



*General and Supervisory Board*

**INTERNAL REGULATION**

**FINANCIAL MATTERS COMMITTEE**

**Approved on October 3, 2024**



## **FINANCIAL MATTERS COMMITTEE INTERNAL REGULATION-FMC**

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## **Article 1**

### **FMC institution**

1. The Financial Matters Committee (FMC or Committee) of EDP, S.A. (the Company or EDP) was appointed by resolution of the General and Supervisory Board (GSB), as established in number 2 of article 444 of the Commercial Company Code (CCC) and number 2 of article 24 of the Company's Articles of Association.
2. The purpose of these Internal Regulation is to establish the rules relating to the organisation and functioning of the Commission, as well as to define its competences, powers, and duties.

## **Article 2**

### **Mission and Principles**

1. Within the scope of its powers, the FMC is responsible for carrying out the functions described in Article 12 of this Regulation and its mission is to monitor and supervise on a permanent basis:
  - a) Financial matters and accounting practices.
  - b) Sustainability policies, procedures, and practices, especially those that have an impact on reporting.
  - c) Internal audit practices and procedures.
  - d) The internal mechanisms and procedures of the Internal Control System for Financial reporting (ICSFR) and the Sustainability Reporting Internal Control System (SRICS).
  - e) Matters relating to risk management and control system.
  - f) The activities and mechanisms of the compliance management system.
  - g) The activity, including the provision of non-audit services, and independence of the Statutory Auditor (SA) / Society of Chartered Accountants (SROC) of the Company.
  - h) The systems for assessing and resolving conflicts of interest, particularly with regard to the Company's relations with shareholders.
2. The FMC should also monitor the execution of ongoing investment projects as stated in article 12 of this Regulation.
3. The activity to be pursued by the FMC, in the sphere of its functions, also focuses on the companies in a dominant or group relationship with the Company pursuant to the Securities Code (Subsidiary or Group Companies) and may concern elements of relevant information from other companies directly or indirectly owned by the Company or by Subsidiary Companies or the Group.

4. The FMC and its members shall guide their actions in strict compliance with the Law, the Articles of Association, the resolutions of the General Shareholders' Meeting and these Regulations and shall consider the recommendations relating to the best corporate governance practices.

### **Article 3**

#### **Composition**

1. The FMC is composed of at least three independent members, in the sense defined by the GSB Internal Regulations, with adequate professional qualifications for the sector in which the Company operates and an adequate diversity of skills, knowledge and professional experience, including necessarily a member who has a higher education degree appropriate to the performance of his/her duties and knowledge in auditing or accounting.
2. The FMC shall be chaired by an independent member, as defined in the By-Laws and GSB Internal Regulation.
3. The following may not be elected members of the FMC:
  - a) Persons who perform functions in a rival company and who represent or act on behalf of such a company or who are in any other way bound to the interests of the rival company.
  - b) The spouses, relatives, or relations by marriage up to the 3<sup>rd</sup> degree, including, in indirect line, of persons barred under the provision in the previous paragraph.
4. FMC members are elected for a term of office of the same duration in relation to the GSB mandate that elects them.

### **Article 4**

#### **Functioning**

1. The FMC meets when convened by its Chairman or two of its members, either on their own initiative or at the request of any GSB member, the Executive Board of Directors (EBD) Chairman or the statutory auditor (SA) of the Company.
2. The FMC shall meet with an appropriate frequency to the performance of its duties and shall at least meet quarterly.
3. Notice of the convening and agenda of each meeting shall be sent to all FMC members at least five working days in advance of the date of the meeting.
4. The agenda should also be sent to the GSB Chairman and the EBD Chairman.

5. The FMC may decide on the participation of external elements in its meetings, and may, in particular, regarding the Company and its Subsidiaries/Group Companies, together or separately, interview and request the presence of:
  - a) Members of the Board of Directors.
  - b) Members of the supervisory bodies.
  - c) The SA (Statutory Auditor).
  - d) Top Management or other employees, in liaison with the competent management bodies.
  - e) Shareholders.
  - f) External experts.
6. The FMC meetings with the SA will be held without the presence of any EBD member, except when the presence of the EBD is indispensable for the pursuit of the purpose of the meeting and during the period strictly necessary for that purpose.
7. The FMC meets and decides with the necessary presence of the majority of its members, and its decisions are taken by a majority of votes, with the respective Chairman having the casting vote in the event of a tie in the vote.
8. The minutes of each FMC meeting shall be drawn up and signed by all Committee members participating in that meeting.
9. To develop its activity, the FMC may request the GSB Chairman for technical support from the GSB Support Office.

