



**REGULATION ON THE PROVISION OF SERVICES  
BY THE STATUTORY AUDITOR OF  
CTT – CORREIOS DE PORTUGAL, S.A.**

**I. Scope and Objective**

When performing the tasks assigned to it under the law, the regulations and the Articles of Association, the Audit Committee (“CAUD”) of **CTT – Correios de Portugal, S.A.** (“CTT” or “Company”) shall supervise the independence of the Statutory Auditor or the Audit Firm when providing their respective audit services and non-audit services (defined below) to CTT, the “parent company”, and the “entities controlled by CTT”.

**II. Independence**

In the scope of its competences regarding the provision of services by the Statutory Auditor / Audit Firm, the Audit Committee undertakes to prevent, identify and resolve any threats to the independence of the Statutory Auditor / Audit Firm, its partners and senior officers/directors as provided for by law, as well as to debate with the Statutory Auditor / Audit Firm the threats to its independence and the safeguards applied to mitigate those threats, particularly in situations of self-review, self-interest, representation, familiarity, trust or intimidation.

**III. Types of services rendered**

1. **“Audit Services”** – consist of the Company accounts review services pursuant to the audit rules and the applicable legal framework;
2. **“Non-Audit Services”** – cover any other services that are not Audit Services or Prohibited Services and subject to the framework mentioned in IV below.

**IV. Prohibited Services**

1. **Prohibited Services** are those listed in **Annex 1** in line with article 5(1) of Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 of April (“**Regulation (EU) No. 537/2014**”), which may not be provided directly or indirectly to CTT, to its parent company or to companies under its control in the European Union by the Statutory Auditor / Audit Firm (including any member of the network to which this Statutory Auditor / Audit Firm belongs, as defined in article 2(r) of the Legal Framework of Audit Supervision approved by Law 148/2015 of 9 September, amended by Law 99-A/2021, of 31 December).



2. The prohibition mentioned above applies from the beginning of the period audited and the issue of the Statutory Auditor's Report and, regarding the services referred to in subparagraph e) of **Annex 1**, also during the financial year prior to the mentioned period.

## **V. Commissioning Audit Services**

1. The proposal submitted by the Audit Committee to the General Meeting of Shareholders for election of the Statutory Auditor / Audit Firm shall be made pursuant to the selection procedure foreseen in this clause V and in line with the applicable legal framework, namely the provisions of article 16 of Regulation (EU) No. 537/2014 preceded, where required therein, by the selection procedure mentioned in **Annex 2**.
2. In any case, the proposal mentioned in paragraph 1 shall include a specific statement of the reasons concerning the verification of independence of the Audit Services providers, considering the Statutory Auditor / Audit Firm's independence, that of the firm in which the Statutory Auditor is a partner or partner in charge, that of other staff involved in the audit services, and that of the legal persons who are part of the respective network as defined in IV, as well as their partners and other senior officers / directors, as provided for by law, particularly taking into account the following:
  - a) the maximum period legally foreseen for the Statutory Auditor / Audit Firm and the key audit partner responsible for carrying out the statutory audit of the company to exercise statutory audit functions (as well as the subsequent minimum period legally foreseen for that same Statutory Auditor / Audit Firm or partner to assume such duties again);
  - b) economic and commercial relationships, financial, work and family or other relationships maintained with the Company or companies with which CTT has a group or control relationship, subject to a detailed description (considering the ongoing services and those provided so far); and
  - c) in general, the independence and quality assurance policies and procedures adopted by the Statutory Auditor / Audit Firm.
3. The Audit Services contracts shall:
  - a) consider specific measures that allow the Audit Committee to monitor and assess the Statutory Auditor / Audit Firm's independence, and provide for the acceptance of this Regulation, namely by ensuring the reception of the information mentioned in the **Official Auditors Charter**.
  - b) Guarantee that the Statutory Auditor / Audit Firm, when carrying out its duties, collaborates with the Audit Committee:



- i. by informing any failure detected when verifying the implementation of policies and remuneration systems of the corporate bodies, the effectiveness and the functioning of the internal control mechanisms;
  - ii. by immediately providing information on any detected irregularities that are relevant to carrying out its duties, as well as on any difficulties encountered in carrying out its duties; and
  - iii. by providing the necessary information and developing the required efforts to comply with the competences, powers and duties of the Audit Committee as defined in its internal regulation disclosed at the Company website.
- 4. The range, scope, resources, the calendar of the activities included in the Audit Services and the quality assurance procedures to be used shall be discussed and agreed upon by the Executive Committee, the Audit Committee and the Statutory Auditor / Audit Firm on an annual basis. They shall ensure:
  - a) the necessary conditions to the independence of the Statutory Auditor / Audit Firm's activity;
  - b) that the Audit Committee is the main counterpart of the Statutory Auditor / Audit Firm in the Company, so (i) it shall be made aware of the communications among and between other Company bodies and committees (companies in a group or control relationship) and the Statutory Auditor / Audit Firm, and (ii) it shall hold periodical meetings with the Statutory Auditor / Audit Firm, with and without the presence of the Executive Committee, whenever deemed adequate for the performance of their competences, powers and duties;
  - c) that the Audit Committee shall receive (never after any other body or committee) and analyse all reports issued by the Statutory Auditor / Audit Firm concerning the Company and companies in a group or control relationship.
- 5. The Audit Committee shall **(i)** express an opinion to the Executive Committee on the terms of the service provision agreement with the Statutory Auditor / Audit Firm regarding the Audit Services related to the statutory audit required by law and **(ii)** previously authorize the commissioning of Non-Audit Services, except those resulting from a legal obligation for the Statutory Auditor / Audit Firm. Such authorization shall be granted when the conditions set forth in this Regulation are met.



