transactions or in the service provision chain, responsibilities for oversight and information relating to these activities, which, in the latter case, come under the remit of the Board of Directors.

Activities or operations that can lead to conflicts of interest will also be attributed to different people; preventing employees of the Bank who exercise activities outside of the Bank from exercising undue influence in the Bank in relation to these other activities exercised on the outside.

### **B – Procedures and control mechanisms**

#### 7.9. Record of conflicts of interest

BiG keeps a record of the services performed by it or in its name, in which a conflict of interests originated which implied a risk of harm to the interests of one or more clients or of the Bank or, in the case of an activity or service in progress, in which this may occur, pursuant to articles 34(3)(e) of Notice no. 3/2020 and 309-A(1)(c) of the CVM.

Whenever a conflict of interests is identified beforehand which is confined to a single moment, BiG records the decision taken thereon, and on the measures taken to mitigate or to manage this conflict of interests.

In cases in which the conflict of interests is not confined to a single moment, and which needs to be permanently managed and mitigated, BiG records this conflict of interests in order to permit its continuous monitoring and assessment by BiG, under the terms of articles 34(3)(e) of Notice no. 3/2020 and article 309-A(1)(c) of the CVM.

The Compliance Department, within the scope of its activities, ensures continuous monitoring of possible conflicts of interest, real or potential, presenting the results thereof on a regular basis to the Bank's Board of Directors and Supervisory Board.

In the service provision related with public offers or other operations that imply access to privileged information, BiG keeps a list of the people who had access to this information.

The said records will be made by the hierarchical superiors responsible for the area where the fact that gives rise to the duty to record occurred. The Human Resources Department ensures that the record is made regarding activities, past or present, outside of BiG. In this regard the Relevant Person discloses, for the purpose of the record, the duties he/she performed in the last two years or the personal relations which could lead to situations of conflicts of interest.

The Compliance Department deals with and verifies all the communications made to clients on the insufficiency of the measures relating to conflicts of interest.

#### 7.10. Disclosure, decision and documentation

Relevant Persons are obliged to promptly disclose to the governing body or Supervisory Body, as applicable, whenever they identify the existence of conflicts of interest, even though they may only be potential or presumed, as a result of the exercise of their functions. The disclosure process is managed by the Compliance Department and by the Human Resources Department.

For the purposes of articles 34(3)(e) of Notice no. 3/2020 and 309-A(1)(c) of the CVM, the record and documentation should include, whenever applicable, the following information:

- The conflict of interest situation identified;
- The cause of the current or potential source of conflicts of interest;
- The identity of the people involved in the conflict of interests (e.g., clients, suppliers, or other service providers);
- The date, occurred or expectable, on which the cause of conflict of interests may take place;
- The amount of the financial interest implied;
- The foreseeable consequences related with the cause of conflicts of interest, with reference to quantitative criteria, when appropriate;
- Distinction between conflicts of interest that persist and conflicts of interest that relate to a one-off event, and which can be mitigated using only one measure, under the terms of Paragraph 104 of the EBA Guidelines;
- Identification of the structural unit involved;

- Relationship with other conflict of interest situations, when applicable;
- Expected consequences of the situation of conflict;
- The decision taken regarding the conflict of interest;
- The mitigation measures established;
- The identification of the person or organ responsible for the implementation of the mitigation measures;
- If the conflict of interest is resolved, an indication of the end date of the situation identified;
- References of the communications made with the people affected and archive thereof.

For these purposes, the Human Resources Department and the Data Protection Officer will adopt the technical and organizational measures considered necessary to ensure the filing and fulfilment of the personal data protection legislation.

The members of the administrative and supervisory body of BiG declare any equity interests they may have in the Bank, and also disclose all the transactions (and conditions thereof) involving financial instruments issued by the Bank.

Relevant Persons, in the meetings in which they participate, have the duty to communicate the nature of their interests and leave them documented whenever they identify the existence of an interest, for their own account or of a third party, that conflicts with those of BiG, subject to discussion and resolution.

