

**ANNUAL GENERAL MEETING OF BANCO COMERCIAL PORTUGUÊS,
S.A.**

(24/05/2023)

PROPOSAL IN CONNECTION WITH ITEM 5 OF THE AGENDA

**To resolve on the update of the Policy for the Selection and Appointment of the
Statutory Auditor or Audit Firm and hiring of Non-Prohibited Non-Audit
services, in accordance with the legislation in force**

Considering that:

- A. In accordance and for the purposes of article 38 of the Notice of Banco de Portugal no. 3/2020, published on 15 July, the General Meeting of Shareholders held on 20 May 2021 approved the policy for the selection and appointment of the Statutory Auditor or Audit Firm and contracting of non-prohibited auditing services (“Policy”), with said Policy being updated at the General Meeting held on May 5 from 2022;
- B. As a result of the practical application of the approved Policy, the need to improve it in line with the internal regulations of Banco Comercial Português, S.A. was identified. (Bank);
- C. The Audit Committee and the Board of Directors issued a favourable opinion on the amendments introduced in the Policy;

It is herein proposed, in addition to text improvements, the amendment of the Policy in the following terms:

- 1. Clarify the wording of chapter 7.4 (*Term of office*) in accordance with the Bank’s articles of association and applicable law, clarifying the regime used for setting-up the terms of office;
- 2. Clarify the wording of chapter 10.1 (*Non-audit services the provision of which is prohibited*) in order to better specify the prohibited services provided by ROCs /SROCs.

3. Clarify the wording of chapter 10.2 (*Non-audit services the provision of which is allowed*) in order to better specify the prohibited services provided by ROCs /SROCs (Statutory Auditors).

Attached please find the consolidated version of the Policy under the terms proposed herein.

Lisbon, 28 April 2023

THE BOARD OF DIRECTORS

GROUP BANCO COMERCIAL PORTUGUÊS

Policy for Selection and Appointment of the Statutory Auditor or Audit Firm and the Hiring of Not Prohibited Non-Audit Services

Table of contents

1. INTRODUCTION
 2. SCOPE AND OBJECTIVES
 3. APPROVAL AND REVISION PROCESS
 4. TRAINING
 5. LEGAL AND REGULATORY FRAMEWORK
 6. DEFINITIONS
 7. SELECTION AND DESIGNATION OF STATUTORY AUDITOR/AUDIT FIRM (ROC/SROC)
 8. RE-APPOINTMENT OF THE STATUTORY AUDITOR/AUDIT FIRM
 9. EVALUATION OF THE STATUTORY AUDITOR/AUDIT FIRM
 10. NON-AUDIT SERVICES PROVIDED BY THE STATUTORY AUDITOR/AUDIT FIRM
 11. MONITORING AND CONTROL OF SERVICES PROVIDED
 12. ENTRANCE INTO FORCE
- ANNEXES

1. INTRODUCTION

This Policy defines the general guidelines for the selection and designation of the Statutory Auditor (ROC) or Audit Firm (SROC) and for the contracting of Non-Audit services not Prohibited by Law of the Group Banco Comercial Português (hereinafter referred to as “Group”) and may be supplemented by internal regulations.

2. SCOPE AND OBJECTIVES

This Policy is applicable to all Entities of the Banco Comercial Português Group with registered office in Portugal or abroad, and establishes the principles, rules and organisational model applicable to the selection, designation, evaluation and reappointment of the ROC/SROC, as well as to the hiring of non-audit services from the ROC/SROC and networks of which they are part, and the monitoring of the services provided.

The main objectives of the current Policy are related with the need to put into place procedures based on high standards of ethic, professionalism, ensuring compliance with requirements of competence, good repute, independence, exemption, impartiality, conditions that are essential to ensure the quality and suitability of the work of the ROC/SROC/ Auditors and Audit Entity.

3. APPROVAL AND REVISION PROCESS

In compliance with the provisions of Notice of Banco de Portugal 3/2020, the approval of this Policy is the responsibility of the General Meeting (GM) of Banco Comercial Português, S.A. (BCP), and must be disclosed through the respective website.

