Third Party Valuation Policy - MEO SGPS SA

Framework

The MEO Group's culture is based on responsible, ethical and transparent values and behaviours that guide the way it works and interacts with third parties. Its actions are guided by high standards of integrity, responsibility and professional ethics and by strict compliance with the applicable normative and regulatory framework, particularly in terms of preventing risks of corruption and related offences.

The MEO Group only establishes business relationships with third parties who act in strict compliance with the legal requirements in force and the Code of Conduct on Social Responsibility for Suppliers, which are set out in contractual clauses aimed at promoting and safeguarding compliance between the parties.

The General Regime for the Prevention of Corruption (RGPC), established by Decree-Law no. 109-E/2021 of 9 December, provided a specific legal framework for the prevention of risks of corruption and related offences, establishing a compliance programme that includes the implementation of a prior risk assessment procedure for third parties acting on behalf of the entities covered, suppliers and clients.

What is Third Party Valuation and what is its purpose?

Third Party Assessment is mandatory and verifies the legal, ethical and reputational compliance of MEO Group's business partners, prior to establishing the relationship or deciding to continue an existing relationship. It involves collecting and analysing public information on Third Parties in order to identify and assess potential risks of corruption and related offences that the relationship between MEO Group and the Third Party may entail.

The main objectives of Third Party Valuation are therefore to

- Reduce exposure to legal, financial and reputational risks arising from acts of corruption and related offences committed by third parties;
- To increase trust and transparency in commercial relations, reinforcing the credibility and reputation of the MEO Group;
- Ensuring compliance with the legal requirements in force, the MEO Group's Code of Ethics and Conduct and internal compliance policies;
- Avoid conflicts of interest;
- Avoid granting illicit advantages;
- Developing a culture of compliance in the value chain;
- Optimising contract management processes and relationships with third parties.

Scope of Third Party Valuation

The Third Party Assessment applies to all third parties with whom MEO Group companies have a relationship, primarily selected according to:

- Nature of the relationship;
- Criticality of the relationship for MEO Group's business;
- Suspicion of potential risks of corruption and related offences associated with the Third Party and/or its relationship with the MEO Group.

Third party categories

Without prejudice to the applicability to all Third Parties with whom the MEO Group Companies have a relationship, the following categories of third parties are prioritised for assessment:

- Suppliers, service providers and partners;
- Agents;
- Major clients;
- Entities related to real estate;
- Entities involved in gifts and hospitality;
- Recipients of sponsorship and other support.

Third Party Evaluation Process

1. Before establishing a relationship with a third party or deciding to continue an existing relationship, the Purchasing Department or the department responsible for the relationship asks the Compliance and Data Privacy Department (DCD) for its analysis and opinion;
2. The DCD carries out an assessment of the Third Party with the support of due diligence tools, with a view to identifying potential risks of corruption and related offences;
3. Based on the results of the assessment carried out, the DCD issues its opinion, based on the outcome of the risk analysis, as to whether there are any impediments to establishing a relationship with the third party;
4. If the opinion issued by the DCD identifies impediments to establishing the relationship, classifying the risk as High, but the Management that made the request considers the relationship essential (single supplier, competitive price, etc.), the decision to establish the relationship depends on its approval by the Executive Committee, which is provided with a form containing the DCD's opinion, the grounds for establishing the relationship and the mitigation plan proposed by the Management involved.

Once the risk analysis has been carried out, the result is filed and can be consulted by the DCD in the due diligence software, which will keep an eye on the registered Third Parties, issuing alerts in the event of changes to the risk profile and the parameters that characterise it.

MEO Group reserves the right to request additional information from Third Parties whenever it considers that the publicly available information is insufficient to assess the risk.