



**REGULATIONS OF THE AUDITING
AND INTERNAL CONTROL COMMITTEE
Of CAIXA GERAL DE DEPÓSITOS, S.A.**

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REGULATIONS OF THE AUDITING AND INTERNAL CONTROL COMMITTEE

1. Object

These Regulations of the Auditing and Internal Control Committee (CACI) of Caixa Geral de Depósitos, S.A. ("CGD") set out its rules in terms of powers, organisation and operation, in addition to its legal and statutory provisions.

2. Composition of the Committee

2.1. The Auditing and Internal Control Committee shall be composed of 3 (three) to 6 (six) Members, as set out by the Board of Directors.

2.2. The members of the Auditing and Internal Control Committee are appointed by the Board of Directors, from among Directors who are not members of the Executive Committee and members of the Supervisory Board.

2.3. The members of the Auditing and Internal Control Committee must have the appropriate professional qualifications and experience to carry out the respective duties.

3. Powers

3.1. Without prejudice to the legal powers attributed to the Supervisory Board and the responsibilities of the Financial Risk Committee, and taking into account the provisions of section 3.2, it is incumbent upon the Auditing and Internal Control Committee to:

- (a) Monitor the activity of the Executive Committee;
- (b) Ensure compliance with all legal and regulatory provisions, bylaws and regulations issued by supervisory authorities, as well as internally instituted general policies, standards and practices;
- (c) Ensure compliance with the policies, criteria and accounting practices adopted.
- (d) Assess the statutory audit;
- (e) Supervise the preparation and disclosure of financial information;
- (f) Assess and promote the effectiveness of internal control, non-financial risk management and internal audit systems;
- (g) Ensure the independence of the Statutory Auditors, namely when they are providing additional services to CGD.

3.2. The powers conferred on the Auditing and Internal Control Committee cover not only CGD but also, without limitation, all companies that, at any given time, are in a controlling or group relationship with CGD, regardless of the location of their registered office, main office or effective headquarters of their administration or principal place of business ("CGD Group").



3.3. In the performance of the competences referred to in section 3.1(b), it is incumbent upon the Auditing and Internal Control Committee to:

- (a) Promote, at CGD and at other companies of the CGD Group subject to supervision on a consolidated basis, the pursuit of the fundamental objectives in matters of internal control and non-financial risk management set by the Bank of Portugal and the European Central Bank in their supervisory directives applicable to credit institutions and financial companies;
- (b) Assess the reliability of prudential reports relating to the CGD Group and companies of this Group that are subject to this obligation;
- (c) Be aware of all inspection actions carried out by the European Central Bank, Banco de Portugal and other entities on CGD and other CGD Group companies subject to supervision on a consolidated basis.

3.4. For the performance of the competences set out in sub-paragraphs (c) to (e) of section

3.1., the Auditing and Internal Control Committee shall assess, in particular:

- (a) CGD's financial statements and the opinions of the external auditors/statutory auditors on them;
- (b) The reliability of the accounting information disclosed internally and externally;
- (c) The calculation of income taxes.

3.5. For the performance of the competences provided for in section 3.1. (f), the Auditing and Internal Control Committee shall have the following responsibilities, with regard to CGD:

3.5.1. Concerning the internal control system:

- (a) Assessing operational procedures, with a view to promoting the efficient management of the respective activities, through an adequate control environment, a sound risk management, an efficient information and communication system and an effective internal control monitoring process;
- (b) Approving the internal audit activity plans, after the Supervisory Board issues its opinion on them and ensuring their follow-up;
- (c) Approving the activity plans of the Compliance Support Office, after the Supervisory Board has issued an opinion on them and ensuring their follow up;
- (d) Reviewing the annual reports of risk management functions, without prejudice, in terms of financial risks, to the competences of the Financial Risk Committee, the annual internal control reports of CGD Group entities, taking note of the annual opinion of the Supervisory Board on the



adequacy and effectiveness of the internal control system, as well as the opinion of the Statutory Auditors on the internal control system underlying the process of preparing and disclosing financial information;

- (e) Following up on the activities and issuing an opinion on the external audit activity plans, to be reviewed and approved by the Supervisory Board.