### 7.11. Assessment of Materiality

It is up to the Compliance Department to take a first decision based on the risk, relating to the likelihood of a situation of conflicts of interest turning into the probability of negative impacts on BiG's results or capital, of a value, individual or aggregate, equal to or greater than € 50,000 (fifty thousand Euros) during a calendar year, in which case it will be considered that this situation has a material impact. Due to the relevance of the people involved or other circumstances of the situation under analysis, irrespective of the value, other situations may be considered as having a material impact.

So, in the assessment of the significant or material character of a conflict of interest, the impact that the conflict may have on the capacity of a Relevant Person to perform their functions and on the harm that this can cause to the customers of the Bank and to the Bank itself should be assessed.

In this way, conflicts of interest that have one of the following qualitative and/or quantitative criteria will be considered material:

### **Qualitative criteria to gauge the materiality of conflicts of interest:**

- Conflicts committed by the member of a corporate office or by employees responsible for essential functions;
- Conflicts committed by employees who provide services related with the marketing of products and/or service provision.

### **Quantitative criteria to gauge the materiality of conflicts of interest:**

- Conflicts with more than 4 (four) incidences per offender;
- Those in which the benefit or harm that the non-fulfilment consubstantiates for the Bank or for third parties exceeds € 50,000 (fifty thousand Euros), individually or aggregated.

All situations with a material impact have to be conveyed to the Board of Directors and/or Supervisory Board for a decision on whether the conflict of interests can be accepted or not, and the measures to be adopted.

Situations with no material impact will be decided (on whether the conflict of interests can be accepted or not, and the measures to be adopted) by the Compliance Department with the input of other support areas, like for example the Legal Department, and be included in the activity report delivered to the administrative and supervisory body.

The Board of Directors and the Supervisory Board may, in any case, make a fresh assessment of the impact and advocate a decision on the conflict of interests. As a result of this procedure, a report should be produced that describes, in the most detailed and clear way possible, the decision adopted by the Board of Directors, supervisory body, and also possible support areas that have participated in the decision, the grounds of this decision and the measures that BiG will adopt to prevent or mitigate this conflict of interest or its possible impacts.

The disclosure and decision-making process is documented, culminating in the record of the measures adopted, under this Policy in order to permit its continuous monitoring, pursuant to article 34(3)(e) of Notice no. 3/2020.

### 7.12. Information Barriers

Information on clients is kept with the due confidentiality, with access to the support documents of the data provided being restricted to the employees of BiG responsible for its treatment, on a "need to know" basis in line with legislation applicable to the treatment of such data. Access to this information by other employees is conditioned to the approval of the Administration (upon demand).

In terms of the maintenance of information barriers to restrict



information flows between business areas, BiG uses a Chinese wall policy, under the terms of Paragraph 97 of the EBA Guidelines: this segregation and through the physical separation of certain segments of activity or units it is intended to enable the Bank and Relevant Persons to perform clients' business without suffering any influence due to information in the possession of the bank or positions assumed by it, which could create conflicts of interest. This policy also aims to segregate access to privileged information, which could potentially generate conflicts of interest.

In establishing Chinese walls, policies on safety that contemplate the restricted access of employees to places, systems and applications are considered in accordance with the principle of access limitation or least privilege.

### 7.13. Ranking of the analysis and management of conflicts of interest

BiG classifies conflicts of interest interdepartmentally and between the various areas of activity as a control tool. If a possible conflict of interests is detected between different departments, areas of activity, business areas or infrastructures or between different entities of the BiG Group, the process of referring the issue to the hierarchical superiors (escalation) should be observed, resulting from BiG's organic structure. The decisions taken are, whenever possible, collegial.

Hierarchical superiors with coordination functions are responsible for ensuring the independence of any decision-maker in the internal structure of the Bank, namely considering people who perform activities in other areas or departments.

