

POLICY FOR SELECTION AND APPOINTMENT OF STATUTORY AUDITOR/AUDIT FIRM AND HIRING OF NON-AUDIT SERVICES NOT PROHIBITED

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1. SCOPE AND OBJECTIVES

The legislative interventions of the European authorities in the markets have always been accompanied by the recognition of the importance of defining rigorous rules and procedures for the selection and evaluation of the Statutory Auditor/Audit Firm, in order to guarantee the quality and integrity of the financial statements, thus protecting clients, investors, the markets, the financial system and all other stakeholders.

In this context, Banco ActivoBank S.A.(ActivoBank) adopts the following objectives:

- implement procedures based on high standards of ethics and professionalism, which ensure rigour and probity in the process of selection, appointment and evaluation of the Statutory Auditor (*ROC*), Audit Firm (*SROC*), Auditors or Audit Entities by any entities of ActivoBank, in line with the regulations and recommendations of the competent authorities and in accordance with the best corporate governance practices;
- to ensure that the Statutory Auditor, the Audit Firm, the Auditors, or Audit Entities of ActivoBank meet the necessary requirements for the exercise of their functions, harmonising the way in which their good reputation is guaranteed and their performance assessed, taking into account the relevant factors for that purpose, such as their qualifications, experience, reputation and availability, their suitability for the size of the entity to be audited and the complexity of their business, the quality demonstrated in the exercise of their functions, the absence of conflicts of interest that jeopardise their independence and the maximum legal limit of successive mandates;
- to ensure that the independence of the Statutory Auditor, Audit Firm, Auditors or Audit Entities of ActivoBank is not jeopardised by the provision of non-audit services, monitoring the relationship between the provision of audit services and other services, and identifying the services that the Statutory Auditor, Audit Firm, Auditors or Audit Entities cannot provide to the audited entity, its parent company, or entities under its control.

This policy establishes the principles, rules and organisational model applicable to:

- the selection, appointment, evaluation and reappointment of the Statutory Auditor/Audit Firm;
- to the hiring of separate Statutory Auditor/Audit Firm services and Networks to which they belong;
- to the evaluation and monitoring of the services provided.

This policy is divided into two parts. The first deals with the selection, appointment and evaluation of the Statutory Auditor, Audit Firm¹, Auditors or Audit Entities, and the second with the hiring of non-audit services², where particular attention will be given to increasing the requirements resulting from the hiring of non-audit services, whether those required by law or those not required by law.

2. APPROVAL AND REVISION PROCESS

In compliance with Notice 3/2020 of Banco de Portugal, after the prior opinion of the Board of Auditors, this Policy for Selection and Appointment of Statutory Auditor or Audit Firm and Hiring of Non-Audit Services not Prohibited (Policy), applicable to ActivoBank, shall be submitted for approval to the General Meeting of ActivoBank, which shall be publicly disclosed through the website www.activobank.pt.

The Board of Auditors must monitor the application and updating of this Policy, promoting its review, annually or whenever deemed necessary or pertinent, with the support and involvement of the BCP Compliance Officer.

¹ Chapters 7. to 9.

² Chapters 10. to 12.

3. TRAINING

Those involved in the implementation of this policy shall be subject to training actions not exceeding a period of three years, or whenever there are changes in legislation or regulation that have an impact and change the training contents.

The training will be conducted in accordance with the internal normative instruments relating to the training of the employees of the entities of BCP Group, ensuring that all persons involved in the process of selection and appointment of a Statutory Auditor/Audit Firm, as well as all those who usually participate in the internal control functions (Compliance Office and Internal Audit) receive the training.

In particular, all members of the supervisory body and the Compliance Officers are to be included in the training actions.

4. LEGAL AND REGULATORY FRAMEWORK

This Policy transposes the regime of Regulation (EU) no. 537/2014 to all BCP Group entities, based in Portugal or abroad.

In Portugal, the *Comissão do Mercado de Valores Mobiliários* (CMVM, Portuguese stock market regulator) is the authority with powers to supervise the activity of the Statutory auditors/Audit Firms, Auditors and Audit Entities from Member States of the European Union and third countries registered in Portugal, and the applicable legislation, regulations and recommendations. This document has been drafted taking into account the applicable normative and regulatory regime, including:

- i) The Regulation (EU) no. 537/2014, of the European Parliament and of the Council, of 16 April 2014, regarding the specific requirements for the legal review of accounts of entities of public interest;
- ii) Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006, as 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 Bylaws of the Chartered Accountants Association (ERO), approved by Law No. 140/2015, of 7 September, with the amendments introduced by Law No. 99-A/2021, of 31 December;
- v) the “LFCIFC”, Legal Framework for Credit Institutions and Financial Companies, approved by Decree-Law 298/92, of 31 December;
- vi) the Securities Code (SC), approved by Decree-Law nr.486/99, of 13 November;
- vii) The Companies Code (CC), approved by Decree-Law 262/86, of 2 September;
- viii) the articles of association of ActivoBank and the chief applicable main internal rules and regulations;
- ix) Circular Letter CC/2018/00000022, of Banco de Portugal of 05 March 2018
- x) Circular Letter CC/2020/00000020, of Banco de Portugal of 23 March 2020
- xi) Instruction no. 3/2020, of 15 July 2020, of Banco de Portugal.

