



Banco Comercial Português, S.A.

**REGULATIONS OF THE RISK
ASSESSMENT COMMITTEE
OF BANCO COMERCIAL
PORTUGUÊS, S.A.**

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CHAPTER I – GENERAL PART

Article 1 (Definition)

1. The purpose of these Regulations is to regulate the functioning of the Risk Assessment Committee of Banco Comercial Português, S.A. (CAvR or Committee), identifying its own and delegated powers and complementing the applicable legal and statutory provisions.
2. These Regulations bound all the members of the CAvR and a copy of the same will be delivered to them, at the time of their appointment and always before they begin exercising their functions.

Article 2 (Name and Composition)

1. The Board of Directors (BoD) will designate, within the period of 30 days after its election and beginning of functions, a CAvR, expressly appointing its Chairperson from amongst one of its members.
2. The CAvR is composed of a minimum of three and a maximum of five non-executive directors, the majority of which are independent.
3. The Chairperson of the CAvR must be independent and cannot chair the BoD or any other of its Committees.
4. All the members of the CAvR must possess the appropriate knowledge, competences and experience enabling them to fully understand and supervise the Bank's risk strategy as well as its risk appetite.

Article 3 (Meetings and functioning)

1. The CAvR meets, at least, every month, except in August and whenever convened by its Chairperson, by their initiative, or by request of any of its members, the Chairperson of the BoD, the Chairperson of the Audit Committee (CAud) or the Chairperson of the Executive Committee.
2. The call notice, with the respective agenda, is made in writing, and electronic means may be used. It must be sent to each member, at least 5 working days in advance of the scheduled date, without prejudice of a call within a shorter period if the corporate interest so justifies.
3. As a rule, the supporting documents for the meeting shall be made available to the members of the CAvR, at least 5 days in advance of the meeting's scheduled date or less if the meeting is convened at a shorter notice.
4. Apart from exceptional situations, the supporting documents for each item on the Agenda should include a summary presentation incorporating an executive summary. When the documents made available before the meeting are updated, the Committee members shall be informed of the changes made and these shall be highlighted in the new versions.
5. The members of the CAvR may also meet to resolve waiving prior formalities if all its members are present or duly represented and agree with it.

6. The CAVR may adopt unanimous resolutions in writing, without prior formalities, as long as all members agree with this decision-making procedure.
7. The CAVR's meetings may be held using electronic means, provided that the statements authenticity, the security and confidentiality of the interventions are ensured.
8. The CAVR resolves if the majority of its members are present and the Chairperson shall have the casting vote.
9. The CAVR shall schedule, on an annual basis, the actions required for completing all tasks defined by law, by the articles of association and these regulations.
10. The CAVR is supported by the Board of Directors Support Office, which acts as secretary for the meetings and ensures the maintenance of the CAVR's files.

CHAPTER II – COMPETENCES

Article 4 (Own and delegated competences)

1. The CAVR advises and assists the BoD on the Bank's general, current and future risk appetite and risk strategy and in supervising its implementation, pursuant to the powers set out in the law and the following paragraph.
2. In addition to other powers delegated by the BoD, the CAVR has the responsibility to:
 - a) Advise the BoD on the strategy and policy regarding the assumption, identification, control and reduction of the risks to which the Bank in its group dimension is or may be subject, and their respective implementation;
 - b) Assess if the main products and services offered to Customers take into consideration the Bank's business model and risk strategy;
 - c) Review, whenever justified, the principles underlying the Bank's pricing model, maintaining its consistency with the approved risk strategy;
 - d) Assess if the incentives established in the remunerations policy take into consideration the risk, capital, liquidity and expectations concerning income;
 - e) Monitor the process of managing the material risks to which the Bank is subject, in particular the main risks, through appropriate indicators and metrics, including, among others, the new ESG risk factors;
 - f) Support the BoD in the assessment of the risk strategies of the main subsidiaries abroad;
 - g) Assess the impact that eventual changes to the Bank's group perimeter may have on the Bank's risk profile and whether such changes are compatible with the approved risk appetite;
 - h) Assess the effectiveness of policies, methodologies and models used to evaluate assets, observing the valuation results of the respective impairment;
 - i) Monitor the business continuity plan;
 - j) Periodically monitor the report on the main risk indicators;

