



*(Translation from the Portuguese original)*

## INTERNAL REGULATION OF THE BOARD OF DIRECTORS OF SONAE - SGPS, SA

### Article 1

#### BOARD COMPOSITION AND SPECIALISED COMMITTEES

1. The Board of Directors shall have the number of members determined by the General Meeting and shall include executive and non-executive board members. The Chair of the Board of Directors has a casting vote.
2. The Board of Directors appoints its Chair, from among its members, as well as an Executive Committee which shall have delegated powers to conduct the daily management of the Company.
3. The Board of Directors shall appoint, by resolution taken without the opposition of the majority of independent non-executive Board members, a Senior Independent Director and a Lead Non-Executive Director, as per corporate governance best practices.
4. The Board shall appoint three specialised committees, the Board Audit and Finance Committee, the Board Nomination Committee and the Board Remuneration Committee, in order to support the nonexecutive director's activity and ensure the maximum effectiveness of the management of the Board.
5. The Board Audit and Finance Committee is composed of up to seven non-executive directors, with at least one third of them being independent, appointed by the Board of Directors, including its Chair.
6. The Board Nomination Committee is composed of five members appointed by the Board of Directors from among its members, with a majority of independent members, and the Chair of the Board of Directors having the role of the Chair of this committee.
7. The Board Remuneration Committee is composed of five members appointed by the Board of Directors from among its members, with a majority of independent members, with the Chair of this committee being an independent non-executive director.
8. The committees appointed by the Board of Directors shall have access to external specialists, from suitable entities, recognised in the market as being reputable, competent and independent.
9. The Board of Directors has the power to appoint committees with an advisory role to be composed of members which are not members of the Board of Directors or that are external to Sonae Group.

### Article 2

#### POWERS AND DUTIES

1. The Board of Directors is responsible for the management of the business and for carrying out all operations related to fulfilling the Company's objectives, and for that purpose, the Board is given the widest powers, including the following:



- a) to approve the Company's annual budget and the financing of the Group's business plan;
  - b) to decide on the strategy and on the main policies of the Company;
  - c) to periodically assess its performance and that of the appointed committees, in light of the Company's strategic plan and budget, risk management, internal procedures and relationship between other governing bodies and the committees of the Company.
2. The members of the Board of Directors shall, among their remaining duties imposed by law and corporate governance best practices, develop their respective qualifications and improve their knowledge with the goal of ensuring a rigorous, diligent and informed performance of their role and fulfilment of their duties.

### Article 3

#### DELEGATION OF POWERS – EXECUTIVE COMMITTEE

1. The Board of Directors delegates, as allowed by the Company's Articles of Association, to an Executive Committee the powers to manage the day-to-day operations of the Company and regulates how the Executive Committee will operate and how these delegated powers will be exercised.
2. It is reserved and of the exclusive competency of the Board of Directors the power to take decisions regarding the following matters:
  - a) to appoint the Chair of the Board of Directors;
  - b) to co-opt a member to the Board;
  - c) to request the convening of Shareholders' General Meetings;
  - d) to approve the annual report and accounts;
  - e) to grant any pledges, guarantees or charges over the assets of the Company;
  - f) to decide to change the Company's registered office or to approve any share capital increases;
  - g) to decide on mergers, de-mergers, or modifications to the corporate structure of the Company;
  - h) to approve the Company's portfolio management strategy and respective policies;
  - i) to approve the Company's annual budget and the financing of the Group's business plan and any significant changes thereto.

### Article 4

#### BOARD AUDIT AND FINANCE COMMITTEE

1. It is the role of the Board Audit and Finance Committee to:
  - a) supervise and analyse the Company's annual and interim financial statements and earnings announcements released to the market, and report its findings to the Board, giving the necessary support to the Board's financial statements approval process;