In the case of entities having their head office outside Portugal, this document may be transposed or adjusted, taking into account the applicable local legislation.

5. DEFINITIONS

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

- a) **Statutory Auditor / Audit Firm / Chartered Accountants Association** - the entity or organisation that renders to ActivoBank the audit service considered as legal audit and auditing of accounts.

- b) **Statutory Auditor / Audit Firm Network** - the group formed by the companies related to the Statutory Auditor / Audit Firm of ActivoBank and the Network in which it is inserted, typically using a common brand.³
- c) **Audit Services** - all services that result in an examination and other services related to the accounts of ActivoBank, provided in accordance with International Standards on Auditing (ISAs) and other applicable standards and guidelines, related to:
 - (i) Legal review of the accounts exercised in compliance with a legal or statutory provision;
 - (ii) voluntary audit exercised in compliance with a contractual obligation;
 - (iii) Other actions related with the services mentioned in the previous paragraphs when they have a specific or limited purpose or scope.
- d) **Non-Audit Services** - all services other than account auditing, identified above, namely assurance engagements on corporate governance statements, or on social responsibility or regulatory reporting of ActivoBank, beyond the scope of legal review of the accounts, aimed at assisting the supervisor of financial institutions in fulfilling their role, as long as they 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 Statutory Auditor/Audit Firm cannot provide to the audited entity, its parent company or entities under its control (Annex 1).
- 2) **Services other than auditing required by law** - all the services required by law to the Statutory Auditor/Audit Firm which carries out the legal certification of accounts of an EPI, the provision of which may be accumulated with the legal certification work. These include, for example:
 - i) Report and Opinion of the Statutory Auditor on the Internal Control System including the process of preparation and disclosure of financial information;
 - ii) Report and Opinion on the Internal Control System within the specific scope of the prevention of money laundering and terrorist financing;
 - iii) Report on the Credit Portfolio Impairment ⁴ Qualification Process;
 - iv) Report on the safekeeping of Client's assets⁵;
 - v) Report on the examination on credit claims⁶;
 - vi) Report on compliance with legal and regulatory requirements for mortgage bonds⁷;
 - vii) Sustainability Report⁸.
- 3) **Permitted non-audit services** - all services whose provision by the Statutory Auditor/Audit Firm is not required by law but is also not prohibited.
- e) **BCP Group Entity** - all public interest entities (PIEs) ⁹ included in the consolidation perimeter of the BCP Group.

³ More strictly, the Statutory Auditor/Audit Firm Network is considered to be "the wider structure (i) whose object is the cooperation, to which a Statutory Auditor or a Audit Firm belongs to; and (ii) whose objective is the sharing of income and costs or the sharing of ownership, common control or management and common quality internal control procedures, a common company strategy, the use of a common brand or of a substantial portion of professional resources" (as per Article 2(p)) of the Legal Framework for Audit Supervision, approved by Law No. 148/2015, of 9 September).

⁴ In Portugal, as per Instruction no. 5/2013 of Banco de Portugal.

⁵ In Portugal, as per the provisions of article 304-C (4) of the Securities Code.

⁶ In Portugal, as per the provisos of Instruction no. 3/2015 of Banco de Portugal

⁷ In Portugal, as per the provisions of article 34 of Decree-Law no. 59/2006.

⁸ In Portugal, as per the provisions of Decree-Law nr. 89/2017.

⁹ According to Article 2/13 of Directive 2006/43/EC «Public interest entities» are "entities governed by the law of a Member State whose securities are admitted to trading on a regulated market of any Member State" (...). "Member States may also designate other entities as public-interest entities, for example those that are of significant public relevance because of their type of activities, their size or the number of their employees".

In Portugal, Law 148/2015, of 9 September, provides that: "For the purposes of this legal regime and Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014, the following entities are qualified as an entity of public interest:

a) Issuers of securities admitted to trading on a regulated market;

6. COMPETENCES

1. The **General Meeting** of Shareholders of ActivoBank, S.A. is responsible for electing or re-electing the respective Statutory Auditor/Audit Firm, upon proposal and opinion of the supervisory body, after a favourable opinion has been issued by the Audit Committee of BCP.

2. The Board of Auditors of ActivoBank, S.A. is responsible for:

- (i) Conduct the process of identifying suitable candidates to perform Statutory Auditor/Audit Firm's functions;
- (ii) Define the criteria to be established in the tender documents (of which, at least, those defined in paragraph 7.5) and coordinate the Statutory Auditors/Audit Firms selection and evaluation process;
- (iii) Propose to the General Meeting of Shareholders the candidates considered reasonably adequate at least, two proposals and expressing its preference for one of them;
- (iv) Approve the hiring of non-audit services, pursuant to Chapter 10;
- (v) Monitor and inspect the conduct of the Statutory Auditors/Audit Firms, supervising its performance, the respect for the limits defined in chapter 11 and to oversee its independence;
- (vi) Evaluate, at least once a year, the performance of the Statutory Auditor/Audit Firm, verifying its technical and professional suitability, its good reputation, its independence, and professional scepticism
- (vii) To request a favourable opinion from BCP's Audit Committee to the proposal for the appointment or renewal of the mandate of the Statutory Auditor/Audit Firm that will be submitted to the General Meeting of Shareholders for approval.

