

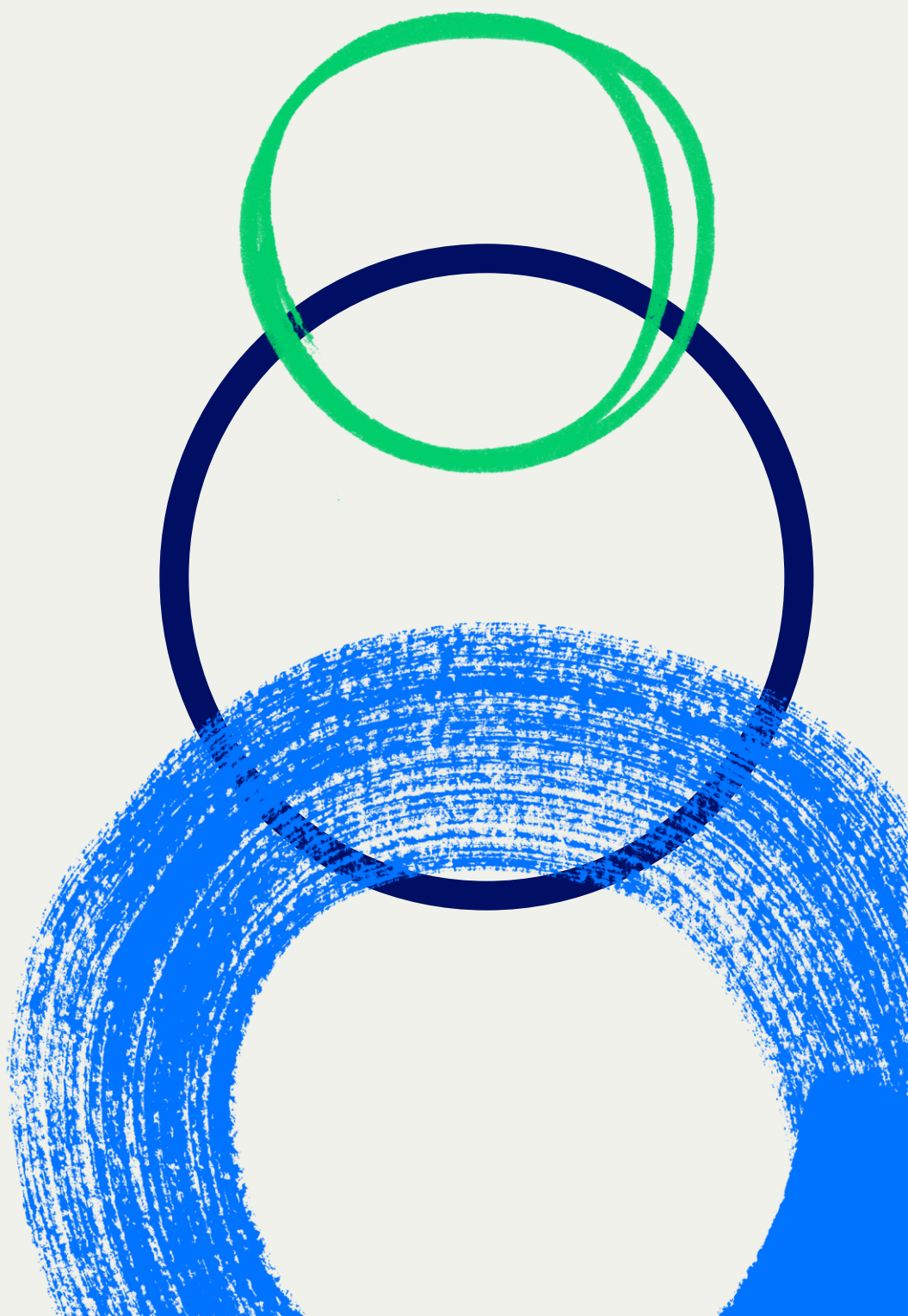
# SONAE

## BOARD OF DIRECTORS

## REGULATION

Version: BoD\_REG\_EN/1.0

**Sonae**



## A. INTRODUCTION

1. This Regulation of the Board of Directors ("Board") of Sonae SGPS, SA ("Company"), establishes the rules and respective duties, role of the Chair, frequency of meetings, operational procedures, and the scope of the duties of the members of the Board.
2. Version 1.0 approved by the Board of Directors.