The Audit Committee (AudC) of BCP should monitor the application and up-to-dateness of this Policy, promoting its review every year or when it deems necessary, with the support and involvement of the Compliance Officer.

Changes to this Policy must be submitted to the approval of the GM of BCP. If the amendment to the Policy is required by law, it must be approved by the Board of Directors of BCP with the favourable opinion of the Audit Committee of BCP, and such amendment shall be submitted for ratification at the first General Meeting held after such amendment.

4. TRAINING

All those involved in the implementation of this policy shall be subject to training actions with a regular periodicity, not exceeding a period of three years between them, or whenever there are relevant changes in the legislation.

Training will be conducted as set forth in the internal regulatory instruments relating to the training of the employees of the Group’s Entities, ensuring that all persons involved in the process of selecting and appointing the ROC/SROC, as well as all those who are usually involved in internal control functions (Compliance Office and Internal Audit) receive it. In particular, training must be provided to Employees involved in the process of selecting external auditors, such as all members of the Audit Committee of BCP, Compliance Office and Audit Division, as well as members of the supervisory bodies of the Group’s Entities, their respective Compliance Officers and those responsible for their Internal Audits.

5. LEGAL AND REGULATORY FRAMEWORK

This policy has been drafted taking into account the applicable normative and regulatory regime, including:

- i) Regulation (EU) no. 537/2014 of the European Parliament and of the Council, of 16 April 2014;

- ii) the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006, amended by Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 (8th Directive);
- iii) the Audit Supervision Legal Regime, approved by Law nr. 148/2015 of 9 September;
- iv) The By-Laws of the Association of Statutory Auditors (EOROC), approved by Law no. 140/2015, of 7 September, with the changes introduced by Law no. 99-A/2021, of 31 December;
- v) The Legal Framework for Credit Institutions and Financial Companies (LFCIFC) approved by Decree-Law nr. 298/92 of 31 December;
- vi) the Securities Code (SC), approved by Decree-Law no. 486/99, of 13 November;
- vii) the Securities Code (SC), approved by Decree-Law no. 262/86, of 2 September;
- viii) the Notice no. 3/2020 of Banco de Portugal, of 15 July 2020;
- ix) and the articles of association of Banco Comercial Português, S.A. (BCP) and the applicable main internal rules and regulations;
- x) the Circular Letter CC/2018/00000022, of Banco de Portugal of 05 March 2018;
- xi) the Circular Letter CC/2020/00000020, of Banco de Portugal of 23 March 2020.

6. DEFINITIONS

For purposes of the previous number, the following definitions apply:

- a) **Statutory Auditor (ROC) / Audit Firm (SROC)** - the natural or legal person that provides the Group with the service of legal review and auditing of accounts.
- b) **ROC/SROC Network** - the set formed by the companies related to the ROC/SROC of each BCP Group Entity and the network to which they belong.
- c) **Accounts Audit Services** - all services that result in an examination and other services related to the accounts of the entities, provided in accordance with International Standards on Auditing (ISAs) and other applicable standards and guidelines.
- d) **Non-Audit Services** - all non-audit services, namely assurance engagements on corporate governance statements or on matters of social responsibility or also on reports of the Entity for regulatory purposes, that are not included in the legal certification of accounts.

The **Non-Audit Services** are, in turn, subdivided into:

- 1) **Prohibited Non-Audit Services** - all services that, by law, the ROC/SROC cannot provide to the audited Entity, its parent company or the Entities under its control (Appendix 1).
- 2) **Services other than auditing required by law** - all the services required by law to the ROC/SROC of a company, the provision of which may be accumulated with the legal certification of accounts work.
- 3) **Non-Audit Services Allowed** - all services whose provision by the ROC/SROC is not required by law but is also not prohibited.
- e) **Group Entity** - all legal persons included in the consolidation perimeter of Group BCP.

7. SELECTION AND DESIGNATION OF THE STATUTORY AUDITOR/AUDIT FIRM (ROC/SROC)

The appointment of the ROC or SROC is made by the GM, following a grounded proposal and recommendation by the Supervisory Body of the Group Entity for which, in the case of the Group's subsidiaries, a prior opinion must have been issued by the AudC of BCP as the Group's controlling company.