3. **BCP's Audit Committee** is responsible for:

- (i) To issue a favourable opinion on the proposal of appointment or renewal of the mandate of the Statutory Auditor/Audit Firm;
- (ii) To issue an opinion of opposition / non-opposition on the proposals for hiring non-audit audit services by ActivoBank, pursuant to chapter 10;
- (iii) Issue opinions and recommendations within the scope of this Policy upon request or whenever it deems necessary.

7. PRINCIPLES, SELECTION AND APPOINTMENT OF STATUTORY AUDITOR / AUDIT FIRM

7.1. Guidelines

BCP Group develops its best efforts to guarantee the independence of the Statutory Auditor/Audit Firm, and this Policy is guided by the objectives of integrity, independence, objectivity, responsibility, transparency and reliability of the Statutory Auditor/Audit Firm, both in the process of selection and designation of the Statutory Auditor/Audit Firm, and in the hiring of non-audit services, thus seeking to guarantee a high level of protection for users of financial information and investors.

b) credit institutions;

h) Insurance and reinsurance companies;

i) Entities whose main activity consists in acquiring holdings with majority voting rights in credit institutions;

j) Insurance holding companies and mixed insurance holding companies;

k) Pension funds that finance a special social security regime, under the terms of articles 53 and 103 of Law no. 4/2007, of 16 January;

”

In order to ensure the independence of the Statutory Auditor/Audit Firm, the following principles in particular must be observed:

- (i) **self-review** prohibition, according to which an entity of a Statutory Auditor/Audit Firm Network or one of its partners, managers or employees may not participate in the preparation of the accounting records or accounts of the audited entity;
- (ii) prohibition of **personal interest**, according to which the independence of a Statutory Auditor/Audit Firm cannot be threatened by a own financial interest or by a conflict of personal interests of other nature, namely due to a direct or indirect participation in the client or an excessive dependence from the fees to be paid by the client for the legal review of the accounts or for other services.

Whenever there are situations that could put any of the above principles at risk, the entity's supervisory body that detects them must report them to BCP's Audit Committee, directly or through BCP's Compliance Officer, and take steps to correct it.

A threat to independence shall be considered important if, when examining all aspects, both individually and collectively, it is determined that the level of risk to independence is considered material and affects confidence in the provision of services.

The Statutory Auditor/Audit Firm of an entity should annually confirm its independence to the respective supervisory body, as well as that of its partners, senior directors and managers involved.

7.2. Selection and Designation Process

The selection of the Statutory Auditor/Audit Firm of ActivoBank shall be based on a prior assessment which, in the case of an Audit Firm, shall cover the respective representatives

The selection and designation process shall be initiated by the contracting entity with the necessary advance notice, establishing a timetable to ensure full compliance with the procedures set out in this Policy and the provisions of the applicable legislation

7.3. Selection, Assessment of the Proposal and Designation

The selection process includes the following stages:

- i) Preparation of the terms of reference and other tender documents;
- ii) Opening of the hiring procedure, identification of potential candidates and request for proposals;
- iii) Collection of information to be provided to the candidates who apply to support the preparation of their proposals;
- iv) Assessment of the Proposals;
- v) Preparation of the Report on the Conclusions of the Selection Process with recommendation to the General Meeting.

7.4. Preparation of the terms of reference and other tender documents

The Board of Auditors shall draw up the tender documents, which shall be sent to the candidates applying for Statutory Auditor/Audit Firm. For this purpose, the body supporting the Board of Directors will assist in collecting and processing the necessary information, from the Compliance Office and the Internal Audit Division in their validation. These documents must enable applicants to understand the activity of ActivoBank and the type of services to be provided as well as to include transparent and non-discriminatory selection criteria for assessing the proposals to be submitted by the Statutory Auditor/Audit Firm.

When selecting the Statutory Auditor/Audit Firm, the Board of Auditors shall identify the most suitable (fit and proper) potential candidates for the position, ensuring the timely succession in the position.

Once the candidates have been identified, the Board of Auditors shall request the submission of technical and financial proposals for the provision of the services identified, also promoting the collection of duly signed declarations by the candidates resulting in all necessary information relevant to the assessment of their technical and professional suitability, independence and good reputation as required by the terms of reference.

The declarations to be requested from candidates must include the commitment to ActivoBank of any situation which might call into question their technical and professional suitability, independence and good reputation to perform the functions in ActivoBank.

It must also be required the signing of a document confirming that the candidates meet all the requirements laid down by law for the position of Statutory Auditor/Audit Firm of ActivoBank and that there is no incompatibility or impediment, accompanied by a description of the internal organisation of the Statutory Auditor/Audit Firm, including at least:

- a. A briefing on the policies, procedures and mode of functioning 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 works.
- d. Measures foreseen to solve eventual infractions to the legal requirements on statutory audit of accounts;¹⁰;
- 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;

During the selection phase, the Statutory Auditor/Audit Firm applicants will not be informed or questioned regarding contentious issues or accounting matters affecting ActivoBank's financial reports.

