



**REGULATION  
OF THE  
BOARD OF DIRECTORS**

**PHAROL, SGPS S.A.**

## **Article 1**

### **Composition and Qualifications**

1. The Board of Directors is composed of a minimum of three and a maximum of seven members elected by the General Meeting.
2. The Board of Directors is chaired by its Chairman, who is chosen by the General Meeting from among the elected members, or, in the absence of such appointment by the General Meeting, by the Board of Directors.
3. The Directors, whose profiles must meet the criteria and requirements of technical competence, independence, integrity, loyalty, availability, experience and gender diversity, will develop their qualifications, knowledge and experience in order to carry out their duties and competences and to fulfil their duties and functions.

## **Article 2**

### **Powers and Delegation**

1. The Board of Directors is responsible for managing the Company's business, in accordance with the provisions of the Companies Code and the Company's Articles of Association and taking into account the applicable national and international recommendations, standards and best practices, framed in an open and transparent culture with respect for equality, sustainability and diversity.
2. It is incumbent upon the Board of Directors, under the terms provided for in the Commercial Companies Code, to carry out all acts related to the corporate purpose that do not fall within the competence of the other corporate bodies, as well as to establish the strategic orientation of the Company and its subsidiary company(ies), and in this context it is responsible for the management and supervision of the company's business.
3. The Board of Directors shall delegate the day-to-day management of the Company to a Managing Director, whose duties shall be subject to its own Regulations, under the terms and within the limits set out in the legal and statutory provisions applicable to the respective delegation of powers. The Chief Executive Officer shall be appointed by the Board of Directors and shall not be able to exercise executive functions in entities outside the group.
4. The Board of Directors, within the scope of the delegation of powers referred to in

paragraph 3 (three) of this article, shall confer on the Chief Executive Officer, without prejudice to the right of the Board of Directors to invoke any of the delegated powers, the powers necessary for the exercise of the day-to-day management of the Company, with the exception of those relating to matters that are not delegable under the terms of article 407 of the Companies Code.

5. Without prejudice to the other powers provided for in the applicable legal and statutory provisions and to that established within the scope of the delegation of powers to the Chief Executive Officer, the Board of Directors is responsible, in particular, for:
  - a) Define the general objectives and fundamental principles of the policies of the Company and its subsidiary to be submitted for approval by the General Meeting;
  - b) Approve the general policies and strategy of the Company and its investee company(ies), in accordance with the objectives and principles approved by the General Meeting;
  - c) Define and deliberate on any changes to the corporate structure of the Company and its subsidiary(ies), provided that they do not constitute mere internal restructuring of the Company and its subsidiary(ies) within the framework of the general objectives and fundamental principles approved by the General Meeting;
  - d) To resolve on significant extensions or reductions in the activity of the Company and its investor(s);
  - e) Adopt any other decisions considered strategic for the Company and its subsidiary(ies) due to their amount, risk or special characteristics;
  - f) Annually evaluate the Company's governance model and disclose such evaluation within the scope of the Annual Governance Report, identifying possible constraints to its operation and proposing appropriate measures to overcome them;
  - g) Ensure that the Company has effective internal control, risk management and internal audit systems;
  - h) Proceeding by co-optation to the replacement of Directors who are permanently absent;
  - i) Appoint and establish the day-to-day management powers of the Company's Managing Director, delegating the powers whose inclusion is not prohibited by article 407 of the Companies Code;

