

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

(04/05/2022)

PROPOSAL IN CONNECTION WITH ITEM 6 OF THE AGENDA

To resolve on the update of the policy for selection and appointment of the statutory auditor or audit firm and the hiring of non-prohibited non-audit services, under the terms of the legislation in force;

Considering that:

1. Pursuant to article 38 of Banco de Portugal Notice 3/2020, published on July 15, 2020, the Bank's General Meeting of May 20, 2021 approved the policy on the selection and appointment of the Statutory Auditor or Audit Firm and the hiring of non-prohibited non-audit services ("Policy");
2. As a result of the practical application of the approved Policy, the need to improve it in line with the best governance practices was identified;
3. The Audit Committee issued a favourable opinion to the changes introduced to the Policy;
4. The Policy was also subject to a favourable opinion from the Bank's Board of Directors in 2022;

In accordance, it is proposed the alteration of the policy for the selection and appointment of the statutory auditor or audit firm and the hiring of non-prohibited non-audit services, under the following grounds:

- Throughout the text to clarify that the Policy applies to all the Entities of Banco Comercial Português Group;
- Number 4 new paragraph, aiming to accommodate recommendations from the Supervisor;
- Number 5 new wording of subparagraphs ii, iv and x aiming to accommodate recommendations from the Supervisor and to update the applicable regulations;
- Number 7 update aiming to better contextualize the duties of the Audit Committee in this matter and, in no. 7.2, 7.3, 7.4 and 7.5 welcome recommendations from the Supervisor, ensuring greater transparency and updating according to the revision of the By-laws of the Statutory Auditors Association;
- Number 9, in compliance with the applicable legal regulations, ensuring that the archive of the process is guaranteed for 5 years;

- Number 10, 1 and 2, text enhancement;

The policy for the selection and appointment of the statutory auditor or audit firm and the hiring of non-prohibited non-audit services under the terms proposed herein is attached.

Lisbon, April 11, 2022

THE BOARD OF DIRECTORS

Table of contents

1. INTRODUCTION
 2. SCOPE AND OBJECTIVES
 3. APPROVAL AND REVIEW PROCESS
 4. TRAINING
 5. LEGAL AND REGULATORY FRAMEWORK
 6. DEFINITIONS
 7. SELECTION AND APPOINTMENT OF ROC/SROC
 8. REAPPOINTMENT OF ROC/SROC
 9. ASSESSMENT OF ROC/SROC
 10. NON-AUDIT SERVICES
 11. MONITORING AND CONTROL OF SERVICES PROVIDED
 12. ENTRANCE INTO FORCE
- APPENDIXES

1. INTRODUCTION

This Policy defines the general guidelines for the selection and appointment of the Statutory Auditor (ROC) or Statutory Audit Firm (SROC) and the hiring of Non-Audit Services Non-Prohibited by Law (hereinafter referred to as "Policy"), of Banco Comercial Português Group (Group), and may be complemented by internal regulations.

2. SCOPE AND OBJECTIVES

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

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

3. APPROVAL AND REVIEW PROCESS

In compliance with Notice 3/2020 of Banco de Portugal, the approval of this Policy on the Selection and Appointment of the Statutory Auditor or Audit Firm and the Hiring of Non-Prohibited Non-Audit Services (Policy), is the responsibility of the General Meeting (GM) of Banco Comercial Português, S.A. (BCP), being disclosed through the respective website.

The Audit Committee (AudC) of BCP must monitor the application and update of this Policy, promoting its review, annually or whenever deemed necessary, with the support and involvement of the Compliance Officer.

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

4. TRAINING

All those intervening in the application of this Policy shall be subject to training at regular intervals, not exceeding a period of three years, or whenever there are relevant changes in legislation.