7.5. Criteria to the Selection of Statutory Auditor/Audit Firm

The selection of the Statutory Auditor/Audit Firm by ActivoBank is based on the criteria and weights indicated in the tender documents, which must be adjusted in accordance with the requirements of local legislation in order to ensure the hiring of a quality service.

¹⁰ Including, herein, those deriving from Regulation (EU) 537/2014.

The bidding documents must contain at least the following criteria and weight factors:

| Criterion | Weight factors | |
|---|----------------|------------|
| | Minimum | Maximum |
| I. Technical and professional competence and experience in the financial sector | 25% | 50% |
| - Technical and professional experience of the applicant, including knowledge in evaluating computer controls; | 5.0% | 10.0% |
| - Academic and professional curriculum vitae of the proposed team; | 5.0% | 10.0% |
| - Experience and specific know-how in the financial sector; | 15.0% | 30.0% |
| II. Quality of the proposal | 20% | 40% |
| - Technical quality of the proposal, particularly with regard to the methodology for executing the services to be provided; | 7.5% | 15.0% |
| - Time and resources that will be allocated to the work to be developed, including the demonstrated availability for communication and interaction with ActivoBank, and the distribution of the time allocated per professional class (e.g. number of hours per professional category); | 12.5% | 25.0% |
| III. Statutory Auditor/Audit Firm's Organisation, guarantees of independence and absence of conflict of interests | 15% | 30% |
| - Internal organization of the Statutory Auditor/Audit Firm; | 2.5% | 5.0% |
| - Guarantees of integrity, independence, quality control, absence of conflict of interest, objectivity, and professional scepticism of the Statutory Auditor/Audit Firm and safeguards to address threats to independence; | 12.5% | 25.0% |
| IV. Fees | 15% | 30% |
| - Value in absolute terms, overall and by type of service to be provided; | 2.5% | 5.0% |
| - Relation between the proposed value and the market price; | 5.0% | 10.0% |
| - Quality/price ratio of the tender; | 5.0% | 10.0% |
| - Price per hour for each professional category. | 2.5% | 5.0% |

Assessment of proposals, reporting and recommendation

Once all the required elements have been received, ActivoBank's supervisory body shall assess them in the light of the criteria defined in the tender documents and may request improvements to the tenders submitted.

An Evaluation Report is prepared for each candidate, taking into account the criteria and requirements defined in the tender documents and this Policy, on which the Board of Auditors bases each of the options. The tender to be submitted to the General Assembly shall be accompanied by the Evaluation Reports and shall include at least two candidates, with the supervisory body expressing a preference for one of them.

Where applicable, prior to submission of the proposal to the General Meeting and with at least 30 days' notice, the supervisory body of ActivoBank shall send to its supervisory authority proof of the adequacy of the proposals with regard to the requirements established by Law, including the internal analysis that formed the basis for the selection of the Statutory Auditor/Audit Firm.

This proposal requires a prior favourable opinion from BCP's Audit Committee.

Once the evaluation process is concluded, ActivoBank's supervisory body informs the candidates of its decision regarding the selected proposals to be submitted to the decision of the General Assembly, indicating the proposal that deserves its preference. The non-selected candidates shall receive a letter informing them of that fact. The non-selected candidates shall receive a letter informing of that fact.

In the recommendation, to be presented to the General Meeting, the Board of Auditors should declare that it is exempt from the influence of third parties and that no clause has been imposed in order to unduly influence the decision of the General Meeting of Shareholders on the selection of the Statutory Auditor/Audit Firm. Should any attempt be made in this sense, or in any other way to unduly influence the decision of the General Meeting of Shareholders, the Board of Auditors will immediately inform the competent authorities and BCP's Audit Committee.

7.7. Term of office

The minimum period for the exercise of functions by the Statutory Auditor/Audit Firm is 1 year, and the maximum cannot exceed 10 years.

The periods are counted from the first year covered by the contractual relation for which the Statutory Auditor/Audit Firm was initially designated to perform consecutive statutory audits of the accounts of ActivoBank.

If local legislation allows a longer period, ActivoBank should petition an opinion from BCP's Audit Committee, duly substantiating its proposal before submission to the General Meeting.

Once the maximum period of exercise of functions has been reached, a Statutory Auditor/Audit Firm cannot exercise functions in the same entity for a period of 4 years (cooling-off period).

7.8. Archive

This process must be kept on file for five years, counting from the end of the term of employment of the Statutory Auditor/Audit Firm, so that it can be made available to the competent national authority whenever requested.