The Supervisory Body of each Group Entity is responsible for:

- Conduct the process of identifying suitable candidates to perform the functions of ROC/SROC;
- Define the requirements to set forth in the tender documents;
- Coordinate the selection and evaluation process of the ROC/SROC;
- request to the AudC of BCP the prior opinion mentioned-above;
- Proposing to the General Meeting of the Entity of the Group the candidates justifiably deemed suitable, at least two, expressing the preference for one;
- monitoring and supervising the performance of the ROC/SROC and the services provided by them;
- assessing, at least once a year, the performance of the ROC/SROC, appraising its technical and professional suitability, its integrity, its independence and its professional scepticism;
- approving the contracting of non-audit services;
- issuing opinions and recommendations within the scope of this Policy, upon request or whenever it considers it necessary.

7.1. Selection and Designation Process

The selection of the ROC/SROC must be based on a prior assessment, which, in the case of a SROC, must include the respective representatives.

The selection and appointment process is promoted by the Supervisory Body of the contracting Group Entity, with the appropriate advance notice, approving a timetable that allows compliance with the internal procedural rules, in order to ensure full compliance with the applicable legislation.

The selection process includes the following stages:

- i) Preparation of the terms of reference and other tender documents;
- ii) Identification of potential candidates and request for proposals;
- iii) Collection of information to be provided to the candidates to support the preparation of their proposals;
- iv) Assessment of the Proposals;
- v) Preparation of the Report on the assessment of the candidates' compliance with the selection criteria and the Conclusions of the Selection Process with recommendation to the General Meeting.
- vi) Obtaining the opinion of the AudC of BCP (in the event it is another entity of the Group);

The preparation of the terms of reference and tender documents is the responsibility of the Supervisory Body of each Group Entity, in articulation with the Bank's various technical services.

Once the candidates have been identified, the Supervisory Body of the Group Entity requests that technical and financial proposals be sent for the provision of the identified services, also promoting the collection of declarations duly signed by the candidates, from which all the necessary and relevant information for the assessment of their technical and professional suitability, independence and integrity can be derived, in accordance with the terms of reference.

Candidates must also be required to sign a document confirming that they meet all the requirements established by law to hold the position of ROC/SROC of the Group Entity, and that no situation of incompatibility or impediment exists, together with a description of the internal organisation of the ROC/SROC, which must include, at least:

- a. A summary of the policies, procedures and operation of its internal quality control system;
- b. Process for the appointment of the Statutory Auditor responsible for the control of the internal quality of the works;
- c. Way to monitor the internal quality control of the work performed;

- d. Measures foreseen to solve eventual infractions to the legal requirements on statutory audit of accounts;
- e. Way to control incompatibilities and impediments;
- f. Way of monitoring the provision of the non-audit services;
- g. Way of monitoring fees versus the applicable legal limits;

7.2. Criteria for the selection of ROC/SROC

The selection of the ROC/SROC by each Group Entity is based on the criteria and weightings indicated in the tender documents.

The criteria are of qualitative and quantitative assessment and the tender documents must contain, at least, the following criteria and weightings:

- 1) Technical and professional competence of the ROC/SROC, and experience in the financial sector (25% to 50%), which considers:
 - a. Technical and professional experience of the candidate, including knowledge in evaluating computer controls (5% to 10%);
 - b. Academic and professional Curriculum Vitae of the proposed team (5% to 10%);
 - c. Experience and specific know-how in the financial sector (15% to 30%);
- 2) The quality of the proposal (20% to 40%), which considers:
 - a. Technical quality of the proposal, particularly within the methodology for executing the services to be provided (7.5% to 15%);
 - b. Time and resources that will be allocated to the work to be carried out, including the availability demonstrated for communication and interaction with the Entity and the distribution of the allocated time by professional class (v.g. number of hours foreseen per professional category) (12,5% to 25%);
- 3) The organisation of the ROC/SROC, its guarantees of independence and integrity, and the absence of conflicts of interest (15% to 30%), which it considers:
 - a. Internal organisation of the ROC/SROC (2.5% to 5%);
 - b. Guarantees of integrity, independence, quality control, absence of conflicts of interest, objectivity, and professional scepticism of the ROC/SROC and safeguards to counter threats to independence (12.5% to 25%);
- 4) The fees (15% to 30%), which considers:
 - a. Value in absolute terms, overall and by type of service to be provided (2.5% to 5%);
 - b. Ratio between the value proposed and the market price (5% to 10%);
 - c. The 'quality-price' ratio of the proposal (5% to 10%);
 - d. Price per hour for each professional category (2.5% to 5%).

