



# HAITONG

## **POLICY NO. COM02.P46**

**Policy on the selection and appointment  
of the Statutory Auditor and on the hiring on non-audit services  
of Haitong Bank S.A.**

Approved by Shareholder Resolution  
on 29 of April of 2024

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## 1. OBJECTIVE

Haitong Bank, S.A. (“Bank”) approves this Policy on the selection and appointment of the Statutory Auditor and hiring on non-audit services (the “Policy”), whose purpose is to ensure that the appointed statutory auditor is an independent firm that has the technical qualifications required to perform its work in an efficient and responsible manner and in accordance with the applicable legal provisions.

This Policy governs the selection, appointment and any re-election or dismissal of the statutory auditor of the individual accounts of the Bank and of the accounts of the Bank which are consolidated with its subsidiaries (the “Group”), as well as the framework of relations with such statutory auditor and the procedure for evaluating the services provided thereof.

This Policy has been prepared considering the following laws, regulations and other guidelines:

- (i) Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (or any other legal provision that at any time replaces such article);
- (ii) Circular letter (Carta Circular) No 22/2018 of Bank of Portugal, dated 05 March 2018, where it is stated that the Bank, with adequate advance notice, and at least 30 days, prior to the submission of future proposals for the designation or election of ROC/SROC to the competent body, should demonstrate the adequacy of the proposals in relation to the requirements established by law, including the internal analysis that supports the auditor selection.;
- (iii) Circular letter (Carta Circular) No 20/2020 of Bank of Portugal, dated 23 March 2020, which recommends that the institutions, within the framework of their internal government, approve policies for the selection and designation of the Statutory Auditors and the contracting of distinct auditing services not prohibited to their or to the respective network, to comply with the provisions of the applicable legislation and regulation, including a set of minimum contents presented in that Circular letter;
- (iv) Law No. 140/2015, of 7 September, which approves the new statutory auditors’ bar association (Estatuto da Ordem dos Revisores Oficiais de Contas) (“EOROC”);
- (v) Law No. 148/2015, of 9 September, which approves the Legal Framework on Audit Supervision, transposing Directive 2014/56/EU of the European

Parliament and of the Council of 16 April 2014 amending Directive 2006/43/EC on statutory audits of annual accounts and consolidated accounts, and ensures the execution into national legislation, of EU Regulation No. 537/2014 of the European Parliament and of the Council of 16 April 2014, on specific requirements regarding statutory audit of public-interest entities (“RJSA”).

- (vi) Article 420 (2) (b) and article 423-F (1) (m) of the Portuguese Companies Code (Código das Sociedades Comerciais) (“CSC”), which sets out the competences of the Supervisory Body;
- (vii) Portuguese Legal Framework of Credit Institutions and Financial Companies (Regime Geral das Instituições de Crédito e das Sociedades Financeiras) (“RGICSF”), namely the article 14 and 115-A;
- (viii) Portuguese Securities Code (Código dos Valores Mobiliários) (“CVM”), namely article 29º-G;
- (ix) Articles 38 and 39 of Notice no. 3/2020 of Bank of Portugal.

## **2. RECIPIENTS**

- a. The content of this Policy represents a minimum standard that shall apply to Haitong Bank, S.A. (“Haitong Bank” or “the Bank”);
- b. In case of conflict between any provision of this Policy and the local laws, the relevant local laws and regulations shall prevail.

## **3. RESPONSIBILITY**

- a. This Policy is prepared by the Compliance Department and Finance Department.
- b. This Policy is approved by the General Meeting, subject to prior assessment by the Management and Supervisory Bodies.
- c. This Policy is reviewed by the Compliance Department on an annual basis.

## **4. DISCLOSURE**

- a. The Supervisory Body ensures that the Policy referred to in the preceding paragraph is properly implemented in the institution, which is subject to periodic reviews and is disclosed internally to all employees.
- b. This Policy is available in the Bank’s intranet and corporate website.

- c. After any amendments are approved to this Policy, the Compliance Department informs by e-mail all Bank's staff within 30 (thirty) days from the approval date and requests the upload of the most updated versions of the Policy on the intranet and website.