## **Article 5**

### **Powers of the FMC Chairman**

The FMC Chairman is especially responsible for:

- a) Representing the Audit Committee in and out of court;
- b) Coordinate the FMC activity, in conjunction with the GSB Chairman, as well as convene and chair the respective meetings;
- c) Exercise the casting vote;
- d) Ensure the correct execution of the FMC resolutions.
- e) Ensure the circulation of information, by the FMC members, on the matters treated and other information considered essential to the performance of their duties.

- f) Ensure that information related to the Committee's activity is made available to the other members of the GSB, without prejudice to restrictions on access to information for members who are prevented from accessing it, namely because they are in a situation of conflict of interest.

## **Article 6**

### **Incompatibilities**

1. In addition to other specifically applicable rules, the FMC members are subject to the incompatibility rules set forth in paragraphs a), b), c), d), e), f), g) e h) of n. 1 of article 414-A (*ex vi* article 434, n. 4) and article 437, n. 1, of the Companies Code, as well as Article 11 of EDP's Articles of Association.
2. Without prejudice to the power of the FMC to decide on the incompatibility of its members, each member shall be responsible for the permanent monitoring of the absence of any circumstances that may lead to his/her situation becoming incompatible with the performance of his/her duties.
3. Any member who has doubts regarding a situation of incompatibility, in relation to him or herself or any other member, shall raise the case to the FMC Chairman, who shall initiate an assessment process with the GSB or a Temporary Committee created for this purpose, to issue a reasoned opinion on the incompatibility.

## **Article 7**

### **Independence**

1. An FMC member who complies with the independence requirements defined in the GSB Internal Regulations shall be considered independent.
2. Without prejudice to the FMC power to assess the independence status of its elected members as such, each one shall be responsible for the permanent monitoring of the absence of any circumstance that might affect this status during the performance of his/her duties.
3. If an FMC member has doubts as to whether the assumptions of independence in relation to him/her or any other member, he/she shall present the case to the FMC Chairman, who shall initiate an assessment process with the GSB or Temporary Committee set up for the purpose, to issue a reasoned opinion on the independence status.

## **Article 8**

### **Competition**

1. Pursuant to Article 10 of the Articles of Association, in the absence of authorization from the General Shareholders' Meeting, the FMC members may not perform, directly or indirectly, activities in competition with the Company, nor hold positions in a competing company or be appointed on behalf of or on behalf of this company.
2. An FMC member, elected under Article 10(4) of EDP's Articles of Association, may not attend meetings or parts of meetings in which matters with competitive risk or sensitivity are discussed, in particular matters with an impact on markets where there is competition with the Company, nor access to the respective information and documentation.

## **Article 9**

### **Conflicts of Interests**

1. When an FMC member is in a situation of conflict of interests either apparent, potential or real, the member shall inform the FMC Chairman on the facts that may constitute or give cause to a conflict between his/her interests and social interest.
2. The FMC Chairman shall inform the GSB Chairman of this fact, who shall start a verification process with the GSB or a Temporary Committee composed by GSB members for that purpose, in order to be issued a reasoned resolution on the matter.
3. The FMC member that is found in an apparent, potential or real conflict of interests shall not issue opinions, exert influence or carry out any actions in decision-making procedures regarding the conflicting situation, without prejudice to the obligation to provide information and clarifications when requested by the Committee or by its respective members.

## **Article 10**

### **Rights and Duties**

1. Without affecting their other rights as set forth in law and the EDP's Articles of Association, FMC members have the right to:
  - a) Obtain information considered essential for the performance of their duties, through the FMC Chairman.
  - b) Attend EBD meetings in which accounts are reviewed.