7.3 Assessment of proposals, Preparation of the Report and recommendation

The Supervisory Body assesses the proposals received and, according to the defined criteria, selects the most suitable candidates and draws up an assessment report for each selected candidate, proposing at least two candidates to the GM for election to the first mandate and expressing a preference for one of them. In its recommendation, the Supervisory Body of the audited Group Entity must declare that it is free from the influence of third parties and that no limitation has been imposed on it that would condition the choice of the GM.

In the case of the Group's entities, other than BCP, this proposal requires the prior opinion of BCP's Audit Committee.

Where applicable and prior to the submission of the proposal to the General Meeting and never less than 30 days in advance, the Supervisory Body must send to its supervisory authority evidence

Including, herein, those deriving from Regulation (EU) 537/2014.

of the adequacy of the proposals regarding the requirements established in the Law, including the internal analysis which supported the selection of the ROC/SROC.

7.4 Term-of-office

The ROC/SROC is appointed for a minimum period of 2 years and a maximum period of 4 years, and the totality of the successive terms cannot exceed 10 years.

After reaching the maximum period of holding office, a ROC/SROC cannot hold office in the same Entity for a 4-year period (the so-called cooling-off period).

The maximum period for the exercise of functions by the partner responsible for orienting or directly carrying out the audit of accounts is 7 years from his/her first appointment, and he/she cannot participate in the legal review of accounts again before 3 years have elapsed.

The terms are counted from the first year covered by the contractual relationship for which the ROC/SROC was initially appointed to carry out consecutive review audits of the Entity's accounts.

Preferably, changing the ROC/SROC should not coincide with changing a significant part of the composition of the Board of Directors or the Audit Committee.

7.5 Archive

The selection process is filed, for the legal period of time so as to be made available, whenever necessary.

8. RE-APPOINTMENT OF THE ROC/SROC

In situations where the intention is to propose the reappointment of the current ROC/SROC, the selection process is not required. The Supervisory Body of the Group Entity submits to the GM a proposal for the renewal of the term of office of the ROC/SROC, duly justified, in particular by assessing the ROC/SROC' performance (see chapter 9), the maintenance of the conditions of independence of the same and a weighing up of the advantages and disadvantages of their replacement.

9. EVALUATION OF THE ROC/SROC

The ROC/SROC must be subject to a continuous evaluation of its performance, with the objective of ascertaining whether the conditions of independence, technical and professional suitability and good repute required for the performance of its duties continue to be met.

The assessment of the ROC/SROC must be carried out by the Supervisory Body of the Group Entity, at least once a year, considering the criteria and requirements set out in this Policy, as well as others that it deems relevant.

The Supervisory Body of each Group Entity shall conduct an extraordinary assessment of the ROC/SROC whenever there is any situation or event likely to jeopardize their independence, technical and professional suitability or integrity to perform their functions.

In assessing the performance of the ROC/SROC, the Supervisory Body shall consider the following criteria, among others, which are detailed in internal regulations:

- 1) Quality and Adequacy of the Service Provided;
- 2) Resources allocated to the Audit;

- 3) Communication and Interaction between the audited Group Entity and the ROC/SROC;
- 4) Independence, Objectivity and Professional Scepticism.

If, as a result of the assessment carried out, formalized and substantiated in an Assessment Report, the Supervisory Body of the Group Entity concludes that the ROC/SROC no longer meets the conditions of suitability for the exercise of duties in that Entity, it shall take the measures it deems appropriate to correct the deficiency detected and inform the competent national authority.