## **5. PRINCIPLES**

- a. This Policy sets forth the principles that must govern the selection, appointment and any re-election or dismissal of the statutory auditors of the other companies within the Group, as well as the framework of relations between such companies and their auditors.
- b. The selection and appointment of statutory auditor and hiring on non-audit services proceedings shall be governed according to the independence and transparency principles

## **6. APPROVAL, REVISION PROCESS AND DISCLOSURE**

The Management and Supervisory Bodies assessed the proposal for this Policy presented by the Compliance Department, and the General Meeting approved this Policy via a shareholder resolution.

Any modifications to this Policy should follow the same approval procedures prescribed for the original approval.

The Compliance Department shall review this Policy at least once a year. Any recommendations in relation to this Policy shall be addressed to the Management and Supervisory Bodies, which will then assess such proposals and recommend the approval of such changes by the General Meeting of Haitong Bank, S.A., via a shareholder resolution.

The Management and Supervisory Bodies ensures that the Policy is properly implemented in the Bank and that it is subject to periodic reviews.

The most updated version of this Policy shall be made available for consultation at all times and published on the Bank's website.

## **7. SELECTION AND APPOINTMENT OF STATUTORY AUDITOR AND HIRING ON NON-AUDIT SERVICES**

### **7.1. Services**

This Policy establishes the kind of services that can be provided by the statutory auditor, which includes audit services and other non-audit services that are not prohibited.

#### **a. Audit services**

A "financial statement audit" corresponds to the work carried out by the statutory auditor in accordance with international auditing standards (ISAs, applicable directly into the Portuguese law for as long as they are not adopted by the European Commission: article 45, paragraph 8 of the EOROC), resulting in the issuance of an opinion on the individual and consolidated financial statements.

As such, Article 42 of the EOROC must be interpreted within this scope, which lists the so-called audit services, comprising: (a) the financial statements statutory audit, carried out in compliance with legal or statutory provisions; (b) the financial statements voluntary audit, performed in compliance with contractual provisions; and (c) services related to those referred to in the preceding paragraphs, when they have a specific or limited purpose or scope.

The services that fall within one of the three paragraphs of article 42 of the EOROC, and culminate with the issuance of the auditor's financial statements opinion, according to the ISAs, are designated "audit services".

More specifically, the concept of "audit services" includes, inter alia:

- i. the issuance of legal account certifications (article 45 of the EOROC, and CSC);
- ii. the issuance of audit reports on half-yearly and annual financial information in compliance with the provisions of the RGICSF;
- iii. the issuance of the reports prepared by the auditor provided for in article 29.ºG, paragraph 1, b) of the CVM;
- iv. voluntary audits of a set of financial statements prepared in accordance with a general accounting standard for the closing date of the annual financial year or an interim date (in accordance with the ISAs);
- v. financial statements audits prepared in accordance with special purpose benchmarks (as provided for in ISA 800);

- vi. isolated financial statements audits and of specific elements, accounts or items of a financial statement (as provided for in ISA 805);
- vii. work to report on summary financial statements (as provided for in ISA 810).

**b. Non-audit services that are not prohibited**

The concept of "services other than audit" is defined by default; for example, non-audit services refer to all services in which the auditor does not issue an opinion on the financial statements in accordance with ISAs, and, therefore, does not fall under any point of article 42 of the EOROC.

In particular, the so-called "audit-related services" or "related financial audit services" are:

- The financial statements reviews with a limited level of assurance of reliability (which include, in particular, quarterly, half-yearly or with reference to another period financial statements limited reviews);
- Assurance engagements on corporate governance statements, or on corporate social responsibility matters or on entity reports for regulatory purposes, beyond the scope of the statutory audit, designed to assist the regulator of financial institutions in fulfilling its role (as, for example, on specific capital requirements or solvency ratios that determine the likelihood that the company will continue to meet its obligations).

These are separate services from the audit, as a result of which the auditor does not express an opinion on the financial statements in accordance with ISAs (and which therefore do not fall under Article 42 (c) of the EOROC), and will be:

- Excluded from the calculation of the fee limit applicable to services other than auditing if required by law to the statutory auditor, which carries out the statutory audit of the accounts; or
- Included in the calculation of the fee limit applicable to services other than audit if they are not required by law to the statutory auditor, which carries out the statutory audit of the accounts.

