

# **INDEPENDENT AUDIT CONTRACTING POLICY**

---

## **1. GENERAL PROVISIONS**

Approved at the 11th Ordinary Meeting of the Board of Directors - CA, held on November 8, 2023 (Version 2).

## **2. PURPOSE**

The purpose of this Policy is to establish guidelines for contracting an Independent Audit with the aim of ensuring that the Financial Statements of Companhia de Saneamento do Paraná - SANEPAR are presented in an adequate and complete manner, in accordance with current laws and accounting practices and ensuring that they have been audited with independence and that the work was carried out in an objective and impartial manner, thus helping foster an environment of trust and credibility among all users of the accounting information.

The limits and criteria set forth herein are based on CVM Resolution No. 80/2022, the Company's Bylaws and Deliberations of the Board of Directors and/or the Company's General Meeting.

## **3. SCOPE**

This policy applies to SANEPAR and its directly or indirectly controlled companies, administrators and employees involved in the selection, contracting and payment processes for independent audit services, who are obliged to follow all the guidelines set forth in this Policy.

This Policy is available at <http://www.ri.sanepar.com.br> and, once approved by the Board of Directors, it shall be disclosed to all persons who shall comply with it.

## **4. REFERENCES**

- Brazilian Code of Corporate Governance - Publicly-Traded Companies;
- NBC PA 01 – Quality Control for Firms (Legal Entities and Individuals) of Independent Auditors;
- NBC PA 400 – Provides for the independence of audits and reviews;
- NBC TO 3000 – Assurance Works Other than Audits and Reviews;
- CVM Resolution No. 23/2021;
- CVM Resolution No. 80/2022; and
- Internal Regulations of the Statutory Audit Committee.

This Policy must be read and interpreted together with Sanepar's Code of Conduct and Integrity and other corporate policies.

## 5. DEFINITIONS

Key terms referenced in this corporate policy include:

- a) Independent Auditor: Company specialized in the provision of professional technical services of independent external audit, contracted under the terms of this Policy; and
- b) Independent Audit Services: It consists of ensuring, by an independent external audit company, the credibility of the information provided in the Financial Statements, in accordance with the accounting practices adopted in Brazil and subsequently issuing an opinion from the Independent Auditor on all relevant aspects of the equity and financial status of a given company.

The following are within the scope of contracting Independent Audit services, and which are not characterized as extra-audit services:

- Audit of the annual Financial Statements based on accounting standards and practices adopted in Brazil and issuance of the Independent Auditor's Report on the Financial Statements;

- 
- Review of the Interim Financial Statements and issuance of the Special Review Report for Quarterly Information (ITR);
  - Preparation of the Independent Auditor's Report on the Company's internal controls and IT Systems, including comments and recommendations, with a view to adopting corrective measures in each case, resulting from possible audit findings, including indicating the relevant facts identified that may lead to the strengthening these controls;
  - Preparation of a Report on previously agreed procedures on compliance with financial indexes arising from financing agreements, loans, issuance of debentures and other securities;
  - Preparation of the Company's Tax Review Report; and
  - Preparation of a Limited Assurance Report on the Company's Integrated Report.

## **6. GUIDELINES**

### **6.1. Contracting Principles**

The contracting process for the Independent Audit must follow best market practices to ensure that there is transparency, equality and free competition, and be preceded by a selection process that must contain the following criteria:

- The participating company must have qualifications, experience and proven competence in providing independent audit services to companies of the same size and complexity as the Company;
- The participating company must have an independent audit team with experience levels that match the size and characteristics of the Company;
- The participating company must be reputable and have a good reputation in the market; and
- The participating company must present a proposal with hours and fees compatible with the scope and extent of the work.

## **6.2. Agreement Management:**

The Independent Auditors must be contracted in accordance with the RILC – Internal Regulations for Bids, Agreements and Covenants, and the Statutory Audit Committee - CAE must forward the contracting process for approval by the Board of Directors - CA.

The agreement with the independent auditing company shall have a maximum duration of five (5) years. As prescribed by article 31-A of CVM Resolution No. 23/2021, the contracted independent audit company may participate in a new bidding process, when the same Independent Auditors are hired, limited to a further five (5) years, for a maximum total of ten (10) years, provided that the Company has a Statutory Audit Committee – CAE in permanent operation.

In cases where the term of execution of the agreement exceeds five (5) consecutive years, the Independent Auditors must promote the rotation of the technical manager, officer, manager and any other member of the audit team with a management role, with an interval of three (3) years before returning.

Once the Independent Auditors provide services within the maximum permitted period, they may only be contracted again after the agreement connected to the audit work has reached its end, and a minimum interval of three (3) years has been respected.

## **6.3. Audit Reports on Financial Statements**

The Independent Auditors must express their opinion on the adequacy of the Company's Financial Statements through Audit Review Reports in accordance with the rules in force in Brazil, in addition to issuing a Recommendation Report arising from their assessment of the Company's Internal Controls within the deadlines agreed with Management in order to meet the annual calendar of corporate events disclosed to the Market.