Hierarchical superiors with coordination functions are responsible for adopting measures intended to prevent or control the simultaneous or sequential involvement of a Relevant Person in different services or activities, whenever this involvement may condition the appropriate management of conflicts of interest. In relation to these hierarchical superiors with coordination functions, the escalation procedure mentioned in the first paragraph will be adopted.

All materially relevant operations involving clients, Relevant Persons or BiG are subject to analysis by the Senior Board of BiG, specifically regarding their nature, complexity, engagement and associated risks.

In accordance with article 38(6) of the General Data Protection Regulation, as approved by Regulation (EU) no. 679/2016 of the European Parliament and of the Council, of April 27, the Data Protection Officer may perform other functions and duties, namely legal advisory functions, as is the case within the scope of BiG's

organizational structure.

However, pursuant to the referred article, whenever a conflict of interests is identified in the accumulation of functions of legal advice to BiG and Data Protection Officer, the person responsible for these accumulated functions is obliged to immediately communicate the identified conflict to the Board of Directors of BiG, it being up to the Board of Directors in the performance of its duties of supervision to ensure that, in that case, the functions of legal advice and of Data Protection Officer are exercised by different people in order to adequately manage the conflict identified.

### 7.14. Prohibition of decisions

Relevant Persons of BiG cannot intervene in the assessment of and making of decisions on questions or operations in which they are directly or indirectly interested parties or involve people with whom they may have close relations, or companies or other collective bodies which one or the other control directly or indirectly.

### 7.15. Prohibition of the execution of determined acts

Articles 4 and 5 of BiG's Internal Regulations and articles 4, 5, 7, 10, 11, 12, of the Code of Conduct stipulate a series of general duties for Relevant Persons, which apply essentially to the duty of performance for the benefit of clients. If conflicts of interest occur between clients of the Bank, whether regarding the same activity or in relation to different activities of financial intermediation, they should be resolved equitably and in a transparent manner, under article 309(2) of the CVM, without unduly favouring any of the clients involved. Furthermore, the employees undertake, when acting on a client's behalf, not to carry out the following acts, without the prior knowledge and written authorisation of their clients:

- Act as counterparty in the operations they perform on their behalf, except in the cases allowed at law;
- Subscribe for or acquire in the clients' name, for portfolios of securities that they manage, securities issued by them or which are the object of an open bid, subscription or exchange launched by the Bank;
- Subscribe for or acquire in the clients' name, for the purposes mentioned in the previous line, any securities under a public offering for subscription or of sale whose placement they guaranteed or underwrote for the purpose of subscription or indirect sale;
- Perform, for a client's account, any other operations of a similar nature that may lead to a conflict of interests with them.

### 7.16. Remuneration

BiG's Remuneration Policy for Employees is intended to encourage responsible business conduct, the transparent and fair treatment of clients, to align employees' interests with those of BiG and to avoid conflicts of interest in relations with clients, preventing excessive risk assumption by the same, pursuant to article 115-C of the RGICSF.

BiG's Remuneration Policy for Employees aims to eliminate any direct relationship between the remuneration of Relevant Persons involved principally in the business and the remuneration or revenue generated by different Relevant Persons, involved principally in another activity, in which a conflict of interests may arise in relation to these activities.

BiG must ensure that the existing remuneration policies and practices for members of the Bank's management and supervisory bodies and other employees, as well as the criteria used to evaluate their performance, do not create conflicts of interest or incentives that could lead them, in scope of its activities, to favor its own interests or the interests of the Bank to the potential detriment of any client.

### 7.17. Own operations

Relevant Persons are, according to the Policy on Personal Transactions, obliged to report all transactions of securities carried out in his/ her own name to the Board of Directors, pursuant to article 309-A(1)(d) of the CVM. In particular, personal transactions that are incompatible, or likely to be, in relation to any obligation of BiG to act in an honest, transparent, equitable and professional manner, in accordance with the interests of clients or that may cast doubt on the normal functioning of the market.

### 7.18. Activities outside of BiG

Relevant Persons are prohibited from conducting business outside of BiG that could lead to an inappropriate influence over the way in which the Relevant Person performs functions.