- b) advise the Board on the preparation of its reports to shareholders and financial markets to be included in the Company's annual and half-year financial statements and in the quarterly earnings announcements;
- c) advise the Board, including the evaluation and recommendations of suggestions made by the Statutory Audit Board, on the adequacy and quality of information provided by the Executive Committee, and the systems and standards of internal business controls applied by the Company;
- d) monitor internal audit activity, in conjunction with plans validated by the Statutory Audit Board, reach conclusions and submit these for consideration by the Board of Directors;
- e) assess operational procedures in order to ensure that internal control, effective management of risks, prevention of irregularities, the timely distribution of information and the reliability of the process of preparing and disclosing financial information are monitored, as well as reaching conclusions and submitting these for consideration by the Board of Directors;
- f) ensure the regular flow of information between the members of the Board of Directors and of the Statutory Audit Board and Company's officers for the purpose of the assessment of performance, status quo and perspectives of the Company's development, including, namely, meetings minutes, support documentation for taken resolutions, notices for convening meetings and archive of the Executive Committee meetings, as well as any other documents and access to human resources from whom additional information can be provided;
- g) ensure the interaction between the Statutory Audit Board, including the timely exchange of information and documentation between the two bodies, namely regarding strategic objectives and risk policy approved by the Board of Directors;
- h) ensure that the corporate governance policies and recommendations adopted by the Company are followed,
- i) ensure that financial reporting standards and practices are adhered to by the Company;
- j) monitor formal and informal key financial indicators reported about the Company, including reports published by rating agencies;
- k) receive and report to the Board of Directors notice made by any director regarding a potential conflict of interest or a limitation on his or her independence as required by the approved policy on conflicts of interest;
- l) give an opinion on significant relevant transactions made by the Company with related parties, pursuant to the rules set forth in the Internal Policy on Related Parties Transactions, attached as Appendix I to this Regulation.

## Article 5

### BOARD NOMINATION COMMITTEE

It is the role of the Board Nomination Committee to:

- a) identify and assess the suitability of potential candidates with a profile fit for appointment to the Board of Directors and to its Committees, in accordance



with the internal policy on selection and evaluation, in particular when the Board decides to co-opt a Board member and when the Board is responsible for assessing candidates for CEO roles in the main subsidiaries of Sonae Group;

- b) provide oversight of succession planning, contingency planning and talent management in general for Board members and other senior management positions in Sonae Group, and ensuring that the appointment process and training of the candidates is suitably conducted;
- c) advise the Board on advance disclosures made by members of the Board of Directors in relation to accepting outside directorships and other significant roles or activities, as required by the Company's approved policy on conflicts of interest.

#### Article 6

##### BOARD REMUNERATION COMMITTEE

It is the role of the Board Remuneration Committee to:

- a) act with the objective of ensuring that the remuneration policy and practice reflect and support the long-term strategic goals and that they are compatible with the Company's risk policies and systems and that they take into account pay and employment conditions elsewhere in the Sonae Group and in the external market;
- b) give feedback on the proposed remuneration and compensation policy prepared by the Executive Committee and subsequently submit the policy to the Board for review, before the Board submits a final proposal to the Shareholders' Remuneration Committee for their review and approval and subsequent inclusion in the agenda of the Shareholders' Annual General Meeting to obtain the approval of shareholders;
- c) receive, analyse, and, in some cases prepare, as and when required by approved internal processes, proposals for the remuneration of the Board of Directors and other Statutory Governing Bodies and present them for approval to the Shareholders' Remuneration Committee. All proposals must be in line with the Company's approved Remuneration and Compensation Policy;
- d) provide oversight in relation to remuneration resolutions taken by the Executive Committee for the group senior executives who report directly to the Executive Committee.

#### Article 7

##### ETHICS COMMITTEE

1. It is the role of the Ethics Committee to:

- a) promote and disseminate the Code of Ethics and Conduct to its main target audience;
- b) consider and answer questions sent by the members of the governing bodies of the Group's companies, as well as those sent by employees, partners or



- third parties which fall within its scope, making the recommendations it deems appropriate according to the nature of each case;
- c) check the existence of internal mechanisms to report irregularities, making sure they comply with the law, particularly in terms of confidentiality, the handling of information and the non-existence of reprisals against whistleblowers;
  - d) propose to the Board of Directors, after consulting with the Executive Committee, the approval of changes to the Code of Ethics and Conduct, whenever considered appropriate;
  - e) issue clarifications regarding the interpretation of provisions in the Code of Ethics and Conduct, on its own initiative, or after being requested to do so, by members of the governing bodies or employees;
  - f) forward to the Statutory Audit Board the report of irregularities to allow that body to fulfil its responsibilities;
  - g) supervise its activities and submit an annual report on work carried out to the Board of Directors.
2. The Board of Directors appoints a non-executive member to chair the Company's Ethics Committee, which shall be additionally composed of the following members: the Head of Human Resources Department, Sonae Ombudsperson, the Head of the General Counsel and Corporate Governance Department, and the Board and Corporate Governance Officer who shall act as secretary to this Committee.

