



REGULATION ON
ASSESSMENT AND MONITORING OF TRANSACTIONS WITH RELATED PARTIES AND
PREVENTION OF SITUATIONS OF CONFLICT OF INTEREST
CTT - CORREIOS DE PORTUGAL, S.A.

I. FRAMEWORK AND SCOPE

1. This Regulation on Assessment and Monitoring of Transactions with Related Parties and Prevention of Situations of Conflict of Interest (“Regulation”) aims to set up the procedures to assess and monitor Transactions with Related Parties of CTT - Correios de Portugal, S.A. (“CTT”, or “Company”) and to prevent situations of Conflict of Interest, with the intervention of the Audit Committee, in order to ensure strict compliance with legal provisions and the pursuit of corporate interest.
2. Although CTT carries out Transactions with Related Parties under normal market conditions and duly manages situations of Conflict of Interest in compliance with the legal requirements and best corporate governance practices, monitoring procedures are hereby strengthened referring to (i) identification, approval, verification and communication of Transactions with Related Parties and to (ii) the prevention, identification and management of situations of Conflict of Interest.
3. The present version of this Regulation was approved by the Board of Directors, with the prior favourable binding opinion of the Audit Committee.
4. This Regulation (i) applies notwithstanding the legal framework established in the Portuguese Companies Code (“PCC”) regarding legal transactions entered into between companies and their directors, the rules established in CTT Code of Conduct and the obligations to which the Company and its Senior Officers are bound in respect of insider information and (ii) does not apply to **transactions related to the directors’ remuneration**.
5. This Regulation is of general application in CTT and all its Subsidiary Companies. When the Subsidiary Companies (namely Banco CTT, S.A. (“Banco CTT”) and its **Subsidiary Companies**) adopt specific rules regarding situations of Conflict of Interest and Transactions with Related Parties, these situations, and transactions, when they also fall within the scope of this Regulation, shall be cumulatively subject to the abovementioned specific rules and to this Regulation.



II. DEFINITIONS

For the purposes of this Regulation, the terms and expressions hereunder have the following meaning:

- a) Qualified Shareholder: A shareholder with direct or indirect qualifying shares corresponding to at least 2% (two percent) of the CTT share capital, calculated in accordance with Article 20 of the Portuguese Securities Code;
- b) Current Activity: Transactions that, cumulatively, (i) fall within the CTT business segments (or those of the Subsidiary Companies, in the case of transactions they carry out); (ii) either (a) generate operating revenues classified, at the date of the transaction and in accordance with the applicable accounting standards, as sales or services rendered or, in the case of transactions carried out by Banco CTT, as financial margin, or (b) correspond to costs related to such operating revenues; and (iii) take place under usual conditions (including commercial, financial and legal), that is, (a) usually practiced by CTT (or by the Subsidiary Companies, in the case of transactions they carry out) with customers or suppliers / providers that are not Related Parties with an identical profile and for an identical product / service, or (b) set in an organized market in line with the prices and rates of that market, or (c) usually set by the supplier / provider for entities that are not Related Parties without margin for negotiation;
- c) Market Conditions: Terms and conditions contracted, accepted and practiced that are compatible with comparable market prices practiced between entities that are not Related Parties;
- d) Conflict of Interest: Situation generated whenever a person or entity may not be impartial in relation to a specific matter or transaction and may make decisions driven by interests other than CTT corporate interest (whether financial, professional, personal or other interests, namely the interests of people and entities referred to in paragraph 5 of Chapter XI);
- e) Director: Member of the management and supervisory bodies of CTT and other officers who, albeit not members of those bodies, may be considered as such by the Board of Directors or the Executive Committee (to the extent of their delegation of powers) by virtue of (i) having the authority and responsibility for directly or indirectly planning, managing and controlling the **Company's** activities, and/or (ii) being a high-level representative of CTT and/or Group companies with regular access to inside



information and power to make management decisions affecting the future evolution and business perspectives of CTT;