- j) Evaluate their own performance annually through a self-assessment model, as well as that of the Managing Director.
  - k) As the Company's articles of association provide for a limitation on the number of votes that may be held or exercised by a single shareholder, individually or in concert with other shareholders, the Board of Directors shall ensure that, at least every five (5) years, the amendment or maintenance of this statutory provision is subject to resolution by the general meeting.
  - l) Appoint and dismiss the Secretary-General and the Secretary of the Company and their respective Alternate.
6. Directors who do not hold executive functions must participate in the definition, by the Board of Directors, of the strategy (including the strategic plan), main policies (including the risk policy), corporate structure and decisions that should be considered strategic for the Company by virtue of their amount or risk, as well as in the evaluation of compliance with them, and as such may not, as such, these powers shall be delegated to the Chief Executive Officer.
  7. In addition to the exercise of their respective powers not delegated to the Chief Executive Officer, and given the small size of the Company and the permanent close relationship, the non-executive members of the Board of Directors jointly carry out a continuous exercise of supervision of the performance of the executive management.
  8. For the purposes of the declaration to be included in the Annual Governance Report and the assessment of the independence, incompatibilities and specialisation requirements applicable to it, each Director shall submit updated information to the Company, by reference to the provisions in force at any time and in accordance with the rules that may be adopted in this regard by the Board of Directors and/or the Supervisory Board.
  9. Without prejudice to the holding of ad hoc meetings between non-executive directors for these or other purposes, they shall meet at least annually with a view to drawing up an activity report to be included in the annual management report.
  10. In the exercise of its duties and powers, the Board of Directors shall respect, under the terms and within the limits defined in the applicable legal and statutory provisions, the powers of the Fiscal Council in terms of supervision of the Company's corporate activity, as well as the general guidelines issued by the General Meeting.
  11. The Board of Directors and the Managing Director, to the extent of their respective delegation of powers, shall collaborate, on a regular basis, directly and through the

members of the Governing Bodies or employees of PHAROL and the company(ies) in which PHAROL and the company(ies) in which PHAROL participates, with the Supervisory Board for the purposes of the exercise, in accordance with the applicable legal and statutory provisions, the competences, duties and responsibilities entrusted to the latter, in particular, by providing information and clarifications and by taking the necessary or appropriate steps to that end, in a timely and appropriate manner.

12. The Board of Directors shall define, with the prior and binding opinion of the supervisory body, the type, scope and minimum value, individual or aggregate, of businesses with related parties that: (i) require the prior approval of the management body (ii) and those that, because they are of higher value, also require a prior favourable opinion of the supervisory body.
13. The Board of Directors shall, at least every six months, report to the Supervisory Board all the businesses covered by the preceding paragraph.
14. The Board of Directors shall take note of the monitoring, evaluation and opinion of the Supervisory Board on the strategic lines and risk policy defined by the management body.
15. The Board of Directors may also approve, if justified, the constitution of specific committees, with their own Regulations, which are responsible for monitoring certain matters.

In matters relating to corporate governance, the Board of Directors delegates to the Company's Secretary-General the functional coordination of the same.

### **Article 3**

#### **Functioning, Quorum and Deliberations**

1. The Board of Directors shall set the dates or frequency of its ordinary meetings and shall meet at least once every three (3) months of each financial year and shall meet extraordinarily whenever convened by the respective Chairman, two Directors or the Supervisory Board.
2. Meetings of the Board of Directors shall be convened by e-mail. Without prejudice to cases of recognized urgency, these meetings will be convened at least 5 working days in advance and the agenda and supporting documentation will be made available at least 3 days in advance.

3. The Board of Directors may not function without the participation of the majority of its members in office, and the Chairman of the Board of Directors may, in cases of recognised urgency, dispense with the presence of such a majority if it is ensured by postal vote or by proxy, under the terms provided for in the applicable legal and statutory provisions.
4. Directors may attend the Board of Directors meeting through Telematics means, and the Company must ensure the authenticity of the declarations and the security of the communications, recording their content and those involved.
5. Without prejudice to the provisions of paragraph 3, voting by post (including e-mail) and by proxy is permitted, and a Director may not represent more than one other Director.
6. The decisions of the Board of Directors shall be taken by a majority of the votes cast, with the Chairman having the casting vote.
7. The resolutions of the Board of Directors, as well as the explanations of vote, are recorded in minutes drawn up by the Company Secretary or his Alternate. The minutes of each meeting shall be submitted to the Board of Directors for approval at the next meeting.
8. The minutes shall be signed by all members of the Board of Directors who attend the meeting.
9. Participants in the meeting may dictate to the minutes the summary of their interventions.
10. The absence of any Director from more than half of the ordinary meetings of the Board of Directors during a financial year, whether in a consecutive or interpolated manner, without justification accepted by the Board of Directors, is considered as a definitive absence of that Director.
11. The permanent absence must be declared by the Board of Directors, and the Director in question will be replaced under the terms of the Commercial Companies Code.