- c) Propose to the FMC Chairman hiring the services of experts and advisors deemed necessary for them to perform their duties, within the agreed budget for such services.
2. Without prejudice of other rights set forth in Law and in EDP's Articles of Association, the FMC Chairman is entitled to request to the GSB Chairman all the information deemed convenient to perform his duties.
3. Without affecting their other duties as set forth in the Law and the EDP's Articles of Association, FMC members have the duty to:
  - a) Always act according to high standards of professionalism, impartiality, care and loyalty in the pursuit of the Company's interests.
  - b) Participate in the FMC meetings and justify as soon as possible any inability to attend.
  - c) Stay informed to ensure the proper performance of his/her duties.
  - d) Maintain confidentiality of events and information acquired during their duties, except in cases where its communication is permitted by Law.

## **Article 11**

### **Evaluation of the FMC Activity**

1. The FMC shall assess any difficulties and obstacles detected by its members regarding the performance of their duties and make every effort to ensure that appropriate measures are taken to remove difficulties and obstacles to the performance of their duties.
2. The FMC shall monitor compliance with rules applicable to the work of its members, those set out in this Regulation.
3. Every year, the FMC shall evaluate:
  - a) The activity developed by the Committee and the contribution made by the members.
  - b) The compliance with this Regulation, followed by a revision, if necessary.

## **Article 12**

### **Duties**

1. The FMC is responsible, in addition to other duties that are expressly assigned to it by the GSB to:
  - a) Verify, when deemed convenient, the books, accounting records and supporting documents, as well as the status of any assets or values owned by the company in any respect.
  - b) Verify that the accounting policies, procedures and practices and valuation criteria adopted



by the Company are consistent with generally accepted accounting principles and adequate for a correct presentation of its assets, liabilities and results, as well as supervise and monitor the tax policy and activity of the Group.

- c) Verify that the policies and procedures for sustainability reporting and the respective indicators are consistent with the applicable standards and best practices in this area, as well as that they are complied with and are adequate to ensure that the Company carries out its activities in such a way as to effectively contribute to sustainability in its different dimensions.
- d) To issue opinions on the annual report and Company accounts, including the report on the allocation and impact of green finance and loans linked to sustainability.
- e) Monitor and supervise the “litigation” process, by type of action (administrative, civil, offense, crime, tax, labour and others).
- f) To supervise the effectiveness of internal audit systems, internal control over financial reporting (ICSFR), internal control over sustainability reporting (SRICS), risk management and compliance management.
- g) Became aware of the communication of irregularities on financial matters (accounting, internal accounting controls and auditing) submitted to the Speak Up channel, to be reported quarterly by Ethics & Compliance.
- h) Regarding communication of irregularities of which it becomes aware under the previous paragraph, and whenever it deems it appropriate, to recommend to the Ethics & Compliance Officer the development of complementary actions to those foreseen in the investigation process presented by the latter.
- i) Supervise the adequacy of the preparation and disclosure of financial and sustainability information.
- j) Prepare a report for the GSB, which includes an analysis of the FMC and its role in the oversight referred to in the previous paragraph, focusing in particular on the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application between financial years and on ensuring the reliability of sustainability reporting.
- k) To permanently monitor the internal procedures related to matters of conflicts of interests raised within the scope of the Company’s activity, namely with its shareholders, as well as the effectiveness of the systems for assessing and resolving such conflicts, proposing, being such admissible, remedies in formal terms or in business structuring, for which it must (i) ask

the EBD for the information deemed appropriate and (ii) obtain the CGSC opinion.