- f) Joint Venture: Joint arrangement between two parties - CTT and/or Subsidiary Companies and one or more third parties - whereby the parties that have joint control of the arrangement have rights on the net assets of the arrangement in accordance with IFRS 11 - Joint Arrangements;
- g) Significant Influence: Power to participate in financial and operating policy decisions of a certain entity, but not have joint control or control over those policies. Generally, there is a Significant Influence when the shareholding equals 20% or more of the voting rights. When an entity owns, directly or indirectly, 20% or more of the voting rights, this entity is presumed to have a Significant Influence, unless it can be clearly demonstrated that it is not the case. On the contrary, if the entity owns, directly or indirectly, less than 20% of the voting rights, the entity is presumed not to have a significant influence, unless such influence can be clearly demonstrated;
- h) Intermediary: Person related to a director of CTT and/or of a Subsidiary Company for being (i) his/her spouse or person with whom he/she lives in a non-marital partnership, (ii) a company controlled by him/her or by the persons referred to in (i), (iii) a person of whom he/she is the presumed heir, (iv) a third party that transmits to him/her, with his/her agreement, the right or the benefit in question and (v) another person who, according to the actual circumstances, can influence directly in another way;
- i) Related Party: Qualified Shareholder, director of CTT or of a Subsidiary Company, or a third party related to any of these by virtue of a relevant business or personal interest (under the terms of IAS 24 - Related Party Disclosures), as well as Subsidiary or Associated Companies, or Joint Ventures of CTT.

“Relevant commercial or personal interest” is deemed to exist regarding (i) the close family members of Directors of the Subsidiary Companies and of Qualified Shareholders that, at any time, have Significant Influence over CTT, as well as (ii) entities controlled or jointly controlled either by Directors of the Subsidiary Companies or by Qualified Shareholders, or by the persons referred to in (i).

In accordance with IFRS 10 - Consolidated Financial Statements, to which IAS 24 - Related Party Disclosure refers, “**control**” is considered to exist when the person concerned is exposed, or has rights, to variable returns from its relationship with the entity and has the ability to influence those returns through its power over it.



Furthermore, “close family members” mean (i) the spouse or domestic partner and (ii) the children and dependants of the person himself/herself and persons mentioned in (i);

- j) **Subsidiary Company:** Company individually, directly or indirectly controlled by CTT pursuant to Article 21 of the Portuguese Securities Code, and other entities included as subsidiaries in the consolidation perimeter in compliance with the applicable accounting standards;
- k) **Associated Company:** Company over which CTT has direct or indirect Significant Influence;
- l) **Transaction with a Related Party:** Any business or legal act that entails a transfer of resources, services or obligations, regardless of the existence or not of a payment, between, on the one hand, CTT and/or Subsidiary Companies and, on the other hand, a Related Party;
- m) **Exempt Transaction:** A transaction that falls into one of the following situations: (i) transactions between, on the one hand, CTT and, on the other hand, a Subsidiary Company that is controlled by CTT and in which no Related Party has interests in that Subsidiary Company; and (ii) transactions proposed to all CTT shareholders under the same terms, in which equal treatment of all shareholders and protection of CTT's interests are ensured;
- n) **Relevant Transaction:** Any Transaction with a Related Party for an amount that is equal to or greater than 2.5% of CTT's consolidated assets according to the latest financial information approved by CTT's governing bodies and audited, and cumulatively, that was not carried out within the Current Activity and / or under Market Conditions. Said amount must be calculated in relation to a single transaction or the set of transactions carried out during any period of 12 months or during the same financial year with the same Related Party (excluding transactions already subject to the provisions of this Regulation applicable to Relevant Transactions);
- o) **Significant Transaction:** Any Transaction with a Related Party for an amount greater than €1,000,000 (one million euros), and/or that is intended to be carried out outside the Current Activity and / or under Market Conditions. Said amount must be calculated in relation to a single transaction or the set of transactions carried out during any period of 12 months or during the same financial year with the same Related Party (excluding



transactions already subject to the provisions of this Regulation applicable to Significant Transactions).

III. PRINCIPLES

1. The Transactions with Related Parties shall comply with the following principles:

- a) They must be formalized in writing and registered with the data set forth in the Annex to these Regulations, specifying the respective terms and conditions;
- b) They must be carried out (i) in accordance with the legislation in force, in particular with full respect for the interests of the Company and Subsidiary Companies, as applicable (ii) ensuring the fair / equitable and reasonable nature of the transaction from the point of view of the Company and the shareholders who are not Related Parties (including minority shareholders) and (iii) within the Current Activity and under Market Conditions (unless it is shown that carrying out the transaction outside the Current Activity and / or Market Conditions is in line with the interests of the Company and Subsidiary Companies, as applicable, and with the fair / equitable and reasonable nature referred to above and cumulatively the transaction is approved following the process provided for in paragraph 1 of Chapter IV);
- c) They must be disclosed in a clear and precise manner, (i) Relevant Transactions in accordance with Chapter X and (ii) Transactions with Related Parties in general, in the explanatory notes of the financial statements of the Company, with sufficient information to identify the Related Party and the essential conditions of the transaction; and
- d) Loans and guarantees on behalf of Related Parties are expressly forbidden, except if on behalf of Subsidiary and Associated Companies, and Joint Ventures.