If the Supervisory Body of the Group Entity concludes, in a duly substantiated report, that it is not possible to ensure the correction of the deficiency detected, just cause for dismissal shall be deemed to exist.

In this last circumstance, the Entity’s Supervisory Body, after consulting the AudC of BCP (in the event it is not BCP), submits a proposal to dismiss the current ROC/SROC to the GM of the respective Group Entity, together with a proposal to appoint a new ROC/SROC.

This process must be archived for five years, so that it can be made available to the competent national authority whenever requested.

10. NON-AUDIT SERVICES PROVIDED BY THE ROC/SROC

The verification by the Supervisory Body of the suitability and approval of non-prohibited non-audit services, should consider the existence of threats to the independence of the ROC/SROC namely situations of self-review, personal interest and representation. The non-audit services whose provision is forbidden or permitted are described hereinafter.

10.1 Non-audit services the provision of which is prohibited

The ROC/SROC (or any member of its Network) of any Group Entity is prohibited from providing, directly or indirectly, to the audited Entity, to its parent company or to Entities under its control, all the prohibited non-audit services identified in Annex 1, as well as in the Group’s internal regulations and in the legislation applicable to the audited Entity.

The prohibition for the ROC/SROC in office to provide these services applies during the entire period comprised between the beginning of the audited period and the last issuance of the legal certification of accounts.

The provision of services provided for in item 5 (“Internal control or risk management procedures”) of Annex 1, by a ROC/SROC who does not exercise the function of legal review and audit of accounts in the Group, during the year preceding the period referred to in the previous paragraph, will constitute an impediment to being mandated for the legal review and audit of accounts in the following mandate (the so-called “cooling-in-period”)

10.2 Non-audit services the provision of which is allowed

For the purposes of this Policy, non-audit services the provision of which is allowed are those that are not prohibited by law or by the Group’s internal regulations, being permitted namely those identified in Annex 2.

When performed by an entity belonging to the ROC/SROC network of any Entity of the Group

The non-audit services allowed carried out for BCP by an entity belonging to the ROC/SROC network, are subject, depending on the nature and value of the service to be provided, to the approval or non-opposition of the Compliance Office and the ratification or approval of the AudC.

When carried out for other Group Entities, those services are subject, depending on the nature and value of the service to be provided, to a prior opinion of non-opposition by the Compliance Office of BCP or the AudC, and must subsequently be approved by the Entity’s supervisory body.

The engagement of these services must comply with the procedures defined in the Group's internal regulations, taking into consideration the type of services to provide and the amount of the respective fees.

When performed by an entity which does not belong to the ROC/SROC network of any Entity of the Group

The process for contracting non-audit services to be provided by a ROC/SROC that is not part of the Network of a ROC/SROC of the Group, must be sent to BCP's Compliance Office, for cognizance, within one month from the date the service is awarded, within the scope of the functions that this body ensures in terms of the monitoring of invoicing and control of services provided for the entire Group.

Quantitative limits to the contracting of non-audit services

The contracting of non-audit services obeys to quantitative criteria (relative to the total percentage of the ROC/SROC fees), which are regulated by the Group's internal rules that comply with the applicable legal requirements.

11. MONITORING AND CONTROL OF SERVICES PROVIDED BY THE ROC/SROC

The Supervisory Body of the Group's Entity verifies and monitors the independence of the respective ROC/SROC, namely by monitoring the services provided and fees invoiced, in collaboration with the person responsible for the compliance function of each Entity and of the Group.

12. ENTRANCE INTO FORCE

This Policy has been approved at the GM held on 24 May 2023 and will enter into force on this date.

