

**Policy for the Selection and
Designation of the Statutory
Auditor and Audit Firm
(ROC/SROC) and Contracting
of Non-Audit Services which
are Not Forbidden**

Policy for the Selection and Designation of the Statutory Auditor and Audit Firm (ROC/SROC) and Contracting of Non-Audit Services which are Not Forbidden (ActivoBank)

INDEX

1. Scope and Objectives	2
2. Approval and Revision Process	2
3. Training	3
4. Legal and Regulatory Framework	3
5. Definitions	4
6. Competences	5
7. Principles, Selection and Designation of the ROC/SROC	5
8. Re-designation of the ROC/SROC	9
9. Evaluation of the ROC/SROC	10
10. Non-Audit Services Provided by the ROC/SROC or by other Auditors	12
11. Quantitative Limits to the Hiring of Non-Audit Services	14
12. Supervision of Services Provided	15
ANNEX 1 – Non-Audit Services Prohibited	16
ANNEX 2 - Non-Audit Services Allowed	17
ANNEX 3 – Matrix for Hiring Non-Audit Services	18

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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 (hereinafter referred to as ROC/SROC), to guarantee the quality and integrity of the financial statements, thus protecting clients, investors, the markets, the financial system, and all other stakeholders.

Within this context, Banco ActivoBank S.A. (hereinafter 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, designation, and evaluation of the ROC/SROC, Auditors or Audit Entities, in line with the regulations and recommendations of the competent authorities and in accordance with the best corporate governance practices;
- to ensure that the ROC/SROC, 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 able of jeopardising their independence and the maximum legal limit of successive mandates;
- to ensure that the independence of the ROC/SROC, Auditors or Audit Entities of ActivoBank is not jeopardised by the provision of non-audit services, monitoring the relationships between the provision of audit services and other services, and identifying the services that the ROC/SROC, Auditors or Audit Entities cannot provide to the audited entity, its parent company, or entities under its control.

This policy sets forth the principles, rules, and organizational model, applied to:

- the selection, designation, evaluation, and re-designation of the ROC/SROC;
- the contracting of non-audit services provided by the ROC/SROC of ActivoBank or by the entities of the network to which it belongs;
- the contracting of non-audit services provided by the ROC/SROC that do not belong to any of the ROC/SROC networks of the BCP Group (hereinafter referred to as "Group");
- to the evaluation and monitoring of the services provided.

This document is divided into two parts. The first deals with the selection, appointment, and evaluation of the ROC/SROC¹, 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 the provisions of Notice 3/2020 of Banco de Portugal, the Policy for the Selection and Appointment of the ROC/SROC and for the Contracting of Non-Prohibited Auditing Services (the "Policy"),

¹ Chapters 7. to 9.

² Chapters 10. to 12.

applicable to ActivoBank, shall be submitted for approval by the General Meeting of Shareholders of ActivoBank, with the prior opinion of the Board of Auditors³, and disclosed via the website www.activobank.pt.

The Board of Auditors should monitor the application and up-to-dateness of this Policy, promoting its review every year or when it deems necessary or pertinent, with the support and involvement of the Compliance Officer of BCP.

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.

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 and of Internal Audit) receive it. In particular, the training of the Employees involved in the selection process of external auditors must be ensured, as well as of all members of the supervisory bodies, *Compliance Officer* and the head of the Internal Audit function.

4. Legal and Regulatory Framework

This Policy transposes the regime of the Regulation (EU) 537/2014 into ActivoBank.

In Portugal, the Comissão do Mercado de Valores Mobiliários (CMVM, Portuguese stockmarket regulator) is the authority with powers to supervise the activity of the ROC/SROC, 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 considering the applicable normative and regulatory regime, including:

- i. the Regulation (EU) nr. 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. the Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006 on statutory audits of annual and consolidated financial statements;
- iii. the Audit Supervision Legal Regime, approved by Law nr. 148/2015 of 9 September;
- iv. The by-laws of the Chartered Accountants Association (EOROC), approved by Law 140/2015, of 7 September;
- 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 Companies Code (CC), approved by Decree-Law no. 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;

³In compliance with article 14 of Notice nr. 3/2020 of Banco de Portugal.

xi. Instruction no. 3/2020, of 15 July 2020, of Banco de Portugal.