- k) Monitor the adequacy of the allocation of material and human resources to the management of the risks regulated in the General Framework for Credit Institutions and Financial Companies and with the remaining domestic and European legal legislation in effect;
- l) Hire the services of experts, under the terms of art. 6, no. 3 of the Regulations of the BoD;
- m) Issue an opinion, prior to approval by the Board of Directors, on the Group Codes and Service Orders within its area of responsibility;
- n) Ensure that the risk management activities are subject to periodical reviews;
- o) Issue an opinion, prior to approval by the Board of Directors, on the independence and adequacy of resources of the risk management function, to be performed by the Risk Office considering the requirements established in art. 27 of Banco de Portugal Notice 3/2020;
- p) Assess the Risk Office's activities and training plans for presentation to the CAud and submission to the BoD;
- q) Monitor the Risk Office's activity;
- r) Monitor the conclusion of the process of identification of risks and risk strategy, in the Bank and the Group, issuing an opinion to the BoD on the proposal presented;
- s) Issue an opinion, prior to the approval by the BoD, on the Market Discipline Report;
- t) Issue an opinion, prior to approval by the BoD, on the proposal for the revision of the Risk Appetite Framework (RAF) of the Group;
- u) Monitor the evolution of the Risk Appetite Statement (RAS) indicators;
- v) Monitor the evolution of climate transition risks and their indicators;
- w) Follow up on monitoring risk models and their validation;
- x) Issue an opinion, prior to approval by the BoD, on the capital planning (ICAAP) and on liquidity (ILAAP) processes and respective conclusions;
- y) Follow up on ICAAP and ILAAP monitoring process;
- z) Approve the scenarios proposed in the internal stress tests, and analyse the respective results;
- aa) Issue an opinion, prior to the approval by the BoD, on the process for the review of the Recovery Plan and its suitability;
- bb) Monitor the evolution of the process of preparation and execution of the plan for the reduction of Non-Performing Exposures (NPEs), issuing an opinion addressed to the BoD on its suitability;
- cc) Monitor the efficiency of the risk management systems;
- dd) Appraise the reports prepared by the Risk Office and the Compliance Office, pursuant to sub-paragraphs r) and s) of no.1 of art. 27 and sub-paragraphs o) and p) of no. 1 of art. 28 of Notice of Banco de Portugal No. 3/2020, regarding the specific risks monitored by the CAVR, and send their assessment to the CAud;

- ee) Issue a prior opinion on the decisions for the appointment or replacement of the head of the risk function.

CHAPTER III - RELATIONSHIP WITH THE BoD AND OTHER ENTITIES

Article 5 (Relationship with the BoD and its Committees)

1. While performing its functions, the CAVR can meet with the other Committees of the BoD ensuring the exchange of information necessary to fully perform its responsibilities, including to allow detecting and assessing all relevant risks, and also hold joint meetings under the terms of art. 10, no. 11 of the BoD's Regulations.
2. Where the CAVR requires advice, opinions or information from other Committees or Control Functions for its decision-making, it shall be given access to the documents based on which such advice or opinions were issued, in which case it may waive the need for formal submission of such documents.
3. For the adequate exercise of its functions, the CAVR implements internal communication procedures with the BoD and the Executive Committee.

Article 6 (Relationship with the Bank's divisions)

1. The CAVR may call or request clarification from any Manager of the Bank and may set periodic meetings when the respective annual agenda is approved.
2. Without prejudice to the hierarchical relationship it maintains with the Executive Committee, the Risk Officer functionally reports to the CAVR, in the matters defined by the latter.
3. Should the Risk Office, the Compliance Office and the DEPALM find any situation they classify as high risk, their heads shall immediately report it to the Chairperson of the CAVR.
4. Any fact that, even if temporarily, prevents what is provided for in the previous paragraphs, should be discussed at a meeting of the CAVR, registered in the minutes, and immediately reported to the Chairperson of BoD.

CHAPTER IV - OTHER FORMALITIES

Article 7 (Minutes of meetings)

1. The CAVR shall ensure that minutes of all meetings held are drawn up, allowing for the proper identification of all those who have participated in each item of the agenda, including the position held, the understanding of the matters dealt with, and the meaning and reasoning of the resolutions taken, the identification of the voting members and an express reference to any divergent opinions, as well as a description of any recommendations made and identification of the issues that need to be addressed in future meetings.
2. The minutes of each meeting must be drawn up by the Secretary of the CAVR, who distributes it to the members who have attended it, for analysis and introduction of the changes considered relevant, and must, as a rule, be formally approved at the next meeting and signed by its members, except in cases where the urgency of some matter requires different action.

3. In case the Secretary of the CAVR is absent, the Chairperson, or their substitute, shall appoint the member who shall pass on to the Secretary of the CAVR the information and documents required to draw up the minutes.
4. The minutes of meeting shall be written up and transcribed into the respective book of minutes in Portuguese. If the meeting is attended by a person whose speaking language is not Portuguese, at this person's request the minutes of meeting may be translated into English and sent to that person, being also kept as an attachment to the original minutes of the meeting.
5. The Secretary shall ensure that all those who are not members of the CAVR, who intervened in the meetings, validate the extract of the minutes related with their intervention.
6. The minutes of meeting shall contain the information provided for in art. 8 of Notice of Banco de Portugal No. 3/2020 and in other applicable legal provisions.

The minutes of meeting and the documents supporting each one of the items of the agenda must be filed in a document management IT system.

Article 8 **(Final Provisions)**

The matters not regulated by these Regulations are governed by the common provisions set out in art. 3 to 7 of the Regulations of the BoD and by the applicable legislation in force.

Approval date: 27th November 2024

Approved by: Board of Directors

Main changes: added Article 4(2) u) and v) and amended p); added expression at the end of Article 5 (1).