3.5.2. Concerning the non-financial risk management system:

(a) Operational Risk:

- (i) Assessing the operational risk management model and the effectiveness of operational procedures;
- (ii) Assessing the effectiveness and adequacy of information systems, in particular as regards the documentation of applications and the security of data, applications and equipment;
- (iii) Ensuring that the asset management and monitoring model can suitably ensure their security and control;
- (iv) Assessing the control of the risks inherent to outsourcing activities;
- (v) Taking note of the aggregate amounts of operating losses incurred, the most relevant claims and, on an immediate basis, any individual losses in excess of € 200,000.00 (two hundred thousand euros);
- (vi) Following up on the development and updating of the business continuity plan;
- (vii) Assessing the reliability of the management information system, both in the areas of business and budget control, and risk control;

(b) Compliance Risk:

- (i) Assessing the effectiveness of compliance risk management, namely the procedures in place, any noncompliances detected and the activity reports prepared by the compliance function;;
- (ii) Assessing the effectiveness CGD's financial intermediation activity supervision and control system;
- (iii) Taking note of any situations identified arising from breaches or non-compliance with any laws, regulations, specific determinations, contracts, rules of conduct and customer relationships, established practices or ethical principles that could cause CGD or any of its employees to incur in any criminal and/or administrative offence;
- (iv) In the field of suspicious transactions concerning fraud and money laundering risks, carrying out a critical review of transactions filed;



- (v) Reviewing quarterly reports prepared on money laundering and terrorist financing prevention activities, containing statistical information and the typologies of processes related to such crimes and occurrences involving amounts over € 50,000.00 (fifty thousand euros).
- (c) Reputational Risk:
 - (i) Assessing the quality of the services provided to customers and their control, in particular by reviewing complaint handling procedures and service quality surveys (SQS); Taking note of key statistical data related to customer complaints
 - (ii) Assessing communication processes with customers and authorities;
 - (iii) Assessing the communication plan in crisis scenarios;
 - (iv) Assessing the control of compliance with CGD's Code of Conduct and taking note of the deficiencies detected in this control, as well as any failures to comply with the Code;
 - (v) Taking note of credit rating agency reports on CGD.

3.5.3. As regards the internal audit system, the duties of the Auditing and Internal Control Committee are as follows:

- (a) Obtaining periodically updated information on the areas or subjects covered by the audits carried out by the Internal Audit Division;
- (b) Reviewing the activities carried out each semester by the Internal Audit Division;
- (c) Monitoring the evolution of the main processes under the responsibility of the Internal Audit Division.
- (d) Reviewing the conclusions of the respective audit actions and conveying to the Executive Committee and the Supervisory Board any recommendations it may deem appropriate regarding the matters audited.

3.6. For the performance of the competence provided for in section 3.1. (f), the Auditing and Internal Control Committee also has the following responsibilities, concerning the CGD Group:

- (a) As regards internal control and internal audit systems, carrying out the duties set out in paragraphs 3.5.1. (a) to (d) and 3.5.3. concerning CGD Group companies subject to supervision on a consolidated basis;
- (b) With regard to the non-financial risk management system, carrying out the tasks described in section 3.5.2. for CGD Group companies subject to supervision on a consolidated basis, with the necessary adjustments, depending on the nature, characteristics and specific activity of each one.



- 3.7. In the fulfilment of the competence provided for in section 3.1(g), the Auditing and Internal Control Committee is responsible for:
- (a) Supervising the activity of the Statutory Auditors.
 - (b) Proposing to the Supervisory Board, for approval, the contracting of additional services to be provided by the Statutory Auditors to CGD and other CGD Group companies, as well as recommendations regarding remuneration terms.