5. Definitions

For purposes of this Policy, the following definitions apply:

- a) **Statutory Auditor (ROC) / Audit Firm SROC** - the entity or organisation that renders to ActivoBank the audit service considered as the legal review and auditing of financial statements.
- b) **ROC/SROC Network** - the group formed by the companies related to the ROS/SROC of ActivoBank and by the network in which it is inserted, typically using a common brand.⁴
- c) **Financial Statements Audit Services** - all services that result in an examination and other services related to the financial statements 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 review 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 the ActivoBank, beyond the scope of legal review of the financial statements, 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 ROC/SROC cannot provide to the audited entity, its parent company or entities controlled by it (Annex 1).
- 2) **Non-Audit Services 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. These include, for example:
 - (i) Report on the Credit Portfolio Impairment ⁵ Quantification Process;
 - (ii) Report on the safekeeping of Client's assets⁶;
 - (iii) Report on the examination on credit claims⁷;
 - (iv) Report on compliance with legal and regulatory requirements for mortgage bonds⁸;
- 3) **Non-Audit Services Allowed** - all services whose provision by the ROC/SROC is not required by law but are also not prohibited.

⁴ More strictly, the ROC(SROC Network is considered to be "the wider structure (i) whose object is the cooperation, to which a Statutory Auditor or an 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).

⁵ In accordance with the instructions of the Instruction nr. 5/2013 of Banco de Portugal.

⁶ In accordance with the provisions of article 304-C (4) of the Securities Code.

⁷ In accordance with the instructions of the Instruction nr. 5/2013 of Banco de Portugal

⁸ In accordance with the provisions of article 34 of Decree-Law nr. 59/2006.

6. Competences

1. It is the responsibility of the **General Meeting of Shareholders** of Activobank, S.A. to elect or re-designate the respective ROC/SROC, after obtaining an opinion of non-opposition issued by the Audit Committee of BCP.
2. The Board of Auditors of Activobank, S.A. is responsible for the following:
 - i. Conduct the process of identifying suitable candidates to perform the functions of ROC/ SROC, in coordination with the Audit Committee of BCP;
 - ii. Define the criteria to be established in the tender documents (of which, at least, those defined in paragraph 7.4.) and coordinate the ROC/SROC selection and evaluation process, in coordination with the Audit Committee of BCP;
 - iii. Propose to the General Meeting of ActivoBank the candidates deemed to be considered reasonably suitable, at least two, and expressing its preference for one;
 - iv. Approve the contracting of non-audit services, in accordance with the provisions of chapter 10;
 - v. Issuing a non-opposition opinion on the proposals for the hiring of non-audit services presented by BCP, in accordance with the provisions of chapter 10;
 - vi. Monitor and inspect the conduct of the ROC/SROC, supervising its performance, the abidance by the limits defined in chapter 11 and oversee its independence;
 - vii. 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;
 - viii. Request a non-opposition opinion to the Audit Committee of BCP in relation to the proposals for the appointment or renewal of the mandate of the ROC/SROC of ActivoBank, which will be submitted, for approval, to the General Meeting of Shareholders.
3. **The Audit Committee of BCP** is responsible for:
 - i. Issue an opinion on the non-opposition to proposals for appointment and renewal of the mandate of the ROC/SROC of the group entities;
 - ii. Issuing a non-opposition opinion on the proposals for the hiring of non-audit services submitted by ActivoBank, in accordance with the provisions of chapter 10;
 - iii. Issue opinions and recommendations within the scope of this Policy, upon request or whenever it deems necessary;

7. Principles, Selection and Designation of the ROC/SROC

7.1. Guidelines

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

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 the ROC/SROC 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**, representation, familiarity or intimidation created by financial, personal, commercial, work or other relationships, according to which the independence of an ROC/SROC may not be threatened by a financial interest or a personal conflict of interest of any other nature, in particular by virtue of a direct or indirect financial participation in the client or an over-reliance on the fees payable by the client for the review accounts or other services.