For the purposes of applying the regime provided for in Article 77 of the EOROC, services other than auditing are distinguished between:

- i. Services required by law (in a broad sense) to the statutory auditor that carries out the statutory audit of the accounts, and whose provision may be combined with this legal

review work. These services are required by law to the statutory auditor, which carries out the statutory audit, namely:

- Those provided for in the Commission Regulation (EC) No. 809/2004, of 29 April 2004;
  - An assessment of the process of quantifying the loan portfolio's impairment, as required by the Bank of Portugal Instruction No. 5/2013.
- ii. Services not required by law to the statutory auditor that performs the financial statements statutory audit.

These services can be considered prohibited or allowed, according to whether or not they fall within any of the paragraphs of article 5 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014.

In any case, the provision of these services is subject to prior assessment and authorization on part of the Supervisory Body, as it may compromise the statutory auditor independence.

## **7.2. Appointment, Re-election and Dismissal of Statutory Auditor**

The Supervisory Body shall submit to the Board of Directors (which delegates the powers for this approval to the Corporate Governance Committee) the proposed re-election or dismissal of the statutory auditor.

The Board of Directors shall then submit for the approval of the shareholders at the General Shareholders' Meeting the proposal for appointment, re-election or dismissal of the statutory auditor.

## **7.3. Selection, Proposal for Appointment and Engagement**

The process of selecting and appointing the statutory auditor must be initiated by the Bank well in advance of the date of termination of the current mandate, in order to ensure compliance with the applicable laws and regulations and to guarantee the continuation of activity in the event of the appointment of a new statutory auditor. The transition to a new statutory auditor shall be appropriately prepared in order to avoid any disruptions.

The Executive Committee members responsible for Compliance and Finance Departments ("ExCo Members") established the minimum requirements to be satisfied by entities applying



to act as statutory auditors of the Bank. The selection and appointment process must be impartial, transparent, efficient and non-discriminatory, and contemplate the holding of a tender among the various candidate entities to ensure compliance with the foregoing requirements. In any event, the ExCo Members shall ensure, among other things, strict compliance with the regulations applicable to the selection and contracting of statutory auditors, and particularly the equal treatment of the candidates.

For such purposes, the ExCo Members shall approve a set of bid terms and conditions for all candidates invited to participate in this process, whereby they may become familiar with the activities of the Bank and the characteristics and scope of the required services, including any services other than auditing. The bid terms shall also contain a tentative schedule for the process.

To protect the integrity of the selection process, all candidates must provide the Bank with a document confirming that they fulfil all the requirements established by law to perform the position of statutory auditor of the institution, and that no situation of incompatibility or impediment apply to them. The referred document shall be accompanied by a description of the statutory auditor internal organization, which includes at least:

- i. A summary of the policies, procedures and operation of its internal quality control system. In this summary, the candidates must explain how they ensure compliance with articles 74<sup>o</sup> and 75<sup>o</sup> of EOROC;
- ii. Measures foreseen to remedy possible violations of the legal rules related to the statutory audit, including those resulting from Regulation 537/2014;
- iii. Description of the measures implemented to control incompatibilities and impediments;
- iv. Description of the process for monitoring the provision of non-audit services;
- v. Description of the process of monitoring fees in relation to total fees, under the terms of article 77 of the EOROC;
- vi. Description of the process for the appointment of the statutory auditor responsible for the internal quality control of the works within the audit firm;
- vii. Description of the process for monitoring the internal quality control of the works.

The bid terms and conditions includes transparent and non-discriminatory selection criteria, which the Bank shall apply objectively in evaluating the bids submitted. Such criteria includes at least the following:

- i. The statutory auditor's resources, skills (e.g. involvement of experts in the application of International Financial Reporting Standards and IT) and experience, especially in the banking sector, including the provision of services to the Group, in the auditing of international groups similar in size to that of the Group, and in maintaining relations with audit Supervisory Body at listed companies. The statutory auditor must dedicate adequate time to perform his duties in full exercise of the powers conferred in the audit mandate, according to the size of the Group and the complexity of its activity. The proposal to be presented by the statutory auditor should clarify the time allocated to the work to be carried out at the Bank and its subsidiaries. The assessment must take into account the human resources that the statutory auditor proposes to allocate to the performance of his obligations in the full exercise of the powers conferred in the audit mandate, disaggregated by professional categories.
- ii. The presence of the statutory auditor in the countries in which the Group operates.
- iii. The independence of the statutory auditor, particularly due to its individual circumstances or in relation to the provision to the Group of non-audit services, pursuant to applicable legal provisions, as well as any other circumstance arising from the independence rules to which the statutory auditor is subject.
- iv. If there are issues with the independence, the type of mitigation measures that will be applied to limit those threats.
- v. The quality and efficiency of its services. For this purpose, the Supervisory Body shall take into account the adequacy of the internal organization of the statutory auditor and of its internal quality control system, including, when applicable, the degree of implementation of the measures established to overcome violations of the legal rules related to the statutory audit.
- vi. The amount of fees and other charges.