- l) Issue a reasoned opinion on the matters subject to a prior opinion or their dismissal by the GSB, which concern transactions between related parties, supported, whenever applicable, by grounded opinions from the Risk and Compliance areas, which should be made known to the GSB.
- m) Issue a reasoned opinion on the quarterly reporting of transactions with related parties and may make proposals for recommendations to be forwarded to the EBD.
- n) Issue any reasoned opinions on matters related to sustainability reporting and receive and assess any opinions issued by employee representatives on sustainability matters.
- o) Issue, at the request of the Remuneration Committee (REMC) of the GSB, a reasoned opinion on the calculations of the Key Performance Indicators (KPIs) defined in the Remuneration Policy of the Members of the EBD of EDP, based on the information submitted for this purpose, by the Financial Planning & Analysis, which should be made known to the GSB.
- p) Present the main “findings, warnings and concerns” to the GSB every six months, in the context of monitoring the execution of ongoing investment projects of greater relevance, with an analysis of the actual *versus* foreseen.
- q) To monitor, on a biannual basis, the execution of investment projects in progress.
- r) To promote an adequate coordination between the internal audit works and the statutory audit.
- s) Define the criteria and coordinate the selection procedure of the Statutory Auditor under Annex I of this Internal Regulation.
- t) Issue a reasoned opinion under the terms of the applicable law on the renovation and renewal of the Statutory Auditor mandate in the end of each mandate to be presented to the GSB.
- u) To propose the hiring and dismissal of the statutory auditor as well as its remuneration.
- v) To supervise and monitor the Company's financial statements, on an individual or consolidated basis, in particular taking into account any possible recommendations made by the Portuguese Securities Market Commission (CMVM) and to clarify the content of the annual reports of conclusions, accounts and auditing and the additional report to the supervisory body, with the SA, and the FMC being the first recipient of those, in particular with regard to any reservations submitted, for the purpose of submitting recommendations to the GSB and the EBD, and still be the recipient of the reports made by the internal control

services, including risk management, compliance and internal audit functions, at least where matters related to the provision of accounts, the identification or resolution of conflicts of interests and the detection of potential irregularities.

- w) Ensuring the activity and independence of the SA, in accordance with Annex II of these Internal Regulations and the applicable legislation and regulations, in order to assess its independence and compliance with legal, regulatory and contractual provisions and the principles and good practices that govern the action of audit firms and their representatives with the auditees.
  - x) Approve the provision of audit and non-audit services by the SA to the Company or to the Subsidiaries, ensuring a verification of existing limitations and an adequate prior evaluation of the threats to independence of the SA that the provision of such services may lead to and the safeguards applied or to be applied to mitigate them.
  - y) Ensure that all communications and documents of the SA, with emphasis on the issue of the Audit Report, delivered to EDP must necessarily be addressed to the GSB Chairman and to the FMC Chairman, with knowledge to the EBD, or when, by the nature of the matter, the addressee is another, a copy of that communication or document should always be sent to the GSB/FMC Chairmen.
  - z) To assess, with the SA, the scope and breadth of the revision of the accounts and the audit.
  - aa) Pursuant to the applicable law, to exercise the duties of supervision and monitoring in relation to subsidiaries of EDP Group issuing listed debt securities.
2. In carrying out its duties, the FMC will pay special attention to supervision of the following:
- a) Any changes in accounting policies and practices and the procedures for their approval.
  - b) The definition of sustainability policies and strategies, in their different dimensions with an impact on sustainability reporting.
  - c) The reporting of any unusual transactions in the accounts of the Company and its Subsidiaries or Group Companies.
  - d) Any significant manual adjustments in the accounts of the Company and its subsidiaries/group companies prompted by the Board or on the intervention of the SA.
  - e) Any changes in relevant financial indicators and any alterations in the formal or informal rating of the Company or its Subsidiaries or Group Companies.
  - f) Any significant exposure to financial and non-financial risks, namely ESG (Environmental,

Social and Governance) risks.

- g) The development of good governance practices for the Company in terms of the internal control system for financial procedures and sustainability.
  - h) The internal audit matters, having the possibility to request to the Internal Audit any information deemed relevant, including the internal audit procedures and internal control on the financial report.
  - i) The internal control matters, being able to request from the Ethics & Compliance the information considered relevant, including the internal control procedures on the financial report and about sustainability reporting.
  - j) The identification, evaluation, risk management and control and evaluations of the internal level of compliance as well as the continuous monitoring of performance and risk management system efficiency of the Company, jointly with the EBD, following namely the risk control policies, the key risk indicators (KRI) identification and the integrated risk evaluation methodologies, having the possibility to request to the Risk and to the Risk Committee the information deemed convenient, having to assess and issue an opinion on the strategic guidelines and the corporate risk management policy of EDP Group previously to the final approval of the EBD.
  - k) The activity and the contractual relations with the Statutory Auditor, without interfering with the performance of their functions, having the possibility to formulate recommendations or request for clarifications within the GSB, EBD and SA relation, regarding financial information and sustainability as well as monitor and assess in accordance with the applicable law the objectivity and independence of the SA, namely with reference to other audit services.
  - l) The statutory audit results and the way how they contributed to the integrity of the preparation and disclosure of the financial information and sustainability as well as the role of the FMC performance on this procedure, reporting this information to the GSB and the EBD.
  - m) The Internal control report content of the financial reporting (ICFRS) and sustainability (SCIRS) with the support of the Ethics & Compliance and the SA.
  - n) The verification carried out by the SA of the information required by the applicable legislation to appear in the Remuneration Report.
3. Among its functions, the FMC is also authorized to:
- a) Propose to the GSB and the EBD measures addressed to guarantee the integrity of financial