## **VI. Commissioning Non-Audit Services**

- 1.** Commissioning Non-Audit Services to the Statutory Auditor / Audit Firm by CTT, the “parent company”, or by “entities controlled by CTT”, except those resulting from a legal obligation for the Statutory Auditor / Audit Firm, is conditional on the prior authorisation of the Audit Committee, duly substantiated. All Non-Audit Services whose provision results from a legal obligation for the Statutory Auditor / Audit Firm must be communicated to CAUD as soon as they are contracted.
- 2.** The Executive Committee’s requests regarding the commissioning of the Statutory Auditor / Audit Firm’s Non-Audit Services shall include:
  - a)** the type of services to be provided and the reasons for commissioning them, as well as a clear identification of the advantages resulting from their provision by the Statutory Auditor / Audit Firm;
  - b)** a description of the procedures adopted to select the Statutory Auditor / Audit Firm for those services, and whether the operation was based on a call for tender or a direct award;
  - c)** in the cases of direct award, the reasons for such decision;
  - d)** in the cases of call for tender, information on the conditions offered by the different proposals submitted and the reasons for the selection;
  - e)** a statement from the Statutory Auditor / Audit Firm that **(i)** the service considered is not a prohibited service; and **(ii)** that the award of the Non-Audit Service does not pose a threat to its independence, especially by not creating a situation of self-review or self-interest, and by identifying the measures adopted to safeguard its independence;
  - f)** information on maximum fees due for carrying out the services;
  - g)** a copy of the contract or the terms for the provision of the service.
- 3.** The Audit Committee shall adequately assess the threats to independence arising from the commissioning of Non-Audit Services to the Statutory Auditor / Audit Firm and the safeguarding measures implemented and shall only authorise such commissioning when it concludes that:
  - a)** it is not a Prohibited Service, under the terms of **Annex 1**;
  - b)** according to the standards of an objective, reasonable and informed third party, the provision does not threaten the Statutory Auditor / Audit Firm’s independence and objectivity, specifically by not leading to a situation of self-review or self-interest;
  - c)** the commissioning of such services to the Statutory Auditor / Audit Firm complies with the maximum fees legally applicable to Non-Audit Services (that do not include the



services legally required from the Statutory Auditor / Audit Firm by law or the services of reviewing financial statements with a limited level of assurance, which specifically includes the limited review of the interim accounts, as defined by the Answers to Frequently Asked Questions on the Official Auditors Charter and the Legal Framework for Audit Supervision of the Portuguese Securities Market Commission, updated on 18 February 2022), according to the provisions of article 4(2) of Regulation (EU) No. 537/2014.

- d)** the necessary measures to ensure the Statutory Auditor / Audit Firm's independence shall be implemented, as set forth in the Official Auditors Charter.
- 4.** It is the Executive Committee's responsibility to ensure that when commissioning Non-Audit Services, the thresholds laid down in subparagraph c) above are complied with;
- 5.** The Statutory Auditor / Audit Firm shall immediately inform the Audit Committee as soon as the total fees received by CTT during each of the three last consecutive financial years reach or exceed 15% of the total fees it received or, if applicable, received by the Statutory Auditor / Audit Firm of the group that carried out the statutory audit in each one of those financial years. Should the mentioned percentage be exceeded, the Statutory Auditor / Audit Firm analyses with the Audit Committee the threats to its independence and the safeguards applied to mitigate those threats and shall also comply with the legal duties in this regard, particularly in what concerns article 4(3) of Regulation (EU) No. 537/2014 and the Official Auditors Charter.

## **VII. Reporting**

- 1.** By the end of the month following the closing of the first semester of the calendar year, as well as by the end of the month of February following the end of the calendar year, the Executive Committee will provide the Audit Committee with individual information on the contract awards granted by CTT and/or "entities controlled by CTT" to the Statutory Auditor / Audit Firm and the network they belong to. It shall also inform their individual and accumulated fees and the respective percentage, divided into the following categories:
  - a)** Audit Services (specifying the statutory audit services)
  - b)** Non-Audit Services
    - i.** Required by law to the Statutory Auditor / Audit Firm;
    - ii.** Not required by law to the Statutory Auditor / Audit Firm.Fees related to services paid, recorded and commissioned shall be differentiated per category.