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

5. LEGAL AND REGULATORY FRAMEWORK

This Policy was prepared considering the applicable legal and regulatory regime, including:

- i) Regulation (EU) no. 537/2014 of the European Parliament and of the Council, 16 April 2014;
- ii) Directive 2006/43/EC of the European Parliament and of the Council of 17 May 2006, amended by Directive 2014/56/EU of the European Parliament and of the Council of 16 April 2014 (8th Directive);
- iii) The Legal Framework for the Audit Supervision (LFAS), approved by Law no. 148/2015 of 9 September;
- iv) The By-Laws of the Association of Statutory Auditors (EOROC), approved by Law no. 140/2015, of 7 September, with the changes introduced by Law no. 99-A/2021, of 31 December;
- v) The "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 no. 486/99, of 13 November;
- vii) The Companies Code (CC), approved by Decree-Law 262/86, of 2 September;
- viii) Notice no. 3/2020 of Banco de Portugal, of 15 July, 2020;
- ix) The Articles of Association of Banco Comercial Português, S.A. (BCP) and the main applicable internal rules and regulations;
- x) The Circular Letter CC/2018/00000022, of Banco de Portugal, of 5 March, 2018;
- xi) The Circular Letter CC/2020/00000020, of Banco de Portugal, of 23 March, 2020.

6. DEFINITIONS

For purposes of this Policy, it is considered that:

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

The **Distinct Audit Services** are, in turn, subdivided into:

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

7. SELECTION AND APPOINTMENT OF ROC/SROC

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

The Supervisory Body of each Group Entity is responsible for:

- instructing the process of identification of suitable candidates to perform the functions of ROC/SROC;
- defining the requirements to be established in the tender documents;
- coordinating the process of selection and assessment of the ROC/SROC;
- requesting the AudC of BCP the aforementioned prior opinion;
- proposing the General Meeting of the Group Entity the candidates considered to be suitable, with a minimum of two, expressing its preference for one;
- monitoring and supervising the performance of the ROC/SROC and the services provided by them;

- assessing, at least once a year, the performance of the ROC/SROC, appraising its technical and professional suitability, its integrity, its independence and its professional scepticism;
- approving the contracting of non-audit services;
- issuing opinions and recommendations within the scope of this Policy, upon request or whenever it considers it necessary.

7.1. Selection and Appointment Process

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

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

The selection process includes the following stages:

- i) Preparation of the terms of reference and other tender documents;
- ii) Identification of potential candidates and request for proposals;
- iii) Collection of information to be provided to the candidates to support the preparation of their proposals;
- iv) Assessment of the proposals;
- v) Preparation of the Report on the assessment of the candidates' compliance with the selection criteria and the Conclusions of the Selection Process with recommendation to the General Meeting.
- vi) Obtaining the opinion of the AudC of BCP (in the event it is not BCP);

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

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

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

- a. A summary of the policies, procedures and operation of its internal quality control system;
- b. The nomination process of the Statutory Auditor responsible for the internal quality control of the work;
- c. Method for monitoring internal quality control of the work;
- d. Measures foreseen to remedy possible breaches of the legal rules concerning the accounts legal review;
- e. Method for controlling incompatibilities and impediments;

- f. Method for monitoring the provision of non-audit services;
- g. Method for monitoring fees within the applicable legal limits;

7.2. Criteria for the selection of ROC/SROC

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

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

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

7.3 Assessment of the proposals, preparation of the Report and Recommendation

The Supervisory Body assesses the proposals received and, according to the defined criteria, selects the most suitable candidates and draws up an assessment report for each selected candidate, proposing at least two candidates to the GM for election to the first mandate and expressing a preference for one of them. In its recommendation, the Supervisory Body of the audited Group Entity must declare that

it is free from the influence of third parties and that no limitation has been imposed on it that would condition the choice of the GM.

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

Where applicable, prior to submission of the proposal to the General Meeting and no less than 30 days in advance, the Supervisory Body must send to its supervisory authority 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.

7.4 Term of office

The minimum period for the ROC/SROC to hold office is 2 years, and the maximum cannot exceed 10 years.

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

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

7.5 Archive

The selection process is filed, for the legal period, so that it can be made available should it proves to be necessary.

8. REAPPOINTMENT OF ROC/SROC

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

9. ASSESSMENT OF ROC/SROC

The ROC/SROC must be subject to continuous assessment of its performance, in order to determine whether the conditions of independence, technical and professional suitability and integrity necessary to perform its duties continue to be met.