8. REAPPOINTMENT OF THE STATUTORY AUDITOR/AUDIT FIRM

8.1 Procedure

In situations where the intention is to propose the renewal of the Statutory Auditor/Audit Firm in office, the process does not need the stages of preparation of the bidding documents, opening of the process and request for proposals, but ActivoBank's supervisory body must do so in advance:

- i) Update the Statutory Auditor/Audit Firm performance evaluation for services rendered during the term of the current contract in accordance with the assessment methodology referred to in chapter 9;
- ii) Consider the conditions of independence of the Statutory Auditor/Audit Firm and the advantages and costs of its replacement;
- iii) Request a favourable opinion from BCP's Audit Committee;
- iv) To propose the renewal of the term of office of the Statutory Auditor/Audit Firm through a recommendation addressed to the General Meeting.

In its recommendation, the Board of Auditors should declare that it is exempt from the influence of third parties and that no clause has been imposed in order to unduly influence the decision of the General Meeting of Shareholders on the selection of the Statutory Auditor/Audit Firm. Should any attempt be made in this sense or any other way to unduly influence the decision of the General Meeting of Shareholders, the Board of Auditors will immediately inform the competent authorities and BCP's Audit Committee.

8.2. Archive

This process must be kept on file for five years, counting from the end of the term of employment of the Statutory Auditor/Audit Firm, so that it can be made available to the competent national authority upon request.

9. EVALUATION OF THE STATUTORY AUDITOR/AUDIT FIRM

9.1 Methodology

The Statutory Auditor/Audit Firm must be subject to a continuous evaluation of its performance, with the objective of ascertaining whether the conditions of technical and professional suitability and good repute for the performance of its duties continue to be met.

This assessment must be made at least once a year and ponder the requirements set forth in this Policy, as well as other deemed relevant by the Board of Auditors. The Board of Auditors shall make an extraordinary evaluation of the Statutory Auditor/Audit Firm whenever any situation or event likely to jeopardise its technical and professional suitability and good repute for the performance of its duties occurs.

To evaluate the Statutory Auditor/Audit Firm, the Board of Auditors may resort to interviews and/or questionnaires with ActivoBank's bodies and divisions with greater interaction and communication with the Statutory Auditor/Audit Firm, as a complement to the continuous evaluation that results from its own interaction with the Statutory Auditor/Audit Firm.

The annual or extraordinary evaluation should result in an Evaluation Report that, in a substantiated manner, assesses:

- (i) the performance of the Statutory Auditor/Audit Firm in the previous year;
- (ii) The eventual existence of supervening facts able of jeopardizing the technical and professional suitability and good repute of the External Auditor and of the Statutory Auditor;
- (iii) the maintenance of technical and professional suitability and good repute for the performance of duties.

In the evaluation of the aforementioned items, ActivoBank's supervisory body shall take into account the continuous evaluation carried out by the Statutory Auditor/Audit Firm throughout the financial year, in accordance with the criteria and methodology presented below.

If, as a result of its evaluation, the Board of Auditors concludes that the Statutory Auditor/Audit Firm no longer fulfils the conditions of technical and professional suitability or good repute to perform the duties in ActivoBank, it shall take the measures it considers appropriate to remedy the situation and bring them to the attention of the competent national authority.

If the Board of Auditors concludes that it is not possible to guarantee these conditions with a reasonable measure, this shall constitute just cause for dismissal. In this circumstance, the Board of Auditors, after consulting BCP's Audit Committee, shall present to ActivoBank's General Meeting of Shareholders a proposal for the dismissal of the Statutory Auditor/Audit Firm in office and another proposal for the appointment of a new Statutory Auditor/Audit Firm, prepared in accordance with the procedures defined in chapter 7.

9.2 Statutory Auditor/Audit Firm performance evaluation criteria

In evaluating the performance of the Statutory Auditor/Audit Firm, the Board of Auditors shall consider, among others, the following criteria.

9.2.1. Quality and Adequacy of the Service Provided

The Statutory Auditor/Audit Firm shall demonstrate sufficient knowledge, qualifications, size and experience to provide a high-quality service in line with the size ActivoBank, the complexity of its activity and the risks to which it is exposed. Therefore, the following aspects should be considered:

- a) The reputation of the statutory auditor, being considered the way he/she exercises the profession as well as the capacity to make objective decisions, and assertive, adopting behaviours and enjoy public reputation able of giving confidence to the market;
- b) Timeliness in meeting agreed timetables and deadlines, with the audited entity and the Regulator;
- c) Availability and accessibility for discussion of technical issues;
- d) Proactiveness in the search for information related with business risks or other issues that may have impact on its plan of action, so as to identify and resolve any issues in due time, adjusting itself rapidly to alterations in risks, studying and presenting credible alternatives for debate;
- e) Provision of quality audit services, at a controlled cost and with reasonable fees regarding any additional services provided;
- f) Proactiveness in recommending solutions to improve internal control and financial reporting systems.
- g) Suitability of the internal organisation of the Statutory Auditor/Audit Firm and its internal quality control system;
- h) Working methodology;
- i) Guarantees of professional and technical execution;
- j) Quality and proactiveness in the provision of services for the accomplishment of non-foreseen tasks.