The ability of the statutory auditor to provide non-audit services can never be a standard for selection.

The ExCo Members have established a weighting for each of the selection standards set out in the bid terms and conditions (see the full detail in appendix I), which shall not be a part of

said bid terms and conditions, but rather a separate document. The ExCo Members weighted the proposed fees in 25%. The selection standards and its weight may be revised with this policy.

The ExCo Members may provide in the bid terms and conditions for the possibility of not giving an award or abandoning the tender.

The candidates shall submit their bids to the ExCo Members at one or more meetings called for this purpose. The Supervisory Body shall attend such meetings and may present questions to the candidates and request the clarifications deemed appropriate.

The Supervisory Body is the body responsible for supervising the Bank's procedure of selecting the statutory auditor. Applicable evaluation and suitability criteria, as well as the weighting given to each as indicated in Appendix I.

The global assessment prepared by the Supervisory Body shall be presented as a report to sustain such recommendation.

The Supervisory Body shall not submit a proposal to the Corporate Governance Committee for appointment of an audit firm as the Bank's statutory auditor if it has evidence that such firm is affected by any circumstance of lack of independence, prohibition or disqualification pursuant to the legal provisions governing the audit of accounts. In particular, the foregoing shall apply if the fees accrued from the provision of audit services and services other than audit that the Bank and any other entity of the Group expect to pay the statutory auditor or audit firm or a member of its network during each of the last three consecutive financial years represent more than fifteen per cent of the total annual income of the statutory auditor or audit firm and of said network.

In addition, the total fees received for services other than audit may not exceed seventy percent of the average of the fees paid during the last three financial years for audit services provided to the Bank and to the other entities of the Group.

The tender may include the selection of the statutory auditor of other companies of the Group provided that applicable legal provisions in each case do not prevent the selection thereof.

After the ExCo Members assessment over the bids submitted, in accordance with the selections criteria set forth in the bid terms and conditions, the Supervisory Body shall submit to the Corporate Governance Committee a report describing the selection process and

recommending two candidates to be the Bank's statutory auditor. The report should include the Supervisory Body preference, providing sufficient grounds therefor.

In stating its preference for one of the candidates in its report, the Supervisory Body shall state that its recommendation is free from any third-party influence and that no contractual provision has been imposed upon it whereby the election is restricted to certain categories or lists of statutory auditors, pursuant to the terms of applicable legal provisions.

Said report shall also indicate the financial years for which the Supervisory Body recommends appointing the candidates in question.

After the Corporate Governance Committee assessed the report, the Board of Directors shall propose to the shareholders at the General Shareholders' Meeting the appointment of one of the two candidates proposed by the Supervisory Body, with the reasons for the proposal if it differs from the preference of this Supervisory Body.

With adequate advance notice, and at least 30 days, prior to the submission of future proposals for the designation of the statutory auditor to the shareholder, the Bank should demonstrate to Bank of Portugal the adequacy of the proposals vis-à-vis the requirements established by law, including the internal analysis that supports the statutory auditor selection.

#### **7.4. Proposal for Re-election**

Before the end of the financial year in which the appointment of the Bank's statutory auditor is to expire, the Supervisory Body shall consider its possible re-election or, if appropriate, the commencement of the procedure for selecting and appointing a new statutory auditor, pursuant to the provisions of the preceding section. In case of re-election will not be necessary to start a new tender process.

To such end, the Supervisory Body shall take into account the result of the annual evaluation of the independence and quality of the work performed by the Bank's statutory auditor, as well as any time and quantitative limits established by applicable legal provisions.

The Supervisory Body shall submit to the Corporate Governance Committee the proposed re-election of the statutory auditor in order for the Board of Directors to submit the proposal to the shareholders at the General Shareholders' Meeting.

#### **7.5. Proposal for Dismissal**

The Supervisory Body may only propose the dismissal of the statutory auditor to the Corporate Governance Committee, for subsequent submission by the Board of Directors to the shareholders at the General Shareholders' Meeting.

#### **7.6. Relationship with the Statutory Auditor**

The ExCo Members shall serve as the channel of communication between the Supervisory Body and the statutory auditor. The Supervisory Body shall maintain an objective, professional, fluid and ongoing relationship with the Bank's statutory auditor, and shall at all times respect the independence thereof.

The Supervisory Body shall ensure that the Board of Directors meets with the statutory auditor at least once per year in order to receive information regarding the work performed and regarding the accounting status and risks of the Bank.

The annual schedule of Supervisory Body meetings must include all items that might influence the audit report and the independence of the statutory auditor. The following actions should be taken to facilitate communication between the Supervisory Body and the statutory auditor:

- i. The Supervisory Body and the statutory auditor must notify each other of any significant aspect detected in relation to accounting, the internal control system or auditing.
- ii. The Supervisory Body must ask the statutory auditor for information regarding the most important aspects of its strategy and its work plan in relation to the audit of the Bank, including: (i) the determination of the materiality figure; (ii) how it plans to respond to the most significant risks; (iii) the resources assigned to the performance of the work; (iv) the reasons for the use of specialists, if required; and (v) a schedule for the planned work, indicating the nature and scope of the tests of controls and substantive tests that have been planned.
- iii. The Supervisory Body shall discuss with the statutory auditor the opinions rendered regarding: (i) the quality and applicability of the Bank's accounting principles; (ii) the major assumptions used in critical estimates, particularly those with a high level of uncertainty, and significant changes thereto; (iii) errors and violations identified by the statutory auditor, specifying whether or not they have been corrected by Haitong Bank; and (iv) difficulties encountered during the course of the audit.
- iv. During the audit work, the Supervisory Body must ask the statutory auditor for the communications required to facilitate the supervision of the process of preparing the

economic/financial information relating to the Bank and its group, including its opinion on the accounting treatment of complex, high-risk or controversial transactions by management.

- v. The Supervisory Body must ask the statutory auditor for information regarding: (i) the materiality figures for the financial statements as a whole and, if applicable, for particular transactions, balances or information to be disclosed in the notes; (ii) consideration of qualitative aspects for determination thereof; and (iii) how it will determine the scope and level of the audit work.
- vi. The Supervisory Body shall discuss with the statutory auditor the methods and assumptions used by management in significant accounting estimates, as well as the effect of considering alternative methods or assumptions, and the consideration by the statutory auditor of data or information that might contradict management's assumptions.
- vii. The Supervisory Body and the statutory auditor shall evaluate whether their communication and relationship have been appropriate, and if necessary, whether the Supervisory Body should adopt measures to improve them.

The Supervisory Body shall verify compliance with the statutory auditor's audit plan, for which purpose it shall regularly receive from the statutory auditor information regarding such audit plan and the results of the implementation thereof.

For its part, the statutory auditor shall submit to the Supervisory Body an annual report with its recommendations as a product of its work.

The Supervisory Body shall follow up on all recommendations proposed by the statutory auditor and may require its cooperation whenever it deems it necessary. The statutory auditor shall also explain to the Supervisory Body how it has dealt with the risks encountered.

Finally, whenever the Supervisory Body knows or has been informed that the statutory auditor believes that any of the circumstances provided for in article 12.1 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 on specific requirements regarding statutory audit of public-interest entities and repealing Commission Decision 2005/909/EC (or any other legal provision that at any time replaces such article) is present, it shall propose to the Board of Directors the adoption of appropriate measures to cause the dismissal of the reasons for such circumstances, to the extent that they are factors

under the Bank's control, or if not possible to mitigate the impact thereof on the financial statements.

### **7.7. Independence**

The internal governance of the Bank ensures the establishment of the required relationships between the Supervisory Body and the statutory auditor so that the former receives from the latter specific information regarding matters that might entail threats to the independence thereof.

The Supervisory Body shall endeavour to ensure that the statutory auditor of the Bank is independent and that this is made clear in the interactions between them. To this end, it must authorise, prior to formalisation thereof, any contract it intends to sign with the statutory auditor or with any member of its network for the provision of services other than auditing to the Bank or any of the companies of its Group, in order to be able to individually and globally analyse the threats to independence that might arise from said contracts.

The Supervisory Body shall continuously communicate and coordinate with other Supervisory Bodies of the subsidiaries of the Group for this purpose.

The Supervisory Body must assess the aspects set forth in the Regulations of the Supervisory Body in order to approve the provision of non-audit services by the statutory auditor.

Without prejudice to the foregoing, the statutory auditor may carry out limited audits or reviews of the interim accounts that are published at least once a year pursuant to applicable legal provisions.

The Supervisory Body shall also be immediately informed of any contracting of audit or non-audit services from firms performing audits at companies of the Group, with a level of detail sufficient to allow it to perform a global and effective analysis of the effect that the contracting of these services may have on independence from an individual and collective viewpoint.

All those involved in the statutory auditors selection and designation process and the contracting of non-prohibited services must regularly attend training courses on the subject and on the responsibilities granted to them by law and by this policy.

On an annual basis, the Supervisory Body shall receive from the Bank's statutory auditor a certification of independence of the firm as a whole and of the members of the team participating in the process of auditing the annual accounts of the Group from the Bank or entities directly or indirectly connected thereto, as well as a detailed breakdown of information regarding additional services (other than auditing) of any kind provided to such entities by said statutory auditor or by persons or entities connected thereto, pursuant to the legislation governing the audit of accounts. In addition, in the annual certification that it sends to the Supervisory Body, the statutory auditor shall report on compliance with the internal procedures of quality assurance and protection of independence that have been implemented.

On an annual basis and prior to the issuance of the audit report, the Supervisory Body shall issue a report setting forth an opinion on the independence of the statutory auditor. This report must contain an assessment of the possible impact on the independence of the statutory auditor of each and every one of the additional services other than the legal audit referred to in the preceding paragraph, considered individually and as a whole.

The Supervisory Body must also discuss with the statutory auditor any circumstance that might give rise to a threat to the independence thereof and evaluate the effectiveness of the protective measures adopted, as well as understand and evaluate the set of relationships between the Group and the statutory auditor and its network that entail the provision of non-audit services or any other type of relationship.

Furthermore, the Supervisory Body shall monitor the internal procedures for assuring quality and safeguarding independence implemented by the Bank's statutory auditor.

The audit firms carrying out audits of accounts at companies of the Group shall on an annual basis provide to the Supervisory Body, through the local Supervisory Bodies or other relevant body at each subsidiary assuming the powers thereof, information regarding the profiles and the track record of the persons making up the audit teams working for the Bank and the Group, with specific mention of the changes in the composition of such teams compared to the immediately preceding financial year.

As a measure to ensure proper independence in relationships between the Statutory Auditor and the Bank, the Supervisory Body shall also receive information on the hiring by any of the Group's companies of professionals coming from any audit firm the Bank has recently engaged with within the scope of statutory audit works to its accounts.



### **7.8. Transparency**

The Supervisory Body shall review the information published in relation to the audit of accounts, and particularly the fees paid by the Bank to the various audit firms working for the Group, both in consideration for the audit of accounts and for services other than the audit of accounts, specifying the fees paid to the statutory auditor and those paid to any company of the network to which the statutory auditor belongs or to any other company to which the statutory auditor is related under a relationship of joint ownership, management or control. The Supervisory Body shall also include in the Activities Report of the Board of Directors and of the Supervisory Bodys thereof information regarding activities performed during the preceding financial year in relation to the statutory auditor and the audit of accounts.

### **7.9. Evaluation**

On an annual basis, the Supervisory Body shall evaluate the conduct of the statutory auditor and the contribution thereof to the quality of the audit and to the integrity of the financial information.

Such evaluation shall include at least the following parameters: (i) the independence of the statutory auditor; (ii) its knowledge of the businesses of the Group; (iii) the frequency and quality of its communications; (iv) the public results of the quality controls or inspections carried out by the CMVM and other supervisors; and (v) the reports on transparency of the statutory auditor, as well as any other available information.

Whenever deemed appropriate, and due to the significant contact this person/these persons may have had with the statutory auditor, the Supervisory Body may include the opinion of any of the Bank's Board Members or Department Heads in its evaluation.