#### Article 8

##### APPOINTMENT OF THE BOARD AND CORPORATE GOVERNANCE OFFICER, SONAE OMBUDSPERSON AND THE COMPANY'S SECRETARY

1. The Board of Directors shall appoint the Board and Corporate Governance Officer, Sonae Ombudsperson and the Company's Secretary and his or her deputy.
2. It is the role of the Board and Corporate Governance Officer to:
  - a) ensure the smooth running of the Board and Board Committees;
  - b) participate in Board meetings and relevant Board Committee meetings and, when appointed, serve as a member;
  - c) facilitate the acquisition of information by all Board and Committee members;
  - d) support the Board in defining its role, objectives and operating procedures;
  - e) take a leading role in organising Board evaluations and self-assessments;
  - f) keep under close review all legislative, regulatory and corporate governance issues;
  - g) support and challenge the Board to achieve the highest standards in corporate governance;
  - h) support the proceedings adopted by the Board of Directors to ensure that the stakeholders and the minority shareholders' interests are taken into account by the Board when important business decisions are being taken;
  - i) support the procedure to nominate and appoint directors and assist in the induction of new directors;



- j) act as a primary point of contact and source of advice and guidance for, particularly, non-executive directors about the Company and its activities;
  - k) facilitate and support the independent non-executive directors to assert their independence;
  - l) ensure compliance with the corporate governance recommendations for listed companies;
  - m) participate in the arrangements for the Shareholders' General Meetings;
  - n) participate in the arrangement of mandatory individual insurance cover for members of the statutory governing bodies;
  - o) participate, on behalf of the Company, in external initiatives to debate and improve corporate governance regulations and practices in Portugal.
3. The Ombudsperson has the responsibility of receiving, analysing and giving feedback to reports made by employees, clients or suppliers and other service providers, as well as forwarding them to the competent bodies.
4. It is the role of the Company Secretary to:
- a) keep the formal minute books and attendance lists at Shareholders' General Meetings;
  - b) forward the legal documentation to convene Shareholders' General Meetings;
  - c) supervise the preparation of supporting documentation for Shareholders' General Meetings and legal documentation for the meetings of the Board of Directors and draft the respective formal minutes;
  - d) provide feedback, pursuant to the applicable legal provisions, to Shareholders' requests for information;
  - e) ensure the legal registration of any act or resolutions of the Company's statutory governing bodies.

## Article 9

### RULES OF OPERATION

1. The Board of Directors meets normally at least once every quarter and, in addition, whenever the Chairman or two Board directors convene a meeting, and always for the approval of the Company's annual budget and the financing of the Group's business plan.
2. Any member of the Board of Directors can be represented at meetings by another member of the Board by means of an appointment letter, addressed to the Chair of the Board, indicating the day and hour of the meeting to which it refers to, such letters to be recorded in the minutes of the meeting and duly filed.
3. Meetings of the Board of Directors may be held using telecommunications technology within the terms of the law.
4. The Executive Committee meets once a month and whenever any of its members convenes it, at least three days before the meeting is held.
5. The committees appointed by the Board of Directors should adopt internal operational terms of reference approved by the Board. Without prejudice to the timely and suitable feedback to be given to the requests of information made by the Board of Directors, the Chairs of the committees who are also members of



the Board of Directors, should make a summary, at each Board meeting, of the relevant facts resulting from committee meetings.

## Article 10

### QUORUM AND RESOLUTIONS

1. The Board of Directors, the Executive Committee, and the respective specialised committees, may only deliberate if a majority of their members is present or represented.
2. The decisions will be taken by a majority of votes cast by members present, represented, or voting in writing.
3. The deliberations of the specialised committees are taken in an advisory role in support of decision-making process of the Board of Directors.

## Article 11

### RULES OF CONDUCT

1. The members of the Board of Directors and of the committees appointed by the Board should, when exercising their respective role, and additionally to their legal duties, comply with:
  - a) Sonae's Code of Ethics and Conduct;
  - b) The approved procedures on Related Party Transactions, in the terms set forth in Appendix I to this Regulation;
  - c) The approved regulation on Conflicts of Interest.
  - d) The Market Abuse policy on share dealings.
2. The policies and internal proceedings pertaining to conflicts of interests and dealings in Sonae shares shall remain in force.