IV. APPROVAL OF TRANSACTIONS WITH RELATED PARTIES

1. All Significant Transactions to be carried out by CTT and Subsidiary Companies must be approved by resolution of the Board of Directors, preceded by a prior opinion by the Audit Committee pursuant to Chapter VIII, except for Exempt Transactions.
2. Additionally, all the transactions to be carried out between, on the one hand, the members of the Board of Directors of CTT and/or Subsidiary Companies (directly or through an Intermediary) and, on the other hand, CTT and/or Subsidiary Companies, under the terms and for the purposes of articles 397 and 423-H of the Portuguese Companies Code ("PCC")



regardless of their amount are subject to prior approval of Board of Directors, preceded by a favourable opinion of the Audit Committee pursuant to Chapter VIII, except for those included in the regular business of the company concerned and where no special advantage is given to the Director directly or through an Intermediary.

3. All Transactions with Related Parties not included in paragraphs 1 and 2 above are approved by the Executive Committee, to the extent of the respective delegation of powers, and subject to subsequent assessment by the Audit Committee pursuant to Chapter IX.
4. The Related Parties or those with an interest in the transaction do not participate or vote in the prior or a posteriori resolution or verification processes of the transaction in question.

V. DEADLINE TO COMMUNICATE THE TRANSACTIONS WITH RELATED PARTIES

1. For the purposes of authorization / resolution by the Board of Directors and prior opinion by the Audit Committee, the Executive Committee shall communicate to those bodies the transactions provided for in paragraphs 1 and 2 of Chapter IV at least 20 (twenty) days in advance in relation to the estimated date for their execution.
2. The transactions provided for in paragraph 3 of Chapter IV must be reported to the Audit Committee by the Executive Committee by the last day of July or January, depending on whether the transactions took place in the 1st or 2nd half of the year.
3. For the purposes of applying the relevant approval process and to the extent of its delegation of powers, the Executive Committee evaluates whether the transaction is qualified as a Significant Transaction, a transaction covered by paragraph 2 of Chapter IV, Relevant Transaction and / or Exempt Transaction.

VI. CONTENT OF THE COMMUNICATION OF TRANSACTIONS WITH RELATED PARTIES

1. The request for a prior opinion on the transactions provided for in paragraphs 1 and 2 of Chapter IV and the communication of the transactions provided for in paragraph 3 of Chapter IV above by the Executive Committee shall be considered strictly confidential (regarding both their existence and their content) and must include the data set forth in the Annex to this Regulation (initially prepared by the area responsible for the transaction and the accounting area) and other additional information that the Executive Committee considers relevant for the analysis of the transaction.
2. In the case of transactions to be carried out by Subsidiary Companies, it is the responsibility of the respective management body to convey to the Executive Committee of CTT (through



CTT's accounting area) the data contained in the Annex to this Regulation in a timely manner so that it can comply with the provisions set forth in Chapters V and VI.

3. For purposes of analysis and whenever considered convenient, the Audit Committee may request the opinion of external experts.

VII. PRIOR ASSESSMENT OF THE TRANSACTIONS WITH RELATED PARTIES

The proposals of the transactions set forth in paragraphs 1 and 2 of Chapter IV shall be assessed by the Audit Committee taking into consideration the principles defined in this Regulation. In its assessment the Audit Committee shall consider the following information, along with any other it considers relevant:

- a) Terms and conditions of the transaction;
- b) Purpose and opportunity of the transaction;
- c) Interest of the Related Party in the transaction: impact on its financial situation; interest (direct or indirect); the continuous or one-off nature; other aspects considered relevant;
- d) If the transaction involves the disposal of an asset, its description, including the date of acquisition and the net book value;
- e) Possible limitations that may be imposed to the company as result of carrying out the transaction;
- f) Reputational risk for the company;
- g) Any further information considered relevant for the purpose of compliance with the principles set forth in Chapter III.