#### **Article 4**

##### **Chairman of the Board of Directors**

1. The Chairman of the Board of Directors is essentially responsible for:
  - a) Represent the Board of Directors and the Company;
  - b) Coordinate the activity of the Board of Directors;

- c) Convene and chair the meetings of the Board of Directors;
  - d) Ensure, in conjunction with the Chief Executive Officer, the correct execution of the resolutions of the Board of Directors;
  - e) To ensure, in liaison with the Chief Executive Officer, that the Board of Directors is informed of all its relevant actions and decisions, as well as to ensure that all clarifications requested by the Board of Directors are timely and adequately provided;
  - f) Supervise the relationship between the Company and shareholders.
2. If the Chairman of the Board of Directors of the Company does not perform the functions of Chief Executive Officer, he or she shall also be responsible for:
    - a) Monitor and consult the Managing Director on the performance of the powers delegated therein;
    - b) Contribute to the effective performance of the respective functions and competences by the non-executive Directors and ensure the necessary mechanisms for them to receive, in a timely manner, the information they deem appropriate for independent and informed decision-making;
  3. In his absence or impediment, the Chairman shall be replaced by the member of the Board of Directors who may be appointed by the majority of its members.

## **Article 5**

### **Duties and Responsibilities of Directors**

1. Without prejudice to the respective duties and responsibilities provided for in legal or regulatory provisions or in the Company's Articles of Association, each Director must guide his or her actions by standards of care, professional diligence and loyalty.
2. The Directors are also bound to comply with confidentiality duties, in particular in relation to privileged information, and must, in the exercise of their respective duties and powers, comply with the rules that the Company is subject to regarding the disclosure of information.
3. In order to avoid conflicts of interest, each Director shall inform the Chairman of the Board of Directors in a timely manner of any interest, whether direct or indirect, which has, on its own account or on behalf of a third party, potentially or actually conflicting with the interest of the Company in the context of a particular resolution, or of any other situation relating to the Director or a third party connected to the

Director that may be affected by: in that context, limit in any way its impartiality by describing the nature and extent of such interest or situation.

4. In the situations referred to in the previous paragraph, if the Board of Directors or the Director concerned concludes that there is a conflict of interest, the latter shall not participate in the respective decision-making process, without prejudice to the duty to provide information and clarifications requested, in particular:
  - a) You should not receive information relating to such a topic (namely preparatory information that is sent in anticipation of a meeting at which such item will be discussed and voted on);
  - b) You should refrain from discussing the topic with other members of the Board of Directors;
  - c) It should not be present at the discussion and vote on the subject in question.
5. For the purposes of the statement to be included in the Governance Report to be disclosed annually by the Company and the assessment by the Board of Directors of the independence and incompatibilities applicable to its members, in accordance with the applicable regulatory and recommendatory provisions, the Directors must fill in individually, at the time of their election, and by January 31 of each year, the questionnaire attached to the Service Order "Independence of the members of the Board of Directors of PHAROL, SGPS S.A." and send it to the Chairman of the Board of Directors.
6. The Directors must also inform the Chairman of the Board of Directors whenever there is any situation that may change the situation previously reported.

## **Article 6**

### **Information**

1. In the exercise of their duties and functions, the Directors will obtain information from other bodies and employees, and clarifications, namely to assess the Company's performance, situation and prospects, requesting information at all times necessary or convenient for the proper performance of their position and for the best pursuit of the company's interest.
2. Except in urgent situations, Directors who, jointly or individually, wish to access information included within the scope of the powers delegated to the Chief Executive Officer may request it directly from the Managing Director or through the Chairman of the Board of Directors.



3. The Board of Directors shall ensure, in a timely and adequate manner, the flow of information, from the outset of its notices and minutes, necessary for the exercise of the legal and statutory powers of each of the other bodies, and shall also establish mechanisms that ensure, in an adequate and rigorous manner, the production, processing and timely disclosure of information to its governing bodies, shareholders, investors and others *Stakeholders*, financial analysts and the market in general.

**Article 7**  
**Final Provisions**

These Regulations shall enter into force on the date of their approval at a meeting of the Company's Board of Directors.

Lisbon, November 16th, 2023