For these purposes, the Supervisory Body shall approve on an annual basis a survey to be sent to each of such directors/department heads that shall include parameters relating to the quality of the statutory auditor's service, its resources, communication and interaction with the management in question, the scope of the audit and the independence of the statutory auditor.

In the event that, after the evaluation of the statutory auditor, the Supervisory Body finds that there are worrisome or unresolved issues regarding the quality of the audit, it must consider the possibility of informing the Board of Directors so that, if it so deems appropriate, it may provide evidence thereof to the supervisory bodies.

#### **7.10. Statutory Auditors of the Other Group Companies**

Companies within the Haitong Bank Group which are legally considered to be public-interest entities within the European Union shall carry out their own procedures for the selection, appointment, re-election and dismissal of statutory auditors, which shall be conducted independently and shall be governed by the same rules and principles as those contained in this Policy, provided that they are not incompatible with specific legal provisions that may apply in each case. Those companies in other countries whose respective applicable legal provisions so require shall also do so.

Their respective tenders for the selection of a statutory auditor may include the award of audit work at their subsidiaries when so permitted by applicable legal provisions.

In any event, the relationships between the other companies within the Group and their respective statutory auditors shall be governed by the principles of independence and transparency set forth above, also taking into account any specific regulations applicable thereto in each case.

### **8. ARCHIVE**

- a. The Compliance Department maintains an archive in digital format of this Policy. This digital archive is maintained in the Compliance Department's shared folder "Comply".

### **9. MONITORING**

- a. The Compliance Department monitors compliance with this Policy by an annual assessment.
- b. The Compliance Department coordinates with the Administrative Department this Policy on the Bank's intranet and website.

## 10. CONTROL OF VERSIONS

This Policy should be updated (according to the process mentioned in Point 6) and made available on the intranet and the Bank's website.

**Table 1: Information about the Document**

<b>Name of the Document</b>	Policy on the selection and appointment of the Statutory Auditor and on the hiring on non-audit services
<b>Version</b>	6.0
<b>Prepared by (Name/Department)</b>	Finance Department and Compliance Function
<b>Appreciated on (Committee name)</b>	Endorsed by the CGC on 27/02/2024; Board on 01/03/2024 and prior opinion of the Supervisory Body on 14/02/2024
<b>Approved by (Committee name)</b>	General Assembly - Shareholder Resolution

**Table 2: Versions' update**

<b>Update and Approval Date</b>	<b>Main Changes</b>
<b>Version 1.0 (original)- April 2020</b>	-
<b>Version 2.0 – September 2020</b>	Inclusion of Annex I
<b>Version 3.0 – April 2021</b>	Amendment of the Policy approval procedure (the Supervisory Body is responsible for its approval and guarantee of compliance), as well as the specification and definition of the time and resources allocated by the Statutory Auditor or Chartered Accountants in their work.
<b>Version 4.0 – April 2023</b>	Annual Revision Process: Clarification regarding the process of assessment; Update of legal framework; Other minor adjustments
<b>Version 5.0 – 28 December 2023</b>	Annual Revision Process;

**Version 6.0 – 29-04-2024**

Clarification regarding the process of assessment (I.O from the external auditor);  
Update of the legal framework;  
Other minor improvements.  
Annual Revision Process;  
Inclusion of the BoP's circular letter obligations –submission of future proposals for the designation of the statutory auditor to the BoP.

## APPENDIX I – Evaluation and Decision model

	Weight	Score: 1 (low) - 5 (high)
<b>Audit firm</b>		
<b>Fees</b>	<b>25%</b>	
<b>Value to Haitong Bank Group</b>	<b>45%</b>	<b>0</b>
Resources and skills	25%	
Relevance in Banking sector	25%	
Track-record on previous projects with Haitong Bank	15%	
Knowledge of Haitong Bank	15%	
Proposal quality	10%	
Interview assessment	10%	
<b>Independence &amp; conflicts of interest *</b>	<b>30%</b>	<b>0</b>
Independence	25%	
Adequacy of the internal control system	25%	
Communication with the Haitong Group auditors	30%	
Reputation	20%	
<b>Bonus /Malus</b>		
<b>Total</b>	<b>100%</b>	<b>0.0</b>

*\* It is a pre-condition that no absolute impediments occur and potentially relevant instances to*