## B. REGULATION

### ARTICLE 1

#### COMPOSITION OF THE BOARD AND OF SPECIALISED COMMITTEES

1. The number of members of the Board is decided by the Shareholders' General Meeting. Whenever the Board is composed of an even number of members, its Chair – elected by the Board from amongst its members – has a casting vote.
2. The Board delegates the daily management of the Company to an Executive Committee, in accordance with the terms set in the Company's statutes. The Board shall approve the Executive Committee Terms of Reference, determining how the Executive Committee functions and the manner in which the Executive Committee shall exercise the powers delegated.
3. The Board shall appoint, through a resolution taken without opposition from the majority of the votes cast by its independent Non-Executive Directors, a Senior Independent Director and a Lead Non-Executive Director, in accordance with the best corporate governance practices.
4. The Board shall constitute specialised Board committees detailed in the paragraphs 5 to 8 of this article to support the activity of the Non-Executive Directors and to ensure maximum efficiency in managing the work carried out by the Board. All members of the specialised committees, including their Chairs, shall be appointed by the Board.
5. The Board Audit and Finance Committee is entirely composed of Non-Executive Directors. A majority of committee members must meet the independence criteria.
6. The Board Nomination Committee is entirely composed of Non-Executive Directors. A majority of committee members must meet the independence criteria.
7. The Board Remuneration Committee is entirely composed of Non-Executive Directors. A majority of committee members must meet the independence criteria, and the Chair must be an independent Non-Executive Director.
8. The Board also constitutes an Ethics Committee, which will be chaired by a Non-Executive Director, and additionally includes other Board members or employees of the Company who perform functions which are related to the matters within the competence of the Ethics Committee.

9. It is also the responsibility of the Board of Directors to appoint the Sonae Board and Corporate Governance Officer, the Sonae Ombudsperson, and the Secretary of the Company.
10. The committees constituted by the Board may use services provided by specialised external entities recognised in the market for their reputation, competence, and independence.
11. The Board has the power to set up other specialised committees or advisory bodies, which may be composed by individuals who are not members of the Board, whether internal or external to Sonae Group.

## ARTICLE 2

### COMPETENCIES AND DUTIES

1. It is a duty of the Board to ensure the management of the Company's businesses and to carry out all operations relating to its corporate purpose as a manager of an investment portfolio, for which the broadest powers are granted.
2. The power to take decisions on the following matters is reserved exclusively to the Board:
  - a) to appoint the Chair of the Board of Directors;
  - b) to co-opt members to the Board;
  - c) to request the convening of Shareholders' General Meetings;
  - d) to approve the annual and interim reports and financial statements;
  - e) to grant any pledges, charges and guarantees on behalf of the Company;
  - f) to decide to change the Company's registered office and to approve any share capital increases;
  - g) to decide on mergers, de-mergers, or other alterations to the corporate structure of the Company;
  - h) approve the Company's annual budget and the strategic and financial business plan, and any other matters considered strategic for the Company and for fulfilling its portfolio management role, namely regarding investment and divestment decisions, either by virtue of their amount, their level of risk exposure, or any other specific characteristics;
  - i) define the strategy and the main policies of the Company, including the risk policy and the sustainability policy (which, in turn, includes the inherent risks and impacts, as well as the monitoring of the applicable regulation, the monitoring of the evolution of the results achieved, and the fulfilment of the commitments and objectives assumed in relation to sustainability);
3. The members of the Board shall, among the other duties imposed on them by law and recommended by good corporate governance practices, develop their qualifications, and deepen their knowledge, aiming to achieve a thoughtful, diligent, and informed fulfilment of their responsibilities and functional duties.

