



POLICY FOR THE SELECTION AND APPOINTMENT OF THE STATUTORY
AUDITOR OR AUDIT FIRM AND ENGAGEMENT OF NOT PROHIBITED NON-AUDIT
SERVICES

I. INTRODUCTION

DIF BROKER - Sociedade Financeira de Corretagem SA (hereinafter "DIF BROKER"), under the terms and for the purposes of Article 115-A of Decree-Law no. 298 / 92, of 31 December, of the Legal Framework of Credit Institutions and Financial Companies as subsequently amended (hereinafter "RGICSF"), Directive 2014/56/EU of the European Parliament and of the Council, which applies to statutory audits in general, Regulation (EU) no. 537 / 214 of the European Parliament and of the Council of 16 April 2014, which sets out the requirements applicable to statutory audits of public interest entities, the Statute of the Portuguese Institute of Statutory Auditors, approved by Law no. 140/2015 of 7 September, which the Bank of Portugal conveyed to the sector through circular letter CC/2020/00000020, on the adoption, within the framework of its internal governance, of policies for the selection and appointment of Statutory Auditors or Audit Firms and the contracting of separate not prohibited non-audit services to its Statutory Auditors/Audit Firms or their respective network, in order to ensure compliance with the legislation and regulations in force, adopts the present *policy for the selection and appointment of Statutory Auditors/Audit Firm and the engagement of not prohibited non-audit services to its Statutory Auditors/Audit Firms or network* (hereinafter the "Policy").

This policy therefore complements and should be read in conjunction with the Policy for the Selection and Assessment of Members of the Management and Supervisory Bodies and Key Function Holders of DIF BROKER, specifying and complementing what is already stated in the respective chapter on the selection of statutory auditors.

DIF BROKER's principle is to rotate its external auditors or statutory auditors after 3 terms as this is a recommended best practice. Following the guidelines issued, DIF BROKER has been monitoring the evolution of the regulatory framework and the growing importance of the work of supervisory bodies, namely the Statutory Auditor/Audit Firm, as a line of defence for the institution, which main objective is to:

1. ensure the quality of the internal control system and organisational structure
2. confirm the accuracy and veracity of the financial statements
3. demonstrate the ability to act independently and impartially

II. BACKGROUND

The individual suitability assessment of the Statutory Auditor is an assessment of the person eligible

to ensure the ongoing supervision of the prudent management and internal control system of DIF BROKER with particular regard to safeguarding the financial system and the interests of its customers, investors and other creditors.

This Policy is established in accordance with the provisions of the following regulations:

- Directive 2014/56/EU of the European Parliament and of the Council, which applies to statutory audit in general;
- Regulation (EU) No. 537/2014 of the European Parliament and of the Council of 16 April 2014, which determines the requirements applicable to statutory audits of public interest entities;
- Statute of the Statutory Auditors Association, approved by Law no. 140/2015, of 7 September;
- Legal Regime of Audit Supervision, approved by Law No. 148/2015, of 9 September;
- Article 420, paragraph 2, subparagraph b) of the Commercial Companies Code, which defines the powers of the supervisory body of institutions, in the case of DIF, the Supervisory Board;
- Article 245 of the Portuguese Securities Code.

For the purposes of this policy, auditing services are deemed to be those examinations and other services related to the accounts of companies or other entities, carried out in accordance with the auditing standards in force, namely a:

- Statutory audit;
- Provision of services related to the statutory audit namely specific partners.

For the purposes of this policy, services other than auditing are deemed to be prohibited:

- Tax advisory services concerning the preparation of tax returns, payroll taxes, tax authority inspection matters, the calculation of direct or indirect taxes and deferred taxes, the provision of tax advice;
- Services involving any participation in them or in the decision-making of the audited entity;
- Preparation and entry of accounting records;
- Payroll services;
- Preparation and application of internal control procedures and risk management;
- Assessment services;
- Legal services in general terms;
- Other services related to the internal audit function of DIF or services associated with financing.



It is the responsibility of DIF's Supervisory Board to select the Statutory Auditors or Statutory Audit Firms to propose to the General Assembly for election and justify the preference for one of them.

For the selection process, the Supervisory Board will have the support and input of the Compliance and Accounting Department and the Board of Directors.

The Statutory Auditors are elected for a three-year term by the General Meeting and may be re-elected for a further three terms. The maximum period for the exercise of functions may exceptionally be extended to a maximum of 10 years, provided that this extension is approved by the competent body, under a reasoned proposal from the Supervisory Board.

This Policy shall be subject to annual review by the Board of Directors.

III. SELECTION CRITERIA

DIF BROKER has implemented a selection process that aims to select the entity based on integrity, independence, objectivity, accountability, transparency and reliability.

The regime of incompatibilities established for members of the Supervisory Board, pursuant to Article 414-A of the Companies Code, shall apply to the Statutory Auditor/Audit Firm.

All candidates must previously sign a document confirming that they meet all the requirements established by law to hold the position and that they are not in any situation of incompatibility or impediment.

The acceptance of functions by the Statutory Auditor must be done by means of an autonomous letter together with the indication of all the necessary identification elements, including the registration number with the Statutory Auditors Association and the registration number of the auditor with the CMVM, thus attesting to compliance with the requirements defined by Law.

The acceptance letter should be accompanied by a description on the internal organisation that includes at least:

- the policy and operating procedures of its internal control system;
- way of control of incompatibilities and impediments;
- way of follow-up on the separate audit services;
- way of monitoring the fees in relation to the total fees;
- way of monitoring the internal quality control of the work;

DIF BROKER's Supervisory Board is responsible for issuing an assessment report on the Statutory Auditor/Audit Firm, which must include the bodies, functions or departments that participated or contributed to the selection and assessment process and, where applicable, ensure that the statutory audits of DIF BROKER's accounts are of adequate quality and are performed in accordance with strict requirements in terms of independence and objectivity. In addition, the Supervisory Board must ensure that the Statutory Auditor/Audit Firm has an organisational structure and quality control system in line with the requirements.

The Supervisory Board shall take into account, among others, the following selection criteria, organised by relevance in weighting the proposals submitted by the Statutory Auditor/Audit Firm:

- integrity and Independence;
- technical competence, including expertise in the evaluation of IT controls;
- previous experience, particularly in the financial sector;
- adequacy of its internal quality control system;
- the amount of the fees in other charges;
- safeguards applied to limit threats to Independence;

The report prepared by the Supervisory Board of DIF BROKER will include an assessment of the candidates' compliance with the selection criteria considered and the conclusions of the selection process.

Following the report and selection process, the Supervisory Board prepares a recommendation to the general meeting of DIF BROKER indicating at least 2 options, with justification for its preference for one of them.

IV. PERFORMANCE EVALUATION

For the purpose of the renewal of the term, an evaluation of the Statutory Auditor/Audit Firm's performance during the previous term is foreseen, which must be ensured by the Supervisory Board.

The Supervisory Board is responsible for monitoring the legal review of the individual and consolidated accounts, namely its execution.

V. VALIDITY AND APPROVAL OF THE POLICY

This policy shall be in force for an indefinite period of time, without prejudice to its periodic updating and revision, under the terms of the law and other applicable regulations.

Approval of this policy is the responsibility of DIF BROKER's General Meeting, based on a proposal from the Board of Directors, which will review it periodically under the terms established by law.