## **6.4. Extra Audit Services**

---

The Independent Auditors may be contracted to perform other services outside the scope of the independent audit, provided that the extra-audit services:

- Do not compromise independence in carrying out external audit work; and
- Are previously analyzed by the Statutory Audit Committee - CAE and subsequently sent to the Board of Directors - CA for approval.

If the internal audit activity is outsourced, these services cannot be performed by the same company that provides audit services for the financial statements. Likewise, Sanepar may not contract anyone who has provided independent audit services to the company for less than three years to conduct the internal audit.

## **7. RESPONSIBILITIES**

The Financial and Investors Relations Board – DFRI is responsible for the Independent Audit Contracting Policy related to the Financial Statements.

In the process of contracting an Independent Audit for Financial Statements, the following responsibilities are assigned:

### Board of Directors

- The Board of Directors – CA must evaluate, authorize and approve the contracting of the independent audit for the Financial Statements based on the analyses and recommendations made by the CAE – Statutory Audit Committee.

### STATUTORY AUDIT COMMITTEE

- The Statutory Audit Committee - CAE is the body responsible for evaluating the services provided by the Independent Auditor and formally recommending to the Board of Directors - CA the contracting or replacement of the Independent Auditor;
- The Statutory Audit Committee – CAE, must monitor the work of the Independent Audit in the execution of its services in accordance with the guidelines of its independence and annually

---

request a Formal Representation from the Independent Auditors that confirms their independence during the execution of the work;

- The Statutory Audit Committee - CAE, with the support of Internal Audit - AUD and the Governance, Risks, and Compliance Deputy Board - DAGRC, must evaluate the points of recommendations highlighted by the Independent Audit in the Internal Controls Review Report, promote appropriate actions and present the responses and actions of the Executive Board to the Board of Directors – CAE, on an annual basis; and
- Evaluate and give an opinion regarding the existence of possible conflicts of interest that affect the independence of independent auditors when presenting proposals for extra-audit services.

#### Financial and Investors Relations Board

- The Financial and Investors Relations Board - DFRI, with the support of Accounting Management - GCB, must coordinate the process through which Independent Audit services and extra-audit services are contracted and allocated to services related to the Financial Statements, in accordance with the guidelines set out in this Policy; and
- The Financial and Investors Relations Board – DFRI, with the support of Accounting Management – GCB, must centralize the response to the requests made by the Independent Audit company in the execution of its services.

#### Governance, Risks, and Compliance Deputy Board

- The Governance, Risks, and Compliance Deputy Board – DAGRC, must periodically evaluate the effectiveness of this Policy.

#### Internal Audit - AUD

- The Internal Audit – AUD, along with the Governance, Risks, and Compliance Deputy Board – DAGRC, must evaluate and support

---

actions and responses from the Executive Board on the points of recommendations highlighted by the Independent Audit in the Internal Controls Review Report and present them to the Board of Directors – CAE on an annual basis.

#### Independent Auditors

- The Independent Auditors must report to the Board of Directors - CA, through the Statutory Audit Committee - CAE. When reasonable and appropriate, the Executive Board must be informed of aspects of the development of the audit work;
- The Independent Auditors must issue, subject to the applicable provisions, a Report on whether, in their opinion, the Financial Statements prepared by Management adequately present, in all relevant aspects, the Company's equity and financial status and the results of its transactions;
- The Independent Auditors must evaluate whether the Company's internal controls are adequate and sufficient to allow the preparation of Financial Statements without material impact and distortions, regardless of whether caused by error or fraud, reporting to the Statutory Audit Committee - CAE regarding their observations for the improvement of these internal controls;
- The Independent Auditors must be present at meetings of the Board of Directors - CA and Supervisory Board - CF and at Shareholders' Meetings in which the audited Financial Statements are assessed, to provide clarifications to Directors and shareholders; and
- The Independent Auditor is responsible for, among others:
  - Ensuring his/her independence in relation to the Company; and
  - Reporting any relevant disagreements with the Board to the Statutory Audit Committee - CAE in relation to significant



failures in internal controls, risk assessment, possibility of fraud and critical accounting policies.

## 8. LIABILITY

Failing to comply with the duties set out in this Policy must be examined by the Responsible Board and their respective responsible parties as described in this document chapter 7 - Liability and submitted to the Board of Directors so that measures may be adopted for the purpose of determining liability.

## 9. FINAL PROVISIONS

Doubts regarding the interpretation of this Policy must be clarified with the Financial and Investors Relations Board - DFRI or with Sanepar's Compliance area.

This policy will become effective on the date of its approval by the Board of Directors.

## 10. HISTORY

Independent Audit Contracting Policy		Version		2
		Management Area		DFRI/GCB
		Confidentiality		External Audience
Version	Date	Person in Charge	Approved by	Change Description
1	4/16/2019	Governance, Risks, and Compliance	Board of Directors	First Issue
2	11/8/2023	Governance, Risk, and Compliance Board	Board of Directors	Adaptation to the Compliance standard and review of the entire text, inclusion

				of the definitions chapter and inclusion of the liabilities chapter.
--	--	--	--	---