Under the terms of BiG's Code of Conduct, employees cannot carry out activities that accumulate with the functions performed at BiG that imply a breach of the Code of Conduct, any rule contained in applicable legislation or regulations, or internal policies in force at the Bank, under penalty of being subject to disciplinary liability.

Within this framework, any activity outside BiG carried out by a Relevant Person must be duly communicated to the Human Resources Department. This Department, in turn, communicates to the Compliance Department the activities that may create conflicts of interest with those of BiG and the clients, for evaluation and analysis.

The exercise of activities outside BiG by Relevant Persons that do not give rise to potential or real conflicts of interest, that is, that have not been submitted for analysis by the Compliance Department, also require the approval of the hierarchically responsible person, through the procedure for "Prohibition of Decisions".

In particular, the members of the management body are prevented from exercising positions of direction in competing institutions, unless these are part of institutions that comprise the same system of institutional protection, as contemplated in article 113(7) of Regulation (EU) 575/2013, of the European Parliament and the Council, of 26 June 2013, in its current redaction ("CRR"), of banks permanently associated to a central body, as mentioned in article 10 of the CRR, or of institutions included within prudential consolidation.

In accordance with article 34(4) of Notice no. 3/2020 and Paragraphs 99 and 100 of the EBA Guidelines, past activities and duties that could lead to a conflict of interests, among which those performed in external auditors or supervisory authorities, will imply a cooling-off period of between 12 and 18 months, without prejudice to individual decisions that are taken by the Board of Directors, or by another body with competence in the selection and assessment in this regard.

### 7.19. Gifts

BiG does not allow a Relevant Person to receive any gifts that are not merely symbolic or advertising offers, including in the form of fun activities, that are not registered and, when justified by their value or relevance, subject to prior approval.

Gifts which cannot be refused should be disclosed to Compliance Department, in the terms contemplated in point 7.10. It is up to this Department, in coordination with the Board of Directors, when appropriate, to decide on whether to return the gift which was not refused, and the possible application of extraordinary measures to prevent conflicts of interest in the cases in which the gift cannot be returned.

In relation to gifts, Relevant Persons are subject to the following rules, pursuant to article 34(3)(g) of Notice no. 3/2020:

- (a) Prohibition from accepting, for their own benefit or that of others, gifts and other benefits or rewards in any way related with the functions exercised, and these should be refused and returned;
- (b) The possibility of accepting gifts and other benefits or rewards of mere hospitality in line with social habits, provided which do not constitute a significant pecuniary or non-pecuniary advantage, subject to prior approval by the hierarchy in BiG;

(c) The need to immediately communicate to the Compliance Department, all and any gifts and other benefits or rewards other than those falling within the previous subparagraphs, for analysis and decision regarding the way to act and corresponding record.

As an indication, without prejudice to individual decisions taken by the Compliance Department or the Board of Directors, it is considered that liberalities, benefits, rewards or offers that do not exceed the amount of €250 (two hundred and fifty euros) represent a symbolic value, of mere hospitality, and which do not condition the performance of the Relevant Person.

### 7.20. Confidentiality

The Bank's employees are obliged, as stipulated in article 7 of BiG's Internal Regulations and article 11 of the Code of Conduct, to keep all information that they become aware of due to the exercise of their functions strictly confidential, specifically that which, not having been made public, could influence the proper functioning of the markets.

In relation to operations that grant access to privileged information, BiG requires the prior formalization of the mandate and of possible confidentiality agreements, confining the privileged information to the group of employees responsible for the provision of the service, as mentioned previously. Also in this regard, stock exchange orders made by a number of BiG's employees are analyzed, according to pre-defined risk parameters in the fight against market abuse.

### 7.21. Tied Agents

BiG contractually ensures that its tied agents respect the provisions in the Policy.

### 7.22. Employment contracts and documents

BiG contractually ensures, through the Code of Conduct and Internal Regulations, that its employees respect the provisions in the Policy.