information and sustainability and to the improvement of the financial information internal control systems and sustainability, risk management system and internal audit and compliance.

- b) Propose to the GSB the contracting of specialist services and independent consultants in accordance with the appropriate budgets.
  - c) Carry out other inquiries in departments of the Company and its Subsidiaries/Group Companies, when necessary in order to enable it to fulfil its duties.
  - d) Obtain all the information it requires in order to carry out its duties, either directly or indirectly through the GSB Chairman.
  - e) Attend EBD meetings; attendance at meetings at which the annual accounts are to be considered is mandatory.
  - f) Assess, annually, the activity and performance of the Internal Audit, as well as the work conditions adequacy namely the human resources and technical means.
  - g) Assess, annually, the activity and performance of the Ethics & Compliance, as well as the work conditions adequacy namely the human resources and technical means.
  - h) Review and approve, annually, coordination with the EBD, the Internal Audit Basic Standard.
  - i) Review and approve the Compliance Management System Standard every two years or whenever material changes occur, in coordination with the EBD.
  - j) Monitor on a permanent basis the communication of the Company to the Statutory Auditors Association the conclusion of contracts, on behalf of the SA, the nature and duration of the service to be provided for.
4. The FMC will establish all the necessary mechanisms to enable it to work in conjunction with the supervisory bodies in the Subsidiaries or Group Companies, with the aim of holding regular joint meetings and defining procedures for monitoring their work.

### **Article 13**

#### **Report to the GSB**

1. At the beginning of each year, the FMC must submit its yearly Plan of Activities to the GSB Plenary Meeting for approval.
2. The FMC will inform the GSB of its conclusions and minutes and must submit written reports or statements on the most important matters.

3. The informative elements referred on the previous number should also be made available on the internal information sharing platform.
4. At the first semester GSB ordinary meeting, the FMC Chairman shall present to the GSB updated information on the most important matters with which the Committee has dealt.
5. The FMC must produce an annual report of its work and its assessment of this work, which will be submitted to the GSB for consideration and will be included in its annual report.

#### **Article 14**

##### **Internal Regulation**

1. The FMC will annually review the implementation of this Regulation and will submit to the GSB Chairman the amendments necessary to improve the Committee's work, for approval in GSB Plenary Meeting.
2. The GSB Internal Regulation applies to all areas not covered by this Regulation.

#### **Article 15**

##### **Disclosure**

The Internal Regulation of the FMC is published on the institutional website of the Company.

**ANNEX I**  
**PROCEDURE ON CRITERIA AND THE SELECTION PROCESS OF STATUTORY AUDITOR (SA)**  
**OF THE COMPANY**

**Article 1**

**Object**

Define the criteria and coordinate the selection process of the Company's Statutory Auditor (SA).

**Article 2**

**Competence**

1. The Financial Matters Committee (FMC) is responsible to define the criteria and coordinate the selection process of the SA of the Company.
2. FMC may request to the GSB Chairman for technical support of the GSB Support Office.