## Article 12

### RELATED PARTIES' TRANSACTIONS REPORTING

The procedure to be followed by the Board of Directors on Related Parties' Transactions is that embodied in the Internal Policy on Related Parties' Transactions, approved by the Board of Directors, with prior favourable opinion of the Statutory Audit Board, and that constitutes Appendix I to this Regulation, in compliance with articles 249-A to 249-D of the Portuguese Securities Code.

## Article 13

### DISCLOSURE OF CONFLICTS OF INTEREST

1. The members must, as set forth in clause 11, paragraph 1, subparagraph c) above, periodically inform the respective body or committee of any facts that may constitute or create a conflict of interests between their individual interests and the Company's interest.
2. The members that, pursuant to the set forth in the previous paragraph, represent to have a conflict of interest, shall not interfere with the decision-making process, without prejudice of their duty to provide any information and clarification as may be requested by the body, the committee or their respective members.



3. The members must follow the detailed process set out in the approved regulation on Conflicts of Interest.

#### Article 14

##### INFORMATION SHARING

The Chairs of the Board and of the appointed committees, as well as the appointed Senior Independent Director and Lead Non-Executive Director, shall timely and suitably ensure the proper flow of information for the exercise of the legal and statutory role of all the remaining governing bodies and committees, by articulating the necessary information resources (through documentation and human resources) for, including but not limited to, making available the notices of convening, the meetings' minutes and respective supporting documentation.

#### Article 15

##### FINAL DISPOSITION

Any alteration to this Board Regulation of the other regulations or policies referred to above are of the exclusive competence of the Board of Directors.





*(Article 4, paragraph 3 of the Statutory Audit Board's Internal Regulation/ Article 12 of the Board of Directors' Internal Regulation)*

## **POLICY ON RELATED PARTY TRANSACTIONS**

### **1. FRAMEWORK**

Sonae – SGPS, SA (the “**Company**”) has in practice, since 2008, a specific procedure concerning related parties’ transactions, approved by the Board of Directors and by the Statutory Audit Board, with a purpose substantially similar to the one arising from Law no. 50/2020 that, as from 26<sup>th</sup> August, established a formal set of rules and procedures for monitoring and disclosure of related parties’ transactions, without prejudice to the tax law regarding transfer pricing, that remain in force.

Sonae’s original procedure concerning related parties’ transactions aimed at ensuring that these transactions are concluded *(i)* on an “arm’s length basis”, consistently with the legal requirements, being fully and transparently disclosed; and *(ii)* in a way in which minority shareholders are protected, as these transactions should benefit all shareholders equally.

### **2. OBJECT AND SCOPE**

2.1. This Policy establishes the internal procedures applicable to Related Party transactions, as provided in the applicable legal framework, including articles 249-A to 249-D of the Portuguese Securities Code, article 397 of the Portuguese Companies Code, the relevant provisions of IAS 24 and chapter I.5 of the 2020 IPCG Corporate Governance Code.

2.2. This Policy relates to the following types of transactions:



- a) transactions to be executed by Sonae, SGPS, S.A. (“**Company**”), on the one side, and a Related Party<sup>1</sup> of the Company, on the other side (“**RPT**”); and
  - b) transactions between a Related Party of the Company and a Company’s Subsidiary<sup>2</sup>, for an amount that is equal to or exceeds 2.5% of the Company’s Consolidated Assets<sup>3</sup> (“**Subsidiary Transaction**”).
- 2.3. For the avoidance of doubt, transactions to be executed between a member of the Board of Directors (including the Executive Committee) and the Company or companies that are in a group or control relationship with the Company (“**Management Transaction**”) may also be considered RPTs or Subsidiary Transactions, as the case may be.

### 3. GENERAL PRINCIPLES

#### 3.1. Corporate interest and fairness

A) Each member of the Board of Directors shall promote that RPTs:

- a) have the best interests of the Company into consideration; and
- b) are carried out in arms’ length i.e., as if the parties to the transaction were independent entities carrying out comparable transactions, consistent with market conditions, in order to ensure the protection of the Company’s minority shareholders as well as all the remaining stakeholders.

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<sup>1</sup> The expression “**Related Party**” has the meaning set out in paragraph 9 of IAS 24 as adopted by Commission Regulation (EC) No 1126/2008 of 3 November 2008 [*Annex I contains a list that summarizes the criteria set out therein for the identification of related parties.*]

<sup>2</sup> “**Subsidiary**” means a corporate entity over which the Company has a dominant influence in accordance with article 21 of the Portuguese Securities Code.