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

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 ROC/SROC of the ActivoBank should confirm its independence to the Board of Auditors every year, as well as that of its partners, senior managers and managers involved.

7.2. Selection and Designation Process

The selection of the ROC/SROC of Activobank shall be based on a prior assessment which, in the case of a SROC, 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 tender documents

The Board of Auditors shall draw up the tender documents, which shall be sent to the candidates to become ROC/SROC, in coordination with the Audit Committee of BCP, when what is at stake is the selection of the auditor of the Group. For this purpose, it will receive the assistance from the body providing support to the Board of Directors in the collection and processing of the necessary information, and 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 ROC/SROC.

When of the initial selection of the ROC/SROC, the Board of Auditors shall identify the most suitable (“*fit and proper*”) potential candidates for the performance of the function, ensuring the timely succession in the position, considering the assessment made by the Audit Committee of BCP.

Once the candidates have been identified, the Board of Auditors, in coordination with BCP's Audit Committee, when the selection of the Group's auditor is at stake, requests the submission of technical and financial proposals for the provision of the identified services, also promoting the collection of declarations duly signed by the candidates, which result in all the necessary and relevant information for the assessment of their technical and professional suitability, independence and good reputation, as provided for in the terms of reference.

The declarations to be requested from candidates must include the commitment to inform ActivoBank of any situation which might 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 exercise of the position of ROC/SROC of ActivoBank and that there is no incompatibility or impediment, accompanied by a description of the internal organisation of the ROC/SROC, 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 work performed;
- c. Way to monitor the internal quality control of the work performed;
- d. Measures envisaged to solve eventual infractions to the legal requirements on statutory audit of accounts;⁹;
- e. Way to control incompatibilities and impediments;
- f. Way of monitoring the provision of non-audit services;
- g. Way of monitoring fees versus the applicable legal limits.

During the selection stage, the ROC/SROC applicants will not be informed or questioned regarding litigation issues or accounting matters which may affect the financial reports of ActivoBank.

7.5. Criteria for the selection of the ROC/SROC

The selection of the ROC/SROC by ActivoBank is based on the criteria and weights indicated in the tender documents, which must be adjusted in accordance with the applicable legal requirements to ensure the hiring of a quality service.

The bidding documents must contain at least the following criterion and weights:

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%

⁹ Including those set forth by Regulation (EU) 537/2014.

- 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. ROC/SROC's Organisation, guarantees of independence and absence of conflicts of interests	15%	30%
- Internal organization of the ROC/SROC;	2.5%	5.0%
- Guarantees of integrity, independence, quality control, absence of conflict of interest, objectivity, and professional scepticism of the ROC/SROC 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%

7.6. Assessment of proposals, preparation of the Report and Recommendation

Once all the required elements have been received, the Board of Auditors shall assess them in the light of the criteria defined in the tender documents and may request the introduction of improvements in the tenders submitted.

An Evaluation Report is prepared for each candidate, considering the criteria and requirements defined in the tender documents and this Policy, on which the Board of Auditors bases each of the options. The proposal to be submitted to the General Meeting must include at least two candidates and be accompanied by the Evaluation Reports, expressing a reasoned preference for one of them.

Prior to submission of the proposal to the General Meeting and no less than 30 days in advance, the Board of Auditors must send to the supervisory authority of ActivoBank a proof of the proposals adequacy within the requirements established by Law, including the internal analysis that formed the basis for the selection of the ROC/SROC.

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

Once the evaluation process is concluded, the Board of Auditors communicates its decision to the candidates regarding the selected proposals to be submitted to the decision of the General Meeting, indicating the proposal that deserves its preference. The non-selected candidates shall receive a letter informing them of that fact.

In the recommendation, to be submitted 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 to unduly influence the decision of the General Meeting of Shareholders on the selection of the ROC/SROC. In the event of any attempt 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 the Audit Committee of BCP.