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

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

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

- 1) Quality and Suitability of the Service Provided;
- 2) Resources Allocated to the Audit;

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

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

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

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

This process must be kept on file for five years, so that it may be made available to the competent national authority upon request.

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

The review by the Supervisory Body of the appropriateness and approval of non-prohibited non-audit services must consider the existence of threats to the independence of the ROC/SROC, namely situations of self-review, personal interest and representation. The non-audit services which provision is prohibited or allowed are described below.

10.1 Non-Audit Service which Provision is Prohibited

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

The prohibition on the provision of such services applies during the period comprised between the beginning of the audited period and the last issue of the legal certification of accounts.

As far as the provision of services of a legal nature is concerned, the prohibition also applies during the financial year preceding the period of time referred to in the previous paragraph.

10.2 Non-Audit Service which Provision is Allowed

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

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

The non-audit services allowed, carried out by an entity belonging to the ROC/SROC network in any of the Group's Entities, are subject to the issue of a prior opinion by the audited Entity's supervisory body and the approval by the AudC of BCP. The hiring of these services must comply with the processes defined in the Group's internal rules, considering the type of services to be provided and the amounts of the respective fees.

When performed by an entity not belonging to the ROC/SROC network of any Group' Entities

The hiring of non-audit services, carried out by an entity not belonging to the ROC/SROC network, in any of the Group's Entities, is the exclusive responsibility of the Supervisory Body of the Entity for which the ROC/SROC will provide services, and such hiring is subject to obtaining a prior favourable opinion from the AudC of BCP, when the amount established in the Bank's internal rules is exceeded.

Quantitative limits on hiring non-audit services

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

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

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

12. ENTRANCE INTO FORCE

This Policy was approved at the GM held on 04 May 2022 and comes into force on this date.

APPENDIX 1 - PROHIBITED NON-AUDIT SERVICES

Services Scope	List of Services
1. Tax Advisory	Tax Advisory Services regarding: <ul style="list-style-type: none"> • the making of tax statements; • taxes on wages; • 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 concerning inspections by the tax authorities, except if the support of the ROC/SROC in relation to such inspections is required by law; • calculation of direct and indirect taxes and of deferred taxes; • provision of tax advising services.
2. Management or Decision-making	The services involving any participation in the management or decision-making of the audited Entity.
3. Accounting and financial statements records	The making and booking of accounting records and of financial statements.
4. Processing of wages	The wage processing services.
5. Internal control or 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. Assessment Services	The assessment services, including assessments regarding actuarial services or services supporting litigation processes.
7. Juridical Services	The juridical services regarding: <ul style="list-style-type: none"> • provision of general counselling; • trading on behalf of the audited Entity; • exercise of representation functions in the resolution of disputes framework.
8. Internal Audit	The services related with the internal audit function of the audited Entity.
9. Financing associated services	Services associated with the financing, capital structure and allocation and investment strategy of the Audited Entity, except the provision of assurance services relating to financial statements, such as the issuance of “Comfort Letters” concerning prospectuses issued by the audited Entity, pursuant to Section 9(6). “List of services other than audit the provision of which is authorized in the Companies of Group BCP”.
10. Brokerage services, investment consulting or banking investment	The promotion, trade or underwriting agreement of shares in the audited Entity.

Services Scope	List of Services
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 of candidates for the exercise of such positions; ○ the verification of the references of the candidates for the exercise of such positions; • the configuration of the organizations' structure; • cost control.

APPENDIX 2 - ALLOWED NON-AUDIT SERVICES

Services Scope	List of Services
1. Services associated to acquisitions and 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 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"> • Internal control procedures not required as part of the audit work; • Review of procedures required by reports of internal control.
5. Services of accounting, financial reporting and regulatory issues	<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. Issue of “Comfort Letters”	<ul style="list-style-type: none"> • Issue of “Comfort Letters” associated to prospectus and issue of securities regarding the audited Entity.
7. Certification services not required by law	<ul style="list-style-type: none"> • Certification services which do not result from statutory or regulatory requirements.
8. Tax services required by law	<ul style="list-style-type: none"> • Support in inspections made 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. Revision of replies to specific questionnaires and 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.