<sup>3</sup> “**Company’s Consolidated Assets**” means the value of the Company’s assets in accordance with its most recent publicly available audited consolidated accounts.



B) The member of the Board of Directors or of the Executive Committee who has a conflict of interest shall not vote or intervene in the RPT' decision-making process without prejudice to his/her duty to provide any information and clarification as may be requested by any other members of the respective body.

### 3.2. **Transparency**

Each member of the Board of Directors shall, where applicable under the terms of this Policy:

- a) promote that RPTs and, to the extent under their reasonable influence, Subsidiary Transactions are properly documented and, where relevant, disclosed in accordance with this Policy; and
- b) keep the Board of Directors, through the Board Audit & Finance Committee (“**BAFC**”), informed in relation to any RPT or Subsidiary Transaction that may come to their knowledge.

### 3.3. **Ordinary Course**

The Board of Directors or, where applicable, the Executive Committee shall promote that RPTs and Subsidiary Transactions are:

- a) entered into in the ordinary course of business of the Company (considering that the Company is a holding company, subject to the legal regime applicable to holding companies, presently set out in Decree-Law no. 495/88, of 30 December) or of the relevant Subsidiary; and
- b) concluded on normal market terms (without any special, unusual or non-market standard terms and conditions applying) and, in what concerns Management Transactions, no special benefit is granted to the other contracting party.

Transactions complying with both requirements shall, for the purposes of this Policy, be deemed “**Ordinary Course Transactions**”.



### 3.4. **No credit to board members**

The Company is not allowed to execute, and the Board of Directors and the Executive Committee shall not approve or execute, any Management Transaction whereby the Company (or a company that is in a group or control (*domínio*) relationship with the Company) directly or indirectly grants a loan or credit to any member of the Board of Directors (including, for the avoidance of doubt, members of the Executive Committee) or issues guarantees for obligations incurred by them, nor pays more than one month of their respective remuneration in advance.

## **4. INTERNAL RECORD AND STATUTORY AUDITOR REVIEW**

- 4.1. All RPTs shall be notified to the BAFC, which, with the assistance of the Secretary of the Board of Directors, shall keep a full record of such transactions, together with all relevant documentation related therewith.
- 4.2. The Board of Directors, through the Executive Committee, shall send to the Statutory Audit Board, at least every six months, the list of RPTs entered into since the most recent communication, together with supporting documentation and information, notably the elements set out in Section 7.2.a) to d)<sup>4</sup>.
- 4.3. Following receipt of the elements referred to in Section 4.2, the Statutory Audit Board shall review such documentation and, verify whether such RPTs are Ordinary Course Transactions; the conclusions of this review shall be included in its annual report and presented to the Board of Directors.
- 4.4. The Statutory Audit Board may request any relevant information regarding the RPT from the BAFC, which shall process any such requests with the Executive Committee, as well as issue recommendations.

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<sup>4</sup> The first report shall cover the period starting on 26th August 2020.



## 5. ORDINARY COURSE TRANSACTIONS AND EXEMPTED TRANSACTIONS

5.1. The following transactions are deemed to be Ordinary Course Transactions and, where applicable, are only subject to the provisions regarding internal record and review set forth in Section 4:

- a) RPTs the terms and conditions of which (including their respective price) are in line with usual transactions of the Company and determined by external factors not controlled by the Company (for example, transactions executed on a regulated market in line with prevailing market prices);
- b) All RPTs and Subsidiary Transactions entered with credit or other financial institutions, to the extent such transactions correspond to and are in line with usual transactions of the Company and with the terms and conditions of past transactions entered into between such parties (for example, renewals or extensions of existing credit lines) or their overall terms and conditions are not less favourable to the Company (or the Subsidiary) than those offered by non-Related Parties;
- c) All RPTs the conditions and/or pricing of which are previously determined and are indistinctly applicable to any counterparty.

5.2. The procedural and the disclosure requirements provided in Sections 6.1 and 7.1 shall not apply in respect of the following transactions (“**Exempted Transactions**”):

- a) transactions carried out between the Company and its Subsidiaries (to the extent these are in a control relationship (*domínio*) with the Company<sup>5</sup> and no Related Party of the Company has an interest in that Subsidiary);
- b) transactions concerning the remuneration of members of the Board of Directors, or certain elements of such remuneration; and

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<sup>5</sup> Entities joint controlled by the Company shall not be relevant for the exclusion.