4. **MEETINGS**

- 4.1. The Auditing and Internal Control Committee shall meet regularly, at least six times a year, as well as whenever convened by its Chairman or by any of its members.
- 4.2. Except in cases where the Auditing and Internal Control Committee needs to hold an emergency meeting to issue opinions on matters within its competence, the meetings of the Auditing and Internal Control Committee shall be convened at least 5 (five) days in advance, with express mention of the matters on the agenda.
- 4.3. Meetings can be convened through e-mail or by a simple verbal notification, including by telephone.
- 4.4. As a general rule, any preparatory documents necessary for meetings, whose prior analysis is considered convenient, must be delivered to the CGD Secretary at least 2 (two) days prior to the date of the meeting. The CGD Secretary shall promptly distribute to each member of the Auditing and Internal Control Committee the preparatory documents for the meetings sent to him under the terms of this paragraph.
- 4.5. Except in cases where a different location is designated in the respective notice, meetings of the Auditing and Internal Control Committee shall be held at CGD's head office.
- 4.6. The meetings of the Auditing and Internal Control Committee may be held using telematic means, such as video-conference or conference call, provided that CGD ensures the authenticity of the representations and the security of the communications, and keeps a record of the contents and the respective participants.
- 4.7. The meetings of the Auditing and Internal Control Committee shall be presided over by the respective Chairman, or, in case he cannot attend, by a member of the committee elected by the other members.
- 4.8. The CGD Secretary (or his designee) shall support the functioning of the Auditing and Internal Control Committee and the holding of its meetings.

5. **RESOLUTIONS**

- 5.1. The resolutions of the Auditing and Internal Control Committee shall be taken by a simple majority of the votes of its members.
- 5.2. Each member of the Auditing and Internal Control Committee shall cast 1 (one) vote. The Chairman shall have a casting vote in the event of a tie.



6. MINUTES

- 6.1. The CGD Secretary, the Alternate Secretary or the person appointed by him/her for that purpose, shall draw up the minutes of all the meetings of the Auditing and Internal Control Committee, which shall include the proposals presented, the discussions, comments and contributions made by its Members and by all participants from Divisions of CGD or Group companies during the meeting, the resolutions adopted, expressly stating the respective justification/basic rationale and any explanations of vote made by the Members during the meeting.
- 6.2. It shall be incumbent upon the Secretary, or their appointee, to circulate the meeting minutes to all members of the Auditing and Internal Control Committee who attended the respective meetings, for analysis, approval and signature, in the shortest possible time after the respective meeting.
- 6.3. All minutes of the meetings of the Auditing and Internal Control Committee shall be kept in hard copy, in the corresponding minutes book, and computerised copies of those minutes must also be extracted and archived in a secure and restricted-access file.
- 6.4. The minutes shall be drawn up in Portuguese, without prejudice to the possibility, where necessary, of preparing translations into English.

7. ABSENCE SCHEME

- 7.1. Members of the Auditing and Internal Control Committee that, without a justification accepted by the latter, fail to attend more than two meetings during one fiscal year shall be considered definitively absent.
- 7.2. Definitive absences shall be declared by the Auditing and Internal Control Committee.

8. SUPPORT STRUCTURES

The Auditing and Internal Control Committee may appoint, when it deems it necessary, one or more supporting elements with experience in the areas of their competence, to provide information and perform works with a view to substantiating its analyses and conclusions.

9. CONFLICTS OF INTEREST

The members of the Auditing and Internal Control Committee shall abstain from voting on any matters in which they have interests, for themselves or for any third parties that are in conflict with those of CGD or CGD Group entities. In case of conflict, the members of the Auditing and

Internal Control Committee shall immediately report it to the Chairman and, should the Chairman himself be in a situation of conflict of interest, he shall immediately inform another member of the Auditing and Internal Control Committee.



10. INTERPRETATION

The interpretation of the provisions of these Regulations shall comply with all legal and statutory rules in force.

11. AMENDMENTS

Any amendments to these Regulations, including the modification or deletion of any of its articles or the introduction of any new provisions, are subject to approval by a majority of the members of the Board of Directors.

12. MANDATORY NATURE

12.1. These Regulations are binding on all the members of the Auditing and Internal Control Committee.

12.2. Any member of the Auditing and Internal Control Committee that comes to be appointed on a subsequent date to the approval of these Regulations shall be automatically and unconditionally subject to them, without the need for any act or formality for such purpose.

13. FINAL PROVISIONS

13.1. In all situations not provided for in these Regulations, the provisions of the Regulations of the Board of Directors shall apply.

13.2. In case of conflict between any of the precepts of these Regulations and those of the Regulations of the Board of Directors, the provisions of the latter shall prevail.

14. APPROVAL AND VALIDITY

14.1. These Regulations were approved at a meeting of the Board of Directors of CGD, held on 19 September 2017, which is the date of its entry into force.

14.2. These Regulations shall remain in force indefinitely.