7.7. Term-of-office

The term of office of the elected ROC/SROC shall not be less than 1 year nor more than 4 years, and the total number of consecutive terms shall not exceed 10 years.

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

The maximum period for which the statutory auditor/partner of the audit firm responsible for directly guiding or carrying out the statutory audit is 7 years, commencing on the date of his or her first appointment. He/she can be reappointed as long as, at least, a period of 3 years has elapsed.

The periods are counted from the first year covered by the contractual relation for which the ROC/SROC was initially designated to perform consecutive statutory audits of the financial statements of ActivoBank.

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

7.8. Archive

This process should be filed with the BCP Company Secretary Office, as it supports ActivoBank, for five years, counted from the end of the exercise of the functions of the ROC/SROC, so that it can be made available to the competent national authority whenever requested.

8. Re-designation of the ROC/SROC

8.1. Procedure

In situations where the intention is to propose the renewal of the ROC/SROC in office in ActivoBank, the process does not need the stages of preparation of the bidding documents, opening of the process and request for proposals, but the Board of Auditors must, 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 ROC/SROC and the advantages and costs of its replacement;
- iii. Request an opinion to BCP's Audit Committee;
- iv. Propose the renewal of the term of office of the ROC/SROC through a recommendation addressed to the General Meeting of Shareholders.

In the recommendation, the Board of Auditors of the ActivoBank should declare that it is exempt from the influence of third parties and that no clause has been imposed to unduly influence the decision of the General Meeting of Shareholders on the selection of the ROC/SROC. In the event of any attempt in this sense, or any

other way to unduly influence the decision of the General Meeting of Shareholders, the Board of Auditors shall immediately inform the competent authorities and the Audit Committee of BCP.

8.2. Archive

This process should be filed with the BCP Company Secretary Office, as it supports ActivoBank, for five years, counted from the end of the exercise of the functions of the ROC/SROC, so that it can be made available to the competent national authority whenever requested.

9. Evaluation of the ROC/SROC

9.1. Methodology

The ROC/SROC 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 ROC/SROC whenever any situation or event likely to jeopardise their technical and professional suitability and good repute for the performance of their duties occurs.

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

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

- i. the performance of the ROC/SROC in the previous year;
- ii. The eventual existence of supervening facts able of jeopardizing the technical and professional suitability and good repute of the ROC/SROC;
- iii. the maintenance of technical and professional suitability and good repute for the performance of duties.

In the evaluation of the aforementioned items, the Board of Auditors of ActivoBank shall take into account the continuous evaluation carried out to the ROC/SROC 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 ROC/SROC 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 ROC/SROC in office and another proposal for the appointment of a new ROC/SROC, prepared in accordance with the procedures defined in chapter 7.

9.2. ROC/SROC performance evaluation criteria

In evaluating the performance of the ROC/SROC, the Board of Auditors shall consider, among other, the following criteria.

9.2.1. Quality and Adequacy of the Service Provided

The ROC/SROC 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:

- i. 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;
- ii. Timeliness in meeting agreed timetables and deadlines, with the audited entity and the Regulator;
- iii. Availability and accessibility for discussion of technical issues;
- iv. Proactiveness in the search for information related with business risks or other issues that may have impact on its plan of action, to be able to identify and resolve any issues in due time, adjusting itself rapidly to alterations in risks, studying and presenting credible alternatives for debate;
- v. Provision of quality audit services, at a controlled cost and with reasonable fees regarding any additional services provided;
- vi. Proactiveness in recommending solutions to improve internal control and financial reporting systems.
- vii. Suitability of the internal organisation of the ROC/SROC and its internal quality control system;
- viii. Working methodology;
- ix. Guarantees of professional and technical execution;
- x. Quality and proactiveness in the provision of services for the accomplishment of non-foreseen tasks.

9.2.2. Resources allocated to Audit

Regarding the resources allocated to the services provided by the ROC/SROC, the following should be evaluated:

- a. The balance, seniority and technical and professional suitability of the Team assigned to ActivoBank, considering its size, the complexity of its activity and the risks to which it is exposed;
- b. The technical competence of the ROC/SROC, as well as their ability to apply their knowledge 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 ROC/SROC applies in audit and reporting work, as well as in other specific work;
- j. The suitability of the audit work where the ROC/SROC applies technological solutions.