### ARTICLE 3 EVALUATION OF THE BOARD OF DIRECTORS

The Board is responsible for periodically evaluating its performance as a whole and of its individual members, and the performance of the committees it has appointed, covering compliance with the Company's strategic and financial plan, management of its portfolio and the annual budget, risk management and the internal functioning of the Board, as well as assessing the relationship between the Company's various governing bodies and committees.

### ARTICLE 4 COMMITTEES OF THE BOARD OF DIRECTORS

The committees constituted by the Board are governed by their respective terms of reference, which are approved by the Board, and determine how these committees and their members and chairs carry out their roles, the scope of their duties as members, and the frequency of committee meetings.

### ARTICLE 5 BOARD MEETINGS

1. The Board meets, ordinarily, at least once per quarter and, in addition, whenever the Chair of the Board convenes a meeting, or two of the members of the Board request a meeting, and Board meetings are also held each year to approve the annual budget of the Company and to discuss and approve the strategic and financial plans of the businesses and the Group.
2. Meetings of the Board may be held by telematic means, and voting by mail is also permitted by the law.
3. Any Board member may be represented at Board meetings by another Board member through a letter addressed to the Chair of the Board which indicates the day and time of the meeting for which it is intended. Such letters shall be mentioned in the respective Board minutes and filed as an attachment.

### ARTICLE 6 QUORUM AND RESOLUTIONS

1. The Board and its specialised committees, as well as the Executive Committee, must operate strictly in accordance with their respective regulations and terms of reference and a quorum to take resolutions is only reached if a majority of the respective members are present, represented, or vote by mail.
2. Resolutions shall be taken by a majority of the votes cast by the members present, represented, and voting by mail.

## ARTICLE 7 RULES OF CONDUCT

1. In the exercise of their roles as members of the Board and of the committees appointed by the Board, in addition to legal requirements, the following shall be respected:
  - a) Sonae's Code of Ethics and Conduct approved by the Board, effective at all times, and published on Sonae's website;
  - b) Sonae's Related Party Transaction Policy and Procedures, approved by the Board, effective at all times, and published on Sonae's website;
  - c) policies and procedures adopted by the Company in relation to conflicts of interest, as established in Articles 8 and 9 of this regulation.

## ARTICLE 8 RELATED PARTY TRANSACTIONS

The procedure to be followed by the Board with respect to transactions with related parties shall be that resulting from Sonae's Related Party Transaction Policy, approved by the Board, with a prior binding opinion of the Statutory Audit Board, in compliance with applicable legislation.

## ARTICLE 9 DISCLOSURE OF CONFLICTS OF INTEREST

1. The members of the Board shall immediately inform the Board or respective committee of which they are a member, of any facts which may constitute a conflict or could lead to potential conflict between their personal interests and the interests of the Company.
2. The member of the Board who declares that they are or may be conflicted, shall not participate in the decision-making process, although retaining the duty to provide any information or clarifications that the Board, or the committee, or its members may require.

## ARTICLE 10 INFORMATION SHARING AND INTERNAL LIAISON

1. The Chair of the Board of Directors and the Chairs of the committees appointed by the Board, as well as the Senior Independent Director and Lead Non-Executive Director, shall ensure the internal flow of information and liaison between the statutory governing bodies and committees, in a timely and appropriate manner, to allow each to fulfil their respective legal and statutory duties. The flow of information and liaison shall include, but shall not be limited to, notices of meetings, agendas, minutes, papers supporting decisions, and any other relevant documentation or information, as well as access to the teams involved in preparing the underlying information.