9.2.2. Resources allocated to the Audit

Regarding the resources allocated to the services provided by the Statutory Auditor/Audit Firm to BCP, the following should be evaluated:

- a) The balance, seniority and technical and professional suitability of the Team assigned to ActivoBank, taking into account its size, the complexity of its activity and the risks to which it is exposed;
- b) The technical competence of the Statutory Auditor/Audit Firm, as well as their ability to apply their knowledge in order to provide a quality service within the contracted scope, as well as to ensure a realistic, technically based and independent analysis;
- c) The suitability of the knowledge of the business risks, processes, systems and operations inherent to the activity of ActivoBank, as well as the access to specialists in technical and specific subjects of its activity;
- d) The potential for access to sufficient additional specialised resources, as necessary to complete the work in a timely manner or, in cases of re-evaluation or evaluation for re-appointment, concrete access to these resources;
- e) Sufficiency of time and allocated resources;
- f) Number of hours spent to develop the work;
- g) The academic and professional Curriculum Vitae of the team;
- h) Identification of the names of the main responsible persons and members of the team and the allocation of time devoted by each one to the work.
- i) The technical solutions or platforms that the Statutory Auditor/Audit Firm applies in audit and reporting work, as well as in other specific work;
- j) The suitability of audit work where the Statutory Auditor/Audit Firm applies technological solutions.

9.2.3. Communication and Interaction

As regards communication and interaction between ActivoBank and the Statutory Auditor/Audit Firm, the latter shall demonstrate in particular:

- a) An adequate capacity to communicate with the governing bodies of ActivoBank, to be measured in terms of frequency, availability and accessibility;
- b) The suitability and sufficiency of meeting/discussion support materials, which should be made available in advance;
- c) The ability and concern in keeping ActivoBank adequately informed of developments in accounting principles and regulations applicable to it, including any relevant impacts on the Statutory Auditor/Audit Firm activity;
- d) Experience and capacity to debate, in an adequate manner, the quality of ActivoBank's financial reporting, including the reasonableness of the accounting estimations and judgements and the accounting policies framework in accordance with the trends and best practices in similar companies;

9.2.4. Independence, Objectivity and Professional Scepticism

The Statutory Auditor/Audit Firm must be independent, objective and demonstrate professional scepticism in the performance of its duties. In evaluating the performance of the Statutory Auditor/Audit Firm, the following aspects in particular should be assessed:

- a) The integrity and objectivity of the Statutory Auditor, as well as its attentive and interrogative stance;
- b) the absence of conflicts of interests;
- c) Its independence, namely in the discussion of all matters that may reasonably be perceived to be likely to impact on it, any obstacles to compliance with independence requirements and the safeguards put in place;
- d) The ability and potential to address the most sensitive issues in a constructive manner and experience for identifying, communicating and adequately resolving technical issues that may arise in the course of the work;
- e) The guarantees of their good repute, objectivity, and independence.

9.3 Archive

This process must be archived for five years, counting from the end of the term of office of the Statutory Auditor/Audit Firm, so that it can be made available to the competent national authority upon request.

10. NON-AUDIT SERVICES PROVIDED BY THE STATUTORY AUDITOR/AUDIT FIRM

Bearing in mind the general principle that the independence of the Statutory Auditors/Audit Firms of ActivoBank may be affected by the provision of non-audit services, it is understood that there is a set of services which can be performed by the Statutory Auditors/Audit Firms and members of their Networks without loss of independence, unlike others which are considered prohibited as defined in chapter 5.

Non-audit services the provision of which is prohibited

The Statutory Auditor/Audit Firm of ActivoBank (or any member of its Network) shall be prohibited from providing directly or indirectly to the audited entity, its parent company or the entities under its control, the non-audit services identified in Annex 1.

These prohibitions are obligatorily followed in all the entities of the BCP Group, and any doubt must be clarified by BCP's Audit Committee, through a clarification request made to BCP's Compliance Officer.

The prohibition to provide these services applies during the period between the beginning of the audited period and the last issue of the legal certification of accounts.

Regarding the provision of services of a legal nature, the prohibition also applies during the period preceding the period of time referred to in the previous paragraph.

In addition to the prohibited services identified, the provision of other services whose prohibition is determined by the local legislation where the entity to be audited is located is also prohibited.

Non-audit services the provision of which is allowed

The Statutory Auditor/Audit Firm of ActivoBank (or any member of its Network) shall be able to provide to the audited entity, its parent company or the entities under its control, the non-audit services identified in Annex 2.

The provision of the non-audit services listed in Annex 2 may, from time to time, not be authorised if it is considered that there are special characteristics associated with their provision, their nature, the persons and entities involved that may threaten the independence of the Statutory Auditor/Audit Firm and no safeguards can be adopted to mitigate such risk.

In the case of the provision of services to BCP Group entities by members of the Statutory Auditor/Audit Firm Network from other BCP Group entities, the Network member in question must confirm in writing that the service to be provided does not affect the independence of the Statutory Auditor/Audit Firm in providing legal review of accounts services and that no conflicts of interest exist.

Any doubt about these services is clarified by BCP's Audit Committee, through a clarification request to BCP's Compliance Officer, through the local Compliance Officers.