### 7.23. Reception, Transmission and Execution of Orders

Relevant Persons are obliged to act in the client's best interest, including when they execute, transmit or receive clients' orders, in conformity with the Policy of Reception, Transmission and Execution of Orders.

### 7.24. Independence in investment recommendations

A conflict of interests can arise when the content of an investment

recommendation or any public statement of an analyst of BiG who recommends or suggests, explicitly or implicitly, an investment strategy relating to one or more financial instruments or to the issuers thereof does not represent the convictions acquired in good faith by this analyst, because he/she was influenced by interests of a determined business area of BiG.

Under this policy, Relevant Persons are prohibited from pressuring any analyst of BiG regarding the content or the timing of the investment recommendations made by them or regarding public statements made by this analyst. BiG's organic structure, Remuneration Policy and performance of the functions of supervision and control aim to ensure the independence of the area of investment recommendations from the other areas of BiG.

### 7.25. Underwriting and placement

Conflicts of interest can arise in the underwriting and placement in public offerings of securities, between the interests of BiG, the interests of a client-issuer and of client-investors.

The heads of the teams that provide underwriting and placement services in public offerings of securities should ensure that the pricing of the offer does not promote the interests of other clients or BiG's own interests in a way that would conflict with the interests of the issuer and will also ensure that there is adequate segregation between the employees who provide services to the issuer, including in terms of the pricing of the offer and placement decisions, and those who provide services to investors regarding offers.

Any agreements that have the object or effect of giving precedence to BiG's interests in regard to interests of a client who is the issuer of securities or the interests of an investor before those of other investor in the Offer are considered to be prohibited, under article 309(3) of the CVM.

The following operations are prohibited:

- a) allocations of securities made to promote the payment of disproportionately high remunerations for unrelated services provided by BiG («laddering»);
- b) allocations to a director or Senior Director of a client as a financial consideration for the concession, future or past, of financial services («spinning»);
- c) allocations that expressly or implicitly depend on the reception of future orders or on the acquisition of any other service of BiG by the investor or any entity in which the investor is an employee.

### 7.26. Test of controls

BiG regularly tests its procedures of identification, prevention and management of conflicts of interest to identify insufficient or inappropriate aspects thereof, the tests being the responsibility of the compliance function.

### 7.27. Training

BiG provides periodic training to Relevant Persons on Conflicts of interest and on this Policy, the training being the responsibility of the Compliance Department.

### 7.28. Obligations of Relevant Persons

Notwithstanding the provisions in the previous numbers of this Policy and/or of others that result from legal or regulatory diplomas applicable to BiG in this matter, the Relevant Persons of BiG are subject to the following general obligations, in relation to the prevention and/or mitigation of conflicts of interest:

- (a) Obligation to avoid situations that could give rise to conflicts of interest, under the terms of article 34(3)(a) of Notice no. 3/2020;
- (b) Obligation to immediately communicate to BiG each and every conflict of interest situation covered by the Policy, including the information to be provided to BiG for the purpose of assessment of the existence of conflict of interest situations, actual or potential, and appraisal of their relevance, pursuant to article 34(3)(b) of Notice no. 3/2020;
- (c) Obligation to comply with the procedure described in Section 7.18 above, in regard to external activities, to be observed prior to the acceptance of a position or duty to be carried out in addition to the position held in BiG, if applicable, under the terms of article 34(3)(c) of Notice no. 3/2020, communicating such to relevant hierarchies and/or departments (Human Resources or Compliance) and the Executive Director supervising such department.

## 8. DISCLOSURE TO CLIENTS ON THE INSUFFICIENCY OF MEASURES ON CONFLICTS OF INTEREST

If the organizational or administrative measures adopted by BiG to prevent conflicts of interest from harming the interests of its clients are not sufficient to guarantee, with reasonable certainty, that the risk of the clients' interests being harmed will be avoided, BiG, as a measure of last resort, will clearly inform the client, before performing an operation in his/her name, of the general nature and/or of the sources of these conflicts of interest and of the measures adopted to mitigate these risks, and may in this case request the express consent of the client.