ANNEX 1 - NON-AUDIT SERVICES PROHIBITED

Services Scope	Services Breakdown
1. Tax advising	Tax Advisory Services regarding: <ul style="list-style-type: none"> • The making of tax returns; • payroll taxes; • custom duties; • the identification of public subsidies and tax incentives, except if the support provided by the ROC/SROC regarding those services is required by law; • Support in inspections made by the tax authorities, except if the support provided by the ROC/SROC in relation to such inspections is required by law; • the calculation of direct and indirect taxes and deferred taxes; • provision of tax counselling.
2. Management or decision making	The services involving any participation in the management or decision-making of the audited Entity.
3. Accounting records and financial statements	The making and booking of accounting records and of financial statements.
4. Wage processing	The wage processing services.
5. Internal control and risk management procedures	The making and application of internal control or risk management procedures regarding the making and/or control of the financial information or the design and application of the IT systems used to prepare such information.
6. Evaluation Services	The evaluation services, including evaluations regarding actuarial services or services supporting litigation processes.
7. Legal services	The juridical services regarding: <ul style="list-style-type: none"> • provision of tax counselling; • trading on behalf of the audited Entity; • exercise of representation functions in the resolution of disputes.
8. Internal Audit	The services related with the internal audit function of the audited Entity.
9. Financing associated services	Services associated with the financing, capital structure and allocation and investment strategy of the Audited Entity, except the provision of assurance services relating to financial statements, such as the issuance of “Comfort Letters” concerning prospectuses issued by the audited Entity, pursuant to Section 9(6). “List of Non-Audit Services whose Provision is Authorised in the Group's Entities”.
10. Brokerage services, investment or investment banking consulting services	The promotion, trade or underwriting agreement of shares in the audited Entity.

Services Scope	Services Breakdown
11. Human Resources services	<p>The services concerning human resources regarding:</p> <ul style="list-style-type: none"> • The management positions able of exercising a significant influence on the preparation of accounting records or financial statements object of legal certification of accounts, whenever these services involve: <ul style="list-style-type: none"> ○ the selection or search for candidates for such positions; ○ the verification of the references of the candidates for the exercise of such positions; • the configuration of the structure of the organisation; • cost control.

ANNEX 2 - NON-AUDIT SERVICES ALLOWED

Services Scope	Services Breakdown
1. Services associated with acquisitions or sales	<ul style="list-style-type: none"> • Audits to acquisitions of entities for purposes of consolidation of accounts and/or accounting of the acquisition; • Review of assessments of intangible assets (including the goodwill) and imputation of the respective acquisition price.
2. Due diligence services associated with acquisitions or sales	<ul style="list-style-type: none"> • General due diligence to operations of the entity being purchased • Interaction with other ROC or SROC; • Intervention in disputes in acquisition or sale agreements.
3. Audits to Employee Benefit Plans	<ul style="list-style-type: none"> • Certification of the financial statements of defined contribution or defined benefit plans.
4. Internal Control Reviews unrelated to audit	<ul style="list-style-type: none"> • Expandable internal control procedures as part of the audit work; • Review of procedures required by internal control reports.
5. Assessments concerning accounting, financial reporting and regulatory matters	<ul style="list-style-type: none"> • Gap-analysis regarding the adoption of accounting principles and standards and reporting standards, including regulatory framework, IAS/IFRS, EU laws and regulations, as well as laws and regulations of other countries and controlling compliance with own funds requirements and capital adequacy (e.g. Basel II) with a mitigation action plan.
6. Issuance of "Comfort Letters"	<ul style="list-style-type: none"> • Issuance of "Comfort Letters" associated to prospectus and issue of securities regarding the audited Entity.
7. Certification services not required by law	<ul style="list-style-type: none"> • Certification services which do not result from statutory or regulatory requirements.
8. Fiscal services required by law	<ul style="list-style-type: none"> • Support in inspections by tax authorities; • Identification of public subsidies and tax incentives.
9. Security Services and Information Systems	<ul style="list-style-type: none"> • Audit tests; • Review of the systems security procedures; • Review of the Business Continuity and Disaster Recovery plans; • Review of IT Corporate Governance models;
10. E-Business - Analysis <i>e-Business</i>	<ul style="list-style-type: none"> • Review of processes and procedures.
11. Training	<ul style="list-style-type: none"> • Training services whose subject matter and content are not likely to create situations of conflict of interest.
12. Disclosure Services	<ul style="list-style-type: none"> • Disclosure of new legislative and regulatory requirements.
13. Review of responses to questionnaires and specific applications	<ul style="list-style-type: none"> • Gap-Analysis services within the scope of the participation or inclusion in sustainability indexes, corporate social responsibility and ethical standards.