- c) transactions proposed to all shareholders of the Company on the same terms, with equal treatment of all such shareholders and the protection of the Company's interests.

## **6. TRANSACTIONS BETWEEN THE COMPANY AND ITS RELATED PARTIES (RPT)**

- 6.1. All transactions that are not excluded or exempted under Section 5 that are contemplated to be entered between the Company and one or more of its Related Parties shall firstly be reviewed by the Company's Accounting department, which shall deliver to the corporate body competent to approve the transaction a report:
  - a) Indicating the transaction estimated value (as well as, if the relevant Related Party entered into other RPTs with the Company in the past 12 months that were not publicly disclosed in accordance with this Policy, indicating what were the values of such RPTs);
  - b) Indicating whether such transaction is an Ordinary Course Transaction (and why); and
  - c) Confirming that the Company's Tax department has been informed of the potential transaction for the purposes of, where relevant, complying with transfer pricing requirements.
- 6.2. The Executive Committee may approve an RPT if (i) it falls within the Executive Committee's powers of resolution, (ii) the report provided by the Company's Accounting department confirms that the intended RPT is an Ordinary Course Transaction (and the Executive Committee agrees with such analysis) and (iii) the value of the intended transaction does not exceed € 100,000,000.00 (considering as well the relevant RPTs entered between such Related Party and the Company in the past 12 months that were not publicly disclosed in accordance with Section 7) .
- 6.3. If the Executive Committee approves the intended RPT in accordance with Section 6.2, it shall promptly, in order to ensure the half-year report to the Statutory Audit Board pursuant to Section 4.2, inform the BAFC, through the Secretary of the Board of Directors, of such resolution.



6.4. Prior opinion issued by the Statutory Audit Board and by the BAFC (both to be issued no later than within 10 business days, which may be shorter or longer depending on the complexity of the matter and/or the urgency involved), followed by a resolution by the Board of Directors is required for the approval of RPTs not excluded or exempted under Section 5 that:

- a) are not Ordinary Course Transactions; or
- b) exceed the amount of € 100,000,000.00<sup>6</sup>.

6.5. For the avoidance of doubt, Related Parties or their representatives may not be involved in the review of approval of any RPT in respect of which they are a party to.

## **7. PUBLIC DISCLOSURE OF RELATED PARTY TRANSACTIONS**

7.1. The Board of Directors shall ensure that the Company publicly discloses all RPTs that (i) are not Ordinary Course Transactions and (ii) have a value that (by themselves or together with other RPTs entered into by the same Related Party in the past 12 months not publicly disclosed in accordance with this Policy) is equal to or exceeds 2.5% of the Company's Consolidated Assets, no later than on the date in which such RPT is executed.

7.2. The public disclosure mentioned in Section 7.1 shall comprise, at least, the following elements:

- a) identification of the Related Party;
- b) information on the nature of the relationship with the Related Party;
- c) the date and value of the RPT;

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<sup>6</sup> Where relevant, this amount shall be aggregated with other transactions entered into between the relevant Related Party and the Company in the past 12 months that were not publicly disclosed in accordance with Section 7.1.



- d) the substantiation as to the fair 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
- e) reference to the fact the opinion of the Statutory Audit Board regarding such RPT was not favourable, if that was the case.

7.3. The Board of Directors shall specify in the Company's annual report all the approvals of RPTs authorized by the Board of Directors under article 397 of the Portuguese Companies Code, and the Statutory Audit Board's report shall mention the opinion issued in respect of the those authorizations.

7.4. The duties of public disclosure set out in this Policy are without prejudice to the rules on public disclosure of inside information as referred to in article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council of 16 April 2014.

## **8. SUBSIDIARY TRANSACTIONS**

8.1. The Executive Committee, with the assistance of the Accounting department, shall provide the Company's Subsidiaries' CFO (or equivalent) with an updated list of the Related Parties of the Company and shall instruct each of those Subsidiaries to notify the Company's CFO whenever any such Subsidiary intends to enter a transaction with one of the Related Parties of the Company that (i) has a value equal to or higher than 2.5% of the Company's Consolidated Assets (considering as well the relevant Subsidiary Transactions entered with such Related Party in the past 12 months that were not publicly disclosed in accordance with this Section) and (ii) is not exempt in accordance with Section 5, such notification to include:

- a) all the elements set out in Section 7.2 above;
- b) whether such transaction is an Ordinary Course Transaction (and why); and
- c) if possible, copy of the transaction documentation or drafts thereof.