**Article 3**

**Criteria and SA selection process of the company**

1. The selection of the Statutory Auditor of the Company will be made taking into account the following criteria:
  - (i) Professional technical experience of the candidate;
  - (ii) Academic curriculum and professional experience of team members dedicated by the candidate to the work among companies of EDP Group;
  - (iii) Specific know how of the competitor among companies of EDP Group;
  - (iv) Technical quality of the proposal;
  - (v) Work methodology
  - (vi) Guarantees of honesty, independence, absence of conflict of interests;
  - (vii) Number of hours foreseen to develop the work;
  - (viii) Price, detailing the value of the proposed fees and average fees per hour, per professional category and financial conditions;
  - (ix) Guarantees of operational and financial capacity of the competitor.
2. On the choice of proposal(s) it deems most advantageous, FMC, will consider the criteria identified in the preceding paragraph by the order it deems most appropriate, taking into account the specific circumstances.
3. Except in cases of mandate reappointment, the SA selection is made through a selection procedure coordinated by the FMC with the following phases:
  - (i) Drawn-up of the procedure documents addressed to statutory auditors or statutory auditors' companies inviting them to present accounting legal reviews service provision proposals. The documents should point out:
    - a) the activity scope of EDP.
    - b) the service to be provided for.

- c) the selection criteria set forth in number 1 of this article and the priority order of such under the terms deemed more adequate, taking into consideration the procedure specific circumstances.
- (ii) Opening of procurement procedure, under the terms and modality deemed adequate for the Company, that could include to the proposal request of specific statutory auditors or statutory auditors' companies and direct negotiation with the interested applicants.
- (iii) Evaluation of the proposal(s) and selection of the more convenient proposal(s) according to the criteria as defined in the procedure documents in order to propose to the General Shareholders' Meeting the appointment of the Statutory Auditor for their consideration.
- (iv) Preparations of the report on the conclusion of the selection procedure under the terms of the following article.

#### **Article 4**

##### **Proposals Assessment Report and Selection Proposal of the Financial Matters/Audit Committee**

1. After reviewing the proposals, considering the referred to in Article 3, FMC prepares a report on the evaluation process of proposals to the GSB, with a view to select the Statutory Auditor of the Company.
2. The FMC report must include a critical review of the conclusions of the process and properly support the proposal for a statutory auditor selection of the Company.
3. The report should include a recommendation on the selection of the SA with a minimum of two options to be proposed to the General Shareholders' Meeting of the Company, expressing the justifications for their preference.
4. The FMC states in the report that the recommendation is exempt from third party influences and that no clause that aims to limit the SA choice by the General Shareholders' Meeting of the Company has been imposed.
5. This article is applicable to the reappointment of the SA mandate, being the FMC in this case exempt from presenting other option according to number 3.
6. The report referred to in the preceding paragraphs must be submitted to the GSB.



## **ANNEX II**

### **STATUTORY AUDITOR ANNUAL ASSESSMENT PROCEDURE**

#### **Article 1**

##### **Object**

Define the rules for the annual evaluation of the Company's Statutory Auditor (SA).

#### **Article 2**

##### **Competence**

1. The Financial Matters Committee (FMC) is responsible for the annual review of the SA and the EA of the Company, including as to their independence.
2. The FMC may request the General and Supervisory Board (GSB) Chairman for technical support from the GSB Support Office.

#### **Article 3**

##### **SA Report on its Activity and Independence**

Until the 31<sup>st</sup> of January of each year, the SA of the Company submit to FMC a report with the following elements:

- a) SA governance structure;
- b) SA Internal quality control system;
- c) Declaration on independence practices of the SA which also confirms the completion of an internal review of independence compliance of such practices;
- d) The mechanisms used to assess whether any service provided to EDP is a threat to their independence;
- e) Description of services provided by the SA to EDP, by geography, in the previous year and amount of remuneration received;
- f) Annual revenues from audit services rendered;
- g) Annual revenues from other than provided audit services;
- h) Indication of whether some potentially conflicting services with independence are provided.
- i) Confirm the independence of the SA or the threats to its independence and the measures for the respective mitigation.

#### **Article 4**

##### **FMC Assessment**

1. Upon reception of the document referred to in Article 3, FMC prepares a report on the performance of the SA and on their independence.
2. The FMC report shall include a critical review of the information received in relation to each of the paragraphs and subparagraphs contained in Article 3 and shall also express a conclusion as to the degree of independence of the SA according to the following classification: adequate; to be improved; not adequate.
3. The report referred to in the preceding paragraphs must be submitted to the GSB.