VIII. PRIOR OPINION

1. The prior opinion the Audit Committee shall be issued within 15 (fifteen) days counting from the receipt of the communication of the transaction pursuant to Chapters V and VI;
2. In the event that a prior favourable opinion is not issued by the Audit Committee on the transactions referred to in paragraph 1 of Chapter IV and provided that the transaction in question does not fall under paragraph 2 of same Chapter IV, the respective conclusion is dependent on the resolution of the Board of Directors, which must be specifically substantiated as to compliance with the principles set out in Chapter III, in particular in order to demonstrate the pursuit of corporate interest, the fair / equitable and reasonable nature of the transaction and the advantages resulting from the transaction that positively balance the disadvantages identified by the Audit Committee.



3. The Transactions with Related Parties referred to in paragraph 1 of Chapter IV that are the subject of a prior opinion must be included in the Audit Committee's **annual activity report**.
4. In their respective annual reports, the Board of Directors must specify the authorizations granted relative to the transactions referred to in paragraph 2 of Chapter IV and the Audit Committee must mention the opinions issued on those authorizations subject to a prior favourable opinion.

IX. SUBSEQUENT ASSESSMENT OF THE TRANSACTIONS WITH RELATED PARTIES

The Audit Committee takes note and appraises the transactions subject to subsequent assessment submitted to it pursuant to paragraph 3 of Chapter IV, taking into account the principles defined in this Regulation, analysing, among other that it considers relevant, the information referred to in Chapter VII and must refer to these transactions in the annual activity report.

X. PUBLIC DISCLOSURE OF RELEVANT TRANSACTIONS

1. CTT shall publicly disclose the Relevant Transactions, at the latest at the time they are carried out, unless they are Exempt Transactions. The disclosure must contain at least the following data:
 - a) Identification of the Related Party;
 - b) Information of the nature of the relationship with the Related Party;
 - c) Date and amount of the transaction;
 - d) Justification as to the fair and reasonable nature of the transaction from the point of view of CTT and shareholders who are not Related Parties (including minority shareholders); and
 - e) Opinion of the Audit Committee, whenever it has been negative.
2. In the case of transactions to be carried out by Subsidiary Companies, it is the responsibility of the respective management body to transmit to CTT's Executive Committee, in a timely manner, the information necessary for it to comply, not only with the approval process and the respective deadlines provided for in this Regulation, but also with the information duties referred to in the previous paragraph.

XI. SITUATIONS OF CONFLICT OF INTEREST

1. The members of the Board of Directors and of its internal committees and of the Audit Committee of CTT shall inform the body/committee and the Audit Committee (through the



respective Chairperson if the conflict does not concern him/her and through the General Secretariat) of any situations or facts that may constitute or generate a Conflict of Interest on the part of the member in question (either directly or indirectly, namely by taking into account the interests of the persons and entities referred to in paragraph 5(a) to (d) of this Chapter), promptly after the knowledge of the facts or situation in question.

2. In the resolutions of the Board of Directors and of its internal committees and of the Audit Committee of CTT, should any of its members be prevented from resolving on the issue under analysis at the meeting due to a potential Conflict of Interest, he/she shall state his/her impediment and abstain from discussing and voting, under the terms detailed in the respective internal regulations and without prejudice to the respective information duties regarding the situations in question.
3. The impediment shall be recorded in the meeting minutes of the body or committee in question.
4. Within the prevention of situations of Conflict of Interest in CTT, the Audit Committee also has the following powers:
 - a) To submit recommendations to the Board of Directors regarding measures of prevention and identification of situations of Conflict of Interest;
 - b) To refer in its annual activity report to the suitability of this Regulation for the purposes of preventing and resolving situations of Conflict of Interest.
5. To allow the prevention and the detection of situations of Conflict of Interest and notwithstanding the further compliance with the duties arising from paragraph 1 of this Chapter and from the law and internal regulations, the Senior Officers and the Directors of the Subsidiary Companies shall communicate to the General Secretariat and to the Audit Committee of CTT:
 - a) The identification of their close relatives;
 - b) The identification of the entities, whether headquartered in Portugal or abroad, controlled by themselves or by their close relatives;
 - c) Other persons or entities that may be considered Intermediaries under the terms and for the purposes of articles 397 and 423-H of the PCC;
 - d) The management and/or supervision positions held in other companies, whether headquartered in Portugal or abroad.
6. The communication referred to in paragraph 5 above shall be made within 20 (twenty) days from beginning of functions in the company in question and shall be updated every six



months until January 20 and July 20, by reference to December 31 and June 30, respectively, and any changes to the information provided on these dates must be communicated immediately.