2. The Chairs of the committees shall respond to requests for information from the Board in a timely manner, and additionally shall provide feedback on significant matters covered in their committees relating to the duties and activities of the respective committees to the other Board members at each Board meeting, as well as sharing the minutes from the Committee meetings.

## ARTICLE 11

### FINAL PROVISIONS

Any amendment to this Regulation or to the other regulations, terms of reference, and policies mentioned in this Regulation is of the exclusive responsibility of the Company's Board.

## ANNEX A - ANNUAL PLAN OF SONAE'S BOARD OF DIRECTORS (non-exhaustive, example for illustrative purposes only)

	January	March	May	July	September	November
<b>1 BoD Annual Activities</b>						
1.1 Consolidated Budget assessment and approval	Yes					
1.2 Consolidated and Individual Report and Accounts approval		FY/4Q	1Q	1H/2Q		9M/3Q
1.3 PY annual appraisal process incl. FR, STIP and MTIP approval (BRC)		Yes				
1.4 Strategic planning process kickoff and corporate guidelines validation			Yes			
1.5 Main BU's and Group Platforms & Linkages yearly review			Yes			
1.6 Strategy Update			YES - kickoff	YES - progress status		
1.7 Corporate and Businesses strategy validation (incl. 5YBP)				YES - as required	Yes	
1.8 Portfolio review & Status of new investment areas			YES - kickoff	YES - progress status	Yes	
1.9 Review progress on yearly KPI's (BRC)					Yes	
1.10 Talent Management & Succession Planning discussion (BNC)						Yes
1.11 NED's roadshow through the businesses					Yes	
<b>2 BoD Ad-Hoc Topics</b>						
2.1 Review and approve M&A Operations	As required	As required	As required	As required	As required	As required
2.2 Information about Special projects development	As required	As required	As required	As required	As required	As required
2.3 Other issues that required BoD review and/or validation	As required	As required	As required	As required	As required	As required
<b>3 BoD Governance Processes</b>						
3.1 BoD External Self-Assess - Mid 4 YR Mandate			Complete			Initiate
3.2 BoD Internal Self-Assess - Annual Process (1st and 3rd years)	Yes					
3.3 BoD Regulation - Annual Review	Complete					Initiate
3.4 BoD Annual Workplan & Checklist - Annual Review	Complete					Initiate
3.5 Corporate Governance Report - Annual Strategic Review	Complete				Initiate	Update
<b>4 Reports Received by the BoD</b>						
4.1 Preliminary Trading Statement	Yes - Sonae MC					
4.2 Consolidated Quarterly Accounts		Yes - FY/4Q	Yes - 1Q	Yes - 1H/2Q		Yes - 9M/3Q
4.3 Earnings Announcements		Yes - FY/4Q	Yes - 1Q	Yes - 1H/2Q		Yes - 9M/3Q
4.4 ExCom Report		Yes - FY/4Q	Yes - 1Q	Yes - 1H/2Q		Yes - 9M/3Q
4.5 Finance Reports		Yes - FY/4Q	Yes - 1Q	Yes - 1H/2Q		Yes - 9M/3Q
4.6 Accounting Reports		Yes - FY/4Q	Yes - 1Q	Yes - 1H/2Q		Yes - 9M/3Q
4.7 Risk Management Reports		Yes - FY (inc. in MR&A)				Yes (Risk Maps)
4.8 Health & Safety Reports		Yes - FY (inc. in MR&A)				
4.9 Corporate Governance Report		Yes - FY (inc. in MR&A)				
4.10 External Audit Reports		Yes - Annual				
4.11 Statutory Audit Board Report		Yes - Annual				
4.12 Preparation for AGM		Yes				
4.13 Feedback from AGM			Yes			
4.14 Talent Management assessment						Yes
4.15 Corporate Guidelines for businesses strategy development			Yes			
4.16 Consolidated Financial Plan (5 Year)					Yes	
4.17 FY Forecast - Prior Year	Yes					
4.18 Budget Financing - Current Year	Yes					