9.2.3. Communication and Interaction

As regards communication and interaction between ActivoBank and the ROC/SROC, 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 ROC/SROC 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 ROC/SROC must be independent, objective and demonstrate professional scepticism in the performance of its duties. In evaluating the performance of the ROC/SROC, 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 should be filed with the BCP Company Secretary Office, as it supports ActivoBank, for five years, counted from the end of the exercise of the functions of the ROC/SROC, so that it can be made available to the competent national authority whenever requested.

10. Non-Audit Services Provided by the ROC/SROC or by other Auditors

10.1. Non-Audit Services provided by the ROC/ SROC

Bearing in mind the general principle that the independence of the ROC/SROC 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 ROC/SROC and members of their Networks without loss of independence, unlike others which are considered prohibited as defined in chapter 5.

10.1.1. Non-audit services the provision of which is prohibited

The ROC/SROC of ActivoBank (or any member of its Network) shall be prohibited from providing directly or indirectly to the audited entity or its parent company, the non-audit services identified in Annex 1.

In case of doubt, the issue should be clarified by the Compliance Office or the Audit Committee of BCP.

The prohibition on the provision of these services applies during the period between the beginning of the audited period and the last issuance of the statutory certification of the accounts, with the exception of item 5 ("Internal control or risk management procedures") of Annex 1, which also cannot be provided during the annual period preceding that period (the so-called "Cooling-in Period"), or the ROC/SROC cannot be mandated for the statutory audit and audit of the accounts in the following year.

In addition to the prohibited services identified, the provision of other services whose prohibition is determined by law is also prohibited.

10.1.2. Non-audit services the provision of which is allowed

The ROC/SROC of ActivoBank (or any member of its Network) shall be allowed to provide to the audited entity or its parent company, the non-audit services identified in Annex 2.

The provision of the non-audit services listed permitted by law, 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 ROC/SROC and no safeguards can be adopted to mitigate such risk.

In the case of the provision audit services to the ActivoBank by members of the ROC/SROC Network exercising functions at BCP Group entities, the Network member in question must confirm in writing, that the service to provide does not affect the independence of the ROC/SROC 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 addressed to the Compliance Officer of BCP.

10.1.2.1. Process of hiring non-audit services to the ROC/SROC of ActivoBank entities and members of the respective network

The contracting of non-audit services permitted observes the procedures described below:

- 1 – The person responsible for the service to be contracted requests the Compliance Office of BCP to approve the proposal submitted by the Board of Auditors of ActivoBank;
- 2 – BCP's Compliance Office issues an opinion and submits it for the issuance of a non-opposition opinion by BCP's Audit Committee and for approval by ActivoBank's Board of Auditors.

The summary matrix of contracting processes for non-audit services can be consulted in [Annex 3](#).

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

10.1.2.2. Process for contracting non-audit services of BCP's ROC/SROC

The Board of Auditors of ActivoBank gives a non-opposition opinion on the proposals for contracting non-audit services submitted by BCP.

10.2. Contracting of non-audit services by other ROC/ SROC

10.2.1. Process of contracting non-audit services from entities that are not part of the ROC/SROC Network of BCP Group

The hiring process for non-audit services to be provided to ActivoBank by a ROC/SROC that does not belong to the ROC/SROC Network of any of the entities of the BCP Group, must be previously communicated to the BCP Compliance Office and be confirmed within one month of the adjudication of the service, (regardless of the amount of the fees), within the scope of the functions that the Compliance Office of BCP performs in monitoring the invoicing and control of the services provided for the entire Group. The communications, together with the respective documentation, shall be sent by e-mail to the address compliance.office@millenniumbcp.pt.

11. Quantitative Limits to the Hiring of Non-Audit Services

If the total fees received by the ROC/SROC of 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 ROC/SROC in each of those financial years, he/she/they will inform the Board of Auditors of ActivoBank of this fact and analyses with the Board of 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 ActivoBank may decide whether or not the legal review of the accounts should be subject to a quality control review by another ROC/SROC 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 ROC/SROC, 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 ROC/SROC, based on objective reasons.