10.2.1 Process of hiring non-audit services to the Statutory Auditor/Audit Firm of ActivoBank

The hiring of non-audit services that are not prohibited, follows the following procedures:

1st - the Compliance Office of ActivoBank or the person designated for this purpose issues his/her opinion and requests from the Compliance Office of BCP a favourable opinion from the Audit Committee of BCP to the proposal;

2nd - the Compliance Office of BCP issues an opinion and submits it to the Audit Committee of BCP for knowledge or an opinion of opposition / non-opposition, depending on the nature of the service and its value, namely:

- (i) The proposals for services listed in Annex 2 whose fees are equal to or lower than 50,000 euros:
 - may only be approved with a favourable opinion from BCP's Compliance Office, which shall report the same to BCP's Audit Committee at the immediately following meeting.
- (ii) Proposals for services listed in Annex 2 whose fees exceed 50,000 euros or for services that are not detailed in the said Annex 2:
 - may only be approved after obtaining a favourable opinion from BCP's Audit Committee, following a favourable opinion from BCP's Compliance Office.

3rd - After obtaining a favourable opinion from the Compliance Office of BCP or from the Audit Committee of BCP, ActivoBank shall obtain the approval of the Board of Auditors and, if applicable, obtain authorisation from whoever additionally is determined by the applicable law.

4th - The decisions covered in (i) and (ii) of the 2nd item are communicated by BCP's Compliance Office.

In [Annex 3](#) the matrix of synthesis of the processes of procurement of non-audit services can be consulted.

Irrespective of the amount of fees involved, any request which BCP's Compliance Office deems to fall within the scope of the prohibited services referred to in Annex 1 shall be refused immediately by BCP's Compliance Office. In such cases, ActivoBank may, if it so wishes, appeal to BCP's Audit Committee which will make a definitive decision thereon.

2.2.10. Process of hiring non-audit services from entities that are not part of the Statutory Auditor/Audit Firm Network of BCP Group

The hiring process for non-audit services to be provided by a Statutory Auditor/Audit Firm that does not belong to the Statutory Auditor/Audit Firm Network of any of the entities of the BCP Group, must be sent to the BCP Compliance Office within one month of the adjudication of the service, regardless of the amount of the fees, by email to compliance.office@millenniumbcp.pt, as part of the functions that this body performs in monitoring the invoicing and control of the services provided for the entire Group.

11. QUANTITATIVE LIMITS TO THE HIRING OF NON-AUDIT SERVICES

If the total fees received by the Statutory Auditor/Audit Firm from ActivoBank for services (including audit and non-audit services) rendered to ActivoBank in each of the last three consecutive financial years exceed 15% of the total fees received by the said Statutory Auditor/Audit Firm

in each of those years, he/she/they will inform the supervisory body of ActivoBank of this fact and analyses with that body whether this fact represents a threat to its independence, studying safeguards to mitigate it, in accordance with the law.

If justified, the Board of Auditors of the audited entity may decide whether or not the legal review of the accounts should be subject to a quality control review by another Statutory Auditor/Audit Firm before the issuance of the legal certification of accounts.

If the fees received from ActivoBank continue to be higher than 15% of the total fees received by that Statutory Auditor/Audit Firm, the Board of Auditors of ActivoBank decides whether or not there are conditions to maintain the service and requests an opinion from BCP's Audit Committee on whether it can continue to carry out the legal review of the accounts for an additional period which, in no case, may exceed two years, on the basis of which it takes a decision on the maintenance of the Statutory Auditor/Audit Firm, based on objective reasons.

Unless local law imposes more demanding quantitative limits, the Statutory Auditor/Audit Firm will not be able to provide, on an annual basis, to the set of entities in the BCP Group, non-audit services that are allowed by law of a value higher than 70% of the average fee charged by the Statutory Auditor/Audit Firm for the legal review of the accounts provided to BCP (as an individual and consolidating entity) and to Group entities, in the last three consecutive years. To calculate this limit, the non-audit services required by law are not considered.

Although there is no fixed limit for the fees for the non-audit services not required by law provided by the Statutory Auditor/Audit Firm Network to the BCP Group entities, the Board of Auditors of ActivoBank and BCP's Audit Committee will regularly monitor the invoicing of such services. Depending on the accumulated value of this invoicing, any of these bodies may, at any time, conclude that there is a threat to the independence of the Statutory Auditor/Audit Firm, and must take whatever measures they deem appropriate to safeguard it.

Each year, the BCP Group entities disclose the annual amounts invoiced by their Statutory Auditor/Audit Firm and by entities belonging to the Statutory Auditor/Audit Firm Network. This disclosure is, as a rule, made in the Corporate Governance Report,¹¹, broken down by the various types of services.

¹¹ Or equivalent report, when applicable.

12. SUPERVISION OF SERVICES PROVIDED

The Board of Auditors verifies and monitors the independence of the respective Statutory Auditor/Audit Firm, namely by monitoring the services provided and the fees invoiced.

ActivoBank's Compliance Officer or the person appointed, will send to BCP's Compliance Officer, with knowledge to the Board of Auditors, until the end of the second week of the month immediately following each calendar quarter, information relating to:

- all services contracted by ActivoBank, provided that they are provided by the Statutory Auditor/Audit Firm, as well as by the members of the respective Network;
- the value of the invoicing of the Statutory Auditor/Audit Firm.