The above-mentioned communication will be made by the Compliance Department on a lasting support. The disclosure should be sufficiently detailed and clearly indicate that the organizational and administrative mechanisms established by BiG to prevent or to manage this conflict are not sufficient to guarantee, with a degree of reasonable certainty, that the risk of the client's interests being harmed will be avoided, under article 309(3) of the CVM. The disclosure should include a specific description of the conflicts of interest that arise in the provision of investment services and/or ancillary services, or in the marketing of structured deposits, taking into account the nature of the client to whom the disclosure is made. The description should explain the general nature and the origins of the conflicts of interest, and also the risks for the client that arise following the conflicts of interest and the measures taken to attenuate these risks, in sufficient detail to allow this client to take an informed decision in relation to the investment service or ancillary service in the context of which the conflicts of interest arise.

## 9. RESPONSIBILITY FOR THE CONFLICT OF INTEREST POLICY AND DISCLOSURE OF CONFLICTS

Pursuant to article 34(1) of Notice no. 3/2020, BiG's Board of Directors is responsible for the approval of this Policy, after a positive previous opinion of the Supervisory Board is issued.

Under the terms of article 34(5) of Notice no. 3/2020, the Board of Directors is also responsible for monitoring the application of this Policy and for ensuring the suitability of the procedures and controls for the identification and management of conflicts of interest. This body is also responsible for the disclosure of this Policy to the whole organization and for fostering a control environment in this matter that is easy to understand, assimilate and fulfil by all the Bank's employees.

BiG's Board of Directors should periodically, assess and review the Policy, and should take the appropriate measures to correct any shortcomings detected, in accordance with article 34(5) of Notice no. 3/2020.

Pursuant to article 34(3)(h) of Notice no. 3/202, BiG's Board of Directors, and the holders of related essential functions, should frequently receive written reports, at least once a year, with records on conflicts of interest, if there were any.

The Board of Directors will adopt the disciplinary measures that it considers appropriate in the treatment of situations of non-fulfilment of this Policy, depending on the provisions in the labour legislation.

It is understood that the non-fulfilment of duties relating to conflicts of interest is serious or very serious and, without prejudice to the integral maintenance of the powers of assessment on a case by case basis by the body with disciplinary competence, we can apply the severest consequences contemplated in the law:

- loss of days of leave;
- reduction in remuneration;
- dismissal, when it becomes impossible to maintain the employment relationship.

In addition to the disciplinary sanctions that may occur, the practice of acts that breach the provisions of this Policy or the principles enshrined in it, namely the carrying out of any personal operations in breach of the provisions of this Policy, will cause civil liability that in the case may apply, under the general terms of law.

Additionally, whenever non-compliance with the Policy involves a BiG supplier or service provider, an attempt must be made, under the general terms of law or existing contractual provisions, to resolve or terminate the agreement, obtain financial compensation or adopt another measure that specifically proves to be more appropriate.

Failure to comply with the provisions of this Policy must be communicated to the Supervisory Board and Banco de Portugal, in accordance with article 116-AB(1) of the RGICSF, depending on the situation in question.

The conflicts of interest communicated to the Board of Directors and/ or to the Supervisory Board should be approved by them and managed appropriately.

The Compliance Department has the responsibility of supporting the Board of Directors in the identification and management of the risks, real and potential, of conflicts of interest and of making the reports recording situations of conflicts of interest.

Under the terms of article 34(5) of Notice no. 3/2020, the Policy will be communicated to the recipients through the Bank's Internal Standards System and intranet and shall be made available on the Bank's website.

Under the terms set out in article 33(9) of the RGICSF, this Policy (as well as the Conflicts of Interest Management Policy of the Board of Directors) is also an integral part of the internal evaluation policy provided for in article 30-A(2) of the RGICSF, the BiG Selection and Assessment Policy.