The ROC/SROC cannot provide, on an annual basis, to the set of entities of the Group, allowed non-audit services of a value higher than 70% of the average fees charged by the ROC/SROC 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 financial 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 ROC/SROC Network to the Group entities, the Board of Auditors of ActivoBank and the Audit Committee of BCP will regularly monitor the invoicing of such services. Depending on the accumulated value of this invoicing, any of these bodies may, at all times, conclude that there is a threat to the independence of the ROC/SROC, and must take whatever measures they deem appropriate to safeguard it.

Each year, the group entities disclose the annual amounts invoiced by their ROC/SROC and by entities belonging to the Network of that ROC/SROC. This disclosure is, as a rule, made in the Corporate Governance Report,¹⁰ broken down by the various types of services.

¹⁰ Or equivalent Report, when applicable.

12. Supervision of Services Provided

The Board of Auditors verifies and monitors the independence of the respective ROC/SROC, namely by monitoring the services provided and the fees invoiced.

The Compliance Officer of ActivoBank will send BCP's Compliance Officer, by the end of the second week of the month immediately following each calendar quarter, information regarding:

- All services contracted by ActivoBank, if they are provided by the ROC/SROC exercising functions at any entity of the Group, as well as by the members of the respective Network;
- the amount invoiced by its ROC/SROC to any entities of the Group.

The Audit Committee of BCP and the Board of Auditors of ActivoBank will be informed of these amounts on a quarterly basis by the Compliance Officer of BCP.

ANNEX 1 – Non-Audit Services Prohibited

Services Scope	List of Services
1. Tax advising	Tax advising services related with: <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 company.
3. Accounting records and financial statements	Organisation and preparation of accounting records and financial statements, as well as preparation of sustainability reports.
4. Wage processing	The wage processing services.
5. Internal control and risk management procedures	The design and implementation of internal control or risk management procedures related to the preparation and/or control of financial information or the design and implementation of financial information technology systems.
6. Evaluation Services	The evaluation services, including evaluations regarding actuarial services or services supporting litigation processes.
7. Legal services	The legal services regarding: <ul style="list-style-type: none"> • provision of general counselling; • trading on behalf of the audited entity; and • Exercise of functions of representative in the resolution of disputes
8. Internal Audit	The services related with the internal audit function of the audited entity.
9. Financing associated services	The 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 company.
10. Brokerage services, investment or investment banking consulting services	The advertising, trading or underwriting of shares in the audited entity.
11. Human Resources services	The services concerning human resources regarding: <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:

Services Scope	List of Services
	<ul style="list-style-type: none"> ○ the selection or search of candidates for the exercise of such positions; or ○ 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	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 financial statements and/or accounting of the acquisition; ● Reviewing expert valuations of intangible assets (including goodwill) and allocating the respective purchase 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 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. ● Guarantee of submission of sustainability reports*.
8. Tax 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 Services	<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	<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.

Services Scope and specific applications	List of Services

*Excluded from the limits set forth in chapter 11

ANNEX 3 – Matrix for Hiring Non-Audit Services

ROC/SROC	Type of non - audit service	Amount (EUR)	Requesting Entity	Intervention of the Compliance Office of BCP	Intervention of the Audit Committee of BCP	Board of Auditors
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ROC/SROC of Group BCP (*)	Allowed non-audit service listed in Annex 2	≤ 50 000	ActivoBank	Issues a non-opposition opinion	Issues a non-opposition opinion	Approves	
		> 50 000					
	Allowed non-audit service listed in Annex 2	≤ 50 000		Issues an opinion with recommendation	Issues a non-opposition opinion	Approves	
		> 50 000					
	Prohibited Service	Not eligible					

(*) In November 2023: Deloitte, EY and BDO.

This document was approved at the General Meeting of Shareholders of the ActivoBank on 27/03/2024, together with an opinion issued by the Board of Auditors.

ActivoBank