8.2. If the Subsidiary Transaction referred to in Section 8.1 is not an Ordinary Course Transaction, then it must be publicly disclosed by the Company no later than on the date in which such transaction is executed, in accordance with Section 7.2 above.

## **9. IDENTIFICATION OF RELATED PARTIES, COMPANY'S SUBSIDIARIES AND KEY MANAGEMENT PERSONNEL<sup>7</sup>**

9.1. The Company's Accounting department, with the assistance of the Financial department and of the Secretary of the Board of Directors, and the Company's Human Resources department shall keep permanently updated lists of ("Lists"):

- a) The Key Management Personnel;
- b) The Company's Subsidiaries; and
- c) The Related Parties of the Company.

9.2. The Lists shall be readily available for consultation by the Board of Directors, the Executive Committee and the Statutory Audit Board for the purposes of complying with their duties under this Policy.

## **10. FINAL PROVISIONS**

10.1. The Board of Directors approved this Policy with the prior favourable and binding opinion of the Statutory Audit Board.

10.2. Any amendment to this Policy must be approved by the Board of Directors, following a favourable opinion of the Statutory Audit Board.

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<sup>7</sup> "Key Management Personnel" means individuals who have authority and responsibility for planning, directing and controlling the activities of the Company, directly or indirectly, including any director (executive or otherwise) of the relevant entity.



10.3. This Policy shall be disclosed in the Company's corporate governance report or in any other publicly available manner.



## ANNEX I

### RELATED PARTIES ACCORDING TO IAS 24

The list below includes a summary list of natural and legal persons deemed related parties, as per paragraph 9 of IAS 24 as adopted by Commission Regulation (EC) No 1126/2008 of 3 November 2008.

#### A. Individuals

- i. Person who has Control or Joint Control over the Company;
- ii. Person who has Significant Influence over the Company;
- iii. Person who is a member of the Key Management Personnel of the Company or of a parent company of the Company;
- iv. Any Close Family Member of a person identified in points i. to iii. above.

#### B. Legal persons

- i. Entity belonging to the same group as the Company;
- ii. Entity that is an Associate of the Company (or is an Associate of a member of the group to which the Company belongs) or of which the Company is an Associate (or is an Associate of a member of the group to which such entity belongs);
- iii. Entity that is a joint venture of the Company (or is a joint venture of a member of the group to which the Company belongs) or the Company is a joint venture of an entity (or is a joint venture of a member of the group to which such entity belongs);
- iv. Both entities are joint ventures of the same third party;
- v. A joint venture of a third-party entity of which the Company is an Associate (or, if the Company is a joint venture of a third-party, the Associate of such third-party);
- vi. The entity is a post-employment benefit plan for the employees of the Company, or an entity related to the Company;



- vii. The entity is controlled or jointly controlled by a natural person listed in A. above;
- viii. Entity in which a person who has Control or Joint Control over the Company (or a Close Family Member of that person) has Significant Influence or is a member of the Key Management Personnel of the entity (or the entity's parent company);
- ix. Entity, or any member of the group of which it forms part, that provides the services of Key Management Personnel to the Company or its parent company.

#### C. GLOSSARY:

- a) **Associate:** means an entity, including an unincorporated entity such as a partnership, over which a relevant person or entity has significant influence, and which is neither a Subsidiary nor a joint venture;
- b) **Close Family Member:** means the family members who may be expected to influence, or be influenced by, that person in their dealings with the Company, which may include:
  - i. the person's children and domestic partner;
  - ii. children of that person's domestic partner; and
  - iii. dependents of that person or that person's domestic partner.
- c) **Control:** has the meaning set out in IFRS 10 (in general terms, an entity controls another entity when it has power over such entity with the ability to direct the relevant activities or it is exposed, or has rights, to variable returns from its involvement with such entity and has the ability to affect those returns through its power over such entity);
- d) **Joint control:** means the contractually agreed sharing of control of an arrangement, which exists only when decisions about relevant activities require the unanimous consent of the parties sharing control;
- e) **Significant influence:** means the power to participate in the financial and operational decisions of an entity, but not the control over those policies. It can be obtained by stock ownership, statute or agreement.