BCP's Audit Committee and the Board of Auditors will be informed of these amounts on a quarterly basis by BCP's Compliance Officer. The information in question must be internally processed and organized in terms of dates to enable, at BCP Group level, the compliance with the associated deadlines:

- (i) The control of values for the purpose of verification of compliance with the quantitative limits defined in Chapter 11;
- (ii) The inclusion in BCP's Corporate Governance Report of the fees invoiced by the Statutory Auditor/Audit Firm from the various BCP Group entities;
- (iii) Compliance with the provisions of the legislation.¹²

The information to be provided should include the nature of the services contracted and the corresponding fees, indicating, on the one hand, the amounts invoiced in the period and, on the other hand, the amounts contracted and the services which are costs for the financial year not yet invoiced, but recorded as added costs, in accordance with the accounting rules and procedures, subdivided by each of the entities to which they refer and by the categories of services listed in this document.

Thus, the values included in the provision of quarterly information, and subsequently in the annual, must strictly match the values in the individual and consolidated financial statements, depending on whether the information comes from a single entity or from the Group as a whole, accompanied by the information regarding the values in the invoices issued by the external auditor for all the operations during the period in question.

The rules and limits mentioned in this Policy apply to BCP, in terms of consolidated accounts. If the Statutory Auditor/Audit Firm of any entity of the Group is an entity which is not part of the Network of the Statutory Auditor/Audit Firm of BCP, the quantitative limits shall be assessed individually.

This information will be presented by the Group Head of Compliance to the Audit Committee of BCP at the first meeting held on the month after the end of the quarter. Each local Compliance Officer or appointed person is responsible for creating the mechanisms to gather and compile all this information, to be sent to the p Head of Compliance of BCP until the end of the second full week of the first month after each quarter.

Before presenting the information to the Audit Committee, the Head of Compliance will seek to verify the information rendered with the statutory auditor/audit firm, drawing up a reconciliation or justification, should the values differ.

¹² Compliance with Article 66-A, (1) (b) for the individual accounts and with Article 508-F, (1) (b) for the consolidated accounts, both from the Companies Code.

| Services Scope | List of Services |
|---|--|
| 1. Tax advising | <p>Tax advising related with:</p> <ul style="list-style-type: none"> the preparation of tax returns; payroll taxes; custom duties; The identification of public subsidies and tax incentives, except if the support provided by the Statutory Auditor/Audit Firm regarding those services is required by law; Support in inspections made by the tax authorities, except if the support provided by the Statutory Auditor/Audit Firm 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 company. |
| 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 | <p>The legal services regarding:</p> <ul style="list-style-type: none"> provision of general advice; trading on behalf of the audited entity; acting as a representative in the resolution of litigation. |
| 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 the investment strategy of the audited entity, except for the provision of reliability assurance services relating to the financial statements, such as the issuance of "Comfort Letters" relating to prospectuses issued by the audited entity, as per no. 6 of Annex 2. "Permitted non-audit services". |
| 10. Brokerage services, investment or investment banking consulting services | The advertising, trading or underwriting of shares in the audited entity. |
| 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; |

| Services Scope | List of Services |
|----------------|--|
| | <ul style="list-style-type: none"> the configuration of the structure of the organisation; cost control. |

ANNEX 2 - NON-AUDIT SERVICES PROHIBITED

| Services Scope | List of Services |
|--|--|
| 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 the acquisition; Reviewing expert valuations of intangible assets (including goodwill) and allocating the respective purchase price. |
| 2. Due diligence services in purchase and sale operations | <ul style="list-style-type: none"> General due diligence to operations of the entity being purchased; Interaction with other Statutory Auditor/Audit Firm; 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 reports regarding internal control. |
| 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 with prospectuses and issues of securities relating to 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 the IT Corporate Governance models; |
| 10. E-Business - Analysis Services | <ul style="list-style-type: none"> Review of processes and procedures. |
| 11. Training | <ul style="list-style-type: none"> Training services regarding contents and issues handled that do not cause situations of conflict of interests. |
| 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. |

ANNEX 3 – MATRIX FOR HIRING NON-AUDIT SERVICES

| Auditor Class | Type of Service to be Provided | Amount (EUR) | Requesting Entity | Intervention of the Compliance Office of BCP | Intervention of BCP's Audit Committee | Board of Auditors |
|---------------------------------|--|--------------|-------------------|--|---------------------------------------|-------------------|
| Audit Firm in the BCP Group (*) | Permitted Non-Audit Service listed in Annex 2 | ≤ 50 000 | ActivoBank | Issues a favourable opinion | Knowledge | Approves |
| | | > 50 000 | | | | |
| | Permitted Non-Audit Service which is not listed in Annex 2 | ≤ 50 000 | | Submits for opinion | Issues a favourable opinion | Approves |
| | | > 50 000 | | | | |
| | Prohibited Service | Not eligible | | | | |

(*) In November 2021: Deloitte, EY and BDO.