XII. IMPLEMENTATION MEASURES AND AMENDMENTS

1. The Executive Committee of CTT shall adopt measures, procedures and forms for the implementation of this Regulation and maintain the Board of Directors and the Audit Committee of CTT and the management bodies of the Subsidiary Companies promptly informed, namely in what concerns:
 - a) The elaboration, update and disclosure within CTT and the Subsidiary Companies of the list of Related Parties, when justified;
 - b) The Register of Transactions with Related Parties and situations of Conflict of Interest by CTT and Subsidiary Companies communicated under this Regulation;
 - c) The disclosure of Relevant Transactions with Related Parties, as provided for in Chapter X.
2. In any case, any changes to this Regulation are subject to approval by the Board of Directors, with the prior binding opinion of the Audit Committee.

This Regulation with the amendments now approved enters in force as of December 20, 2021.



ANNEX

Form

Information on Transactions with Related Parties for the purposes of consideration by the Audit Committee pursuant the Regulation on Assessment and Monitoring of Transactions with Related Parties and Prevention of Situations of Conflict of Interest

Tick with X Prior opinion <input type="checkbox"/> [] Subsequent assessment <input type="checkbox"/> [] Date of approval of the transaction (date foreseen in case of prior opinion): DD.MM.YYYY Date of conclusion of the transaction (date foreseen in case of prior opinion): DD.MM.YYYY	
Identification of the party in the transaction	CTT or Subsidiary Company
Identification of the counterparty	Name: [Identification of the Company]
	Address: [.]
	Tax number: [.]
	Nature of the relationship with the counterparty as a Related Party: [.]
Classification of the Transaction	Provide the reasons for classifying the transaction as a Transaction with a Director directly or through an Intermediary subject to prior opinion as per Chapters II and IV: [.]
	Provide the reasons for classifying the transaction as a Significant Transaction subject to prior opinion as per Chapters II and IV: [.]
	Provide the reasons for classifying the transaction as a Relevant Transaction subject to public disclosure when it is carried out as per Chapters II and X: [.]
	Provide the reasons for classifying the transaction as a transaction subject to subsequent assessment as per Chapters II and IV: [.]
	Provide the reasons for classifying the transaction as Exempt Transaction as per Chapters II and IV: [.]
Procurement procedure	[Include at least: - Mention of the pre-contractual procedures adopted in selecting the counterparty, in particular whether the operation will be based on a tender/consultation or direct award; - In the case of direct award, the reasons for this option; - If there were competitive tenders, information on the conditions of the different tenders and the reason for the selection]
Main terms and conditions of the transaction	Amount and type of transaction: [.] Description of the methodology used: [briefly describe the methodology used] [if the transaction involves the disposal of an asset, its description, year of acquisition and net book value]



	Purpose of and opportunity to carry out the transaction: [.]
	Description of the transaction (e.g., provision of services / supply provided / obtained), as applicable: See annex [.]
	Duration of the transaction, as applicable [indicate any planned renewals]: See annex [.]
	In the event of urgency in concluding the transaction, its full and substantiated justification: [.]
	Brief description of the main obligations of the parties: See annex [.]
	Comparison with the conditions of other proposals obtained and reason for selection, when applicable: N / A; or See "Procurement Procedure" above: [.]
	Description of other terms and conditions or aspects considered relevant for the description of the operation: [.]
Demonstration of compliance with the principles set out in Chapter III	Indication of whether or not the transaction is part of the Current Activity of the Company and Subsidiary Companies: [.]
	Comparison with Market Conditions: [.]
	Compliance with the legislation in force as per Chapter III, in particular full respect for the interests of the Company and Subsidiary Companies, as applicable: [.]
	Fair/equitable and reasonable nature of the transaction as per Chapter III: [.]
	Indication of other mechanisms for preventing/resolving conflicts of interest, if applicable: [.]
	Copy of the contract attached: Signed contracts or e-mails exchanged/formal approval by the competent body
Other information relevant to the assessment of the Audit Committee	[.]

RESPONSIBLE DEPARTMENT:

DATE: [.]