2. In the scope of the analysis of the information reported by the Executive Committee, the Audit Committee shall send the Board of Directors at the end of each financial year its analysis on the information reported in the framework of its assessment on the independence of the Statutory Auditor / Audit Firm.
3. Before issuing the Statutory Auditor's Report, the Statutory Auditor / Audit Firm issues the annual confirmation of independence and the annual communication on the provision of Non-Audit Services as provided for by law and in the internal regulation of the Audit Committee.

### **VIII. Entry into Force**

This regulation with the approved amendments enters into force as of the date of its approval, i.e. February 7<sup>th</sup>, 2023.

## **ANNEX 1**

### **LIST OF PROHIBITED SERVICES**

- a)** Fiscal consulting services, involving:
  - i.** the preparation of tax returns;
  - ii.** payroll taxes;
  - iii.** customs charges;
  - iv.** the identification of public subsidies and fiscal incentives, except if the support of the Statutory Auditor / Audit Firm is required by law;
  - v.** the support regarding the inspections of tax authorities, except if the support of the Statutory Auditor and Audit Firm to these inspections is required by law;
  - vi.** the calculation of direct and indirect taxes and of the deferred taxes;
  - vii.** the provision of fiscal consultancy;
- b)** Services involving any managerial participation or decision making within the auditee;
- c)** The preparation and issuing of accounting records and accounts;
- d)** The preparation of payrolls;
- e)** Design and implementation of internal control procedures or risk management related to preparation and/or control of financial information or design and implementation of IT systems used for this information;
- f)** Evaluation services, including evaluation related to actuarial services or support services in dispute settlements;
- g)** Legal services related to:
  - i.** the provision of general counselling;
  - ii.** the negotiation on behalf of the auditee; and
  - iii.** the representation in the context of dispute settlement;
- h)** Legal services related to the provision of internal audit of the auditee;
- i)** Services related to financing, structure and allocation of capital and investment strategy of the auditee, with the exception of assurance services related to accounts, such as the issue of comfort letters regarding prospectus issued by the auditee;
- j)** The promotion, negotiation or underwriting shares of the auditee;
- k)** The services related to the human resources involving:
  - i.** The managerial positions that may have significant influence in the preparation of accounting records or accounts subject to legal review of accounts, whenever these services involve:
    - selection or recruitment of staff for these positions;



- verifying the staff references for these positions;
- ii. Design of the structure of the organisation; and
- iii. Cost control.



## **ANNEX 2**

### **STATUTORY AUDITOR / AUDIT FIRM CRITERIA AND SELECTION PROCEDURE**

- 1.** The Statutory Auditor / Audit Firm selection proposal to be submitted to the General Meeting shall present two or more Statutory Auditor / Audit Firm options for the audit term of office and express the Audit Committee's reasons for choice, as well as state that the option is exempt from the influence of third parties.
- 2.** The Audit Committee's recommendation to the General Meeting shall result from a selection procedure ruled by the following criteria:
  - a)** The Company invites several Statutory Auditor / Audit Firm to submit proposals for the provision of Statutory Audit services;
  - b)** The selection of invited Statutory Auditors / Audit Firms shall comply with the limitation of terms of office laid down in article 17(1) of Regulation (EU) No.537/2014 and shall not include:
    - i.** A Statutory Auditor / Audit Firm that, in the previous calendar year, has notified the Company that the maximum percentage specified in article 4(3) of Regulation (EU) No. 537/2014 have been exceeded; and
    - ii.** A Statutory Auditor / Audit Firm (or entity of the network it is part of) that, having already reached the maximum duration of engagements legally foreseen (namely in article 17, no. 1 of Regulation (EU) No.537/2014) has stopped the duties in the Company for less than four years.
  - c)** The terms of reference should permit an understanding of the Company's activity and type of statutory audit to be carried out, as well as to include non-discriminatory and transparent criteria to evaluate the proposals submitted;
  - d)** When selecting the Statutory Auditor / Audit Firm among other criteria laid down by the Audit Committee, the following criteria shall be considered:
    - i.** Experience of the Statutory Auditor / Audit Firm and of the team assigned to the Audit Services, taking especially into consideration the Company's dimension and the different CTT group business areas;
    - ii.** Quality and completeness of the proposal submitted;
    - iii.** Guarantees of repute, independence and absence of conflicts of interest;
    - iv.** Capacity to implement the proposal submitted; and
    - v.** Commercial conditions.



- e) The Audit Committee shall ensure that no clause of the nature mentioned in article 16(6) of Regulation (EU) No. 537/2014 was imposed.
- 3. The selection procedure shall be organized in compliance with the applicable legal rules and shall be ruled by the following principles:
  - i. The terms of reference shall be subject to the approval of the Audit Committee;
  - ii. It is up to the Audit Committee, in the light of each specific situation, to weigh and prioritize the criteria indicated in paragraph 2(d) above.
- 4. The selection procedure ends with the issue of a report with the conclusions approved by the Audit Committee, which shall support the proposal to submit to the General Meeting.