



IBERSOL – SGPS, SA

Publicly Listed Company

Registered office: Praça do Bom Sucesso 105/159, 9º andar, Porto

Share Capital: Euro 36.000.000

Commercial Registry : Oporto under the number 501669477

Fiscal Number: 501 669 477

CORPORATE GOVERNANCE REPORT 2020

(to approve at the SGM 2021)

CORPORATE GOVERNANCE REPORT

CORPORATE GOVERNANCE

REPORT

2020

IBERSOL, SGPS SA.

Public Listed Company, with share capital in the amount of 36,000,000 Euros, with head office at Praça do Bom Sucesso, nºs 105/159, 9º andar, 4150-146 Oporto, registered at Oporto Commercial Registry with registration and tax number 501669477.

PART I – SHAREHOLDING STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDING STRUCTURE

1. Share Capital structure

The share capital of Ibersol,SGPS SA. amounts to 36,000,000 Euros, fully subscribed and paid, represented by 36,000,000 ordinary registered shares with a par value of 1 euro per share, all carrying the same rights and obligations. All the shares representing the share capital are admitted to trading on the regulated market Euronext Lisbon.

2. Share transmission and ownership restrictions.

There are no restrictions under Company's By-laws, according to Article 4 and 5 articles thereof, on the transferability of the shares, nor any clause requiring consent to the transfer of the shares, nor any type of limitation on ownership of the shares.

3. Own shares

At 31st December 2020 Ibersol SGPS SA. held 3.599.981 of its own shares, corresponding to near 10% of the share capital, with a nominal value of one euro per share, at an overall acquisition cost of 11,180,516.02 Euros (which would correspond to a percentage of about 10% of vote) – having not acquired or sold any own shares during 2020.

4. Impact of change in shareholder control of the company in significant agreements

There are no significant agreements concluded by the Company or by its subsidiaries that contain clauses aimed at establishing measures to protect against a change of control (including after a tender offer). There are no specific conditions that limit the exercise of voting rights by the shareholders of the Company or other matters liable to interfere in the success of a tender offer. There are no signed contracts with change of control clauses, either financing agreements or other, especially in a debt issuance context.

CORPORATE GOVERNANCE REPORT

5. Defensive measures in case of change in shareholding control

No defensive measures, nor any regime for the renewal or revocation of such measures, have been adopted in the Company.

6. Shareholders agreements

The Company is not aware of any shareholders' agreement that could lead to restrictions on the transfer of marketable securities or to the concerted exercise of voting rights.

II. Qualifying shareholdings and Bonds helds

7. Qualifying Shareholdings.

As at 31 December 2020, according to the notifications received by the Company and in accordance with Articles 16 and 20 of the Securities Code, the shareholders that have a qualifying shareholding of at least 2% of the share capital of Ibersol,SGPS SA. are as follows:

Shareholders	nº shares	% share capital
ATPS - SGPS, S.A. (*)		
Directly	19 767 058	54,91%
António Alberto Guerra Leal Teixeira	2 520	0,01%
António Carlos Vaz Pinto Sousa	2 520	0,01%
Total attributable	19 772 098	54,92%
Magallanes Iberian Equity FI		
Total attributable	1 341 500	3,73%
Bestinver Gestion GGIC		
Total attributable	3 720 260	10,33%
Norges Bank		
Total attributable	742 601	2,06%
Fidelity Management & Research Company LLC		
Directly	1 105 146	3,07%
MCWIN S.R.O		
Total attributable	1 062 581	2,95%

(*) The voting rights attributable to the ATPS are also attributable to António Pinto de Sousa and Alberto Teixeira according to paragraph 1-b), Article 20, and paragraph 1, Article 21, both of the Securities Code, by virtue of the latter's are holding the domain of that company, in which participate indirectly in equal parts respectively through CALUM – SERVIÇOS E GESTÃO, SA. with the NIPC 513799486 and DUNBAR – SERVIÇOS E GESTÃO, SA with the NIPC 513799257 – companies which together hold most of the share capital of ATPS SGPS, SA.

8. Number of shares and bonds held by the Governing Bodies members - Board of Directors and Supervisory Board

Number of Shares directly or indirectly held in Ibersol, SGPS SA:

Board of Directors:

Chairman - Dr. António Carlos Vaz Pinto de Sousa

2,520 shares of the capital of Ibersol SGPS, SA.

9,996 shares representing 99,96% of the capital of Calum – Serviços e Gestão, SA.

Calum – Serviços e Gestão, SA. holds 2,840 shares representing 25,02% of the capital of ATPS, SGPS, SA.

ATPS, SGPS, SA. on 31/12/2020 holds 19,767,058 shares representing share capital of Ibersol, SGPS, SA.

Vice-Chairman - Dr. António Alberto Guerra Leal Teixeira

2,520 shares of the capital of Ibersol SGPS, SA.

9,996 shares representing 99,96% of the capital of Dunbar – Serviços e Gestão, SA.

Dunbar – Serviços e Gestão, SA. holds 2,840 shares representing 25,02% of the capital of ATPS, SGPS, SA.

ATPS, SGPS, SA. on 31/12/2020 holds 19,767,058 shares representing share capital of Ibersol, SGPS, SA.

Director – Prof. Doutor Juan Carlos Vázquez-Dodero

Does not hold any shares of the company.

Statutory Audit Committee:

Chairman - Dr. Carlos Alberto Alves Lourenço

Does not hold any shares of the company.

Vice-Chairman – Dr.^a Maria José Martins Lourenço da Fonseca

Does not hold any shares of the company.

Member – Dr. Eduardo Moutinho Ferreira Santos

Does not hold any shares of the company.

Substitute – Dr. Arlindo Dias Duarte Silva

Does not hold any shares of the company.

9. Board of Directors qualification due to share capital increase

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According to paragraph 2, Article 4, of the Company's by-laws the share capital may be increased to one hundred million Euros in one or more increases by resolution of the Board of Directors, which shall determine the form and conditions of subscription and categories of shares to be issued from among those provided in the By-laws articles or others permitted by law. This statutory provision was subject to renewal through a resolution of the General Meeting of 29 June 2020, which approved this renewal of the powers conferred to the Board of Directors by article four, number two of the Company's by-laws - so that this corporate body may resolve on the next five years, counting from that resolution, the increase of the share capital, for one or more times, up to one hundred million euros;

10. Related Parties significant Transactions

No material business or significant transactions were conducted between the Company and holders of qualifying shareholdings.

B. GOVERNING BODIES AND COMMITTEES

I. General Meeting

a) Board of the Shareholders' General Meeting

11. Name, function and mandate of the General Meeting Board's members

Throughout 2020 and as election act held in the Annual General Meeting on 26 May 2017, the composition of the Board of the General Meeting was as follows:

Chairwoman of the Board – Dr.^a Luzia Leonor Borges e Gomes Ferreira;

Vice-Chairwoman – Dr.^a Raquel de Sousa Rocha;

Secretary – Dr.^a. Maria Leonor Moreira Pires Cabral Campello;

These members are elected for a four-year mandate, from 2017 to 2020, and the next general meeting 2021 shall be an electoral one.

b) Exercise of voting rights

12. Possible restrictions on voting rights.

There are no restrictions on voting rights, such as limitations on the vote exercise depending on ownership of a certain number or percentage of shares, given that under terms of Article 21 of the by-laws, each share represents one vote.

According to Article 23 of Company's by-laws, the General Meeting is able to meet and deliberate on first call as shareholders representing more than fifty per cent of the share capital be present in person or represented.

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According to Article 21.1 and 21.2 of the By-laws, each share represents one vote, and General Meeting deliberations can be adopted by simple majority, unless the law requires otherwise.

Article 22.3 to 11 of the Company's By-laws contain rules on the exercise of voting rights by post and there are no restriction on postal voting and there are no statutory restriction to vote by correspondence either by post or electronically.

The company provides postal voting forms and informs of the necessary procedures to exercise this right. The form is available on the company's website at www.ibersol.pt. According to Article 22.4 of the by-laws, postal votes can be received up to three days before the date of the General Meeting.

13. Maximum percentage of voting rights that may be exercised by a single shareholder or shareholders which have with that one any relations such as stated on nº 1 of Art. 20.º of the Securities Code

There is no by-laws rule of the maximum percentage of voting rights that may be exercised by any shareholder or by shareholders who are mentioned in the provisions of the mentioned paragraph 1, Article 20, of the Securities Code.

14. Resolutions which only may be taken by qualified majority

According to the by-laws, the Shareholder's resolutions are not submitted to qualified majorities, unless imposed by law. So, unless the law provides otherwise, resolutions of the General Meeting shall be adopted by simply majority (Article 21.2 of the by-laws);

II. MANAGEMENT AND SUPERVISION

a) Composition

Board of Directors

Chairman – Dr. António Carlos Vaz Pinto de Sousa;

Vice-Chairman – Dr. António Alberto Guerra Leal Teixeira;

Member – Professor Doutor Juan Carlos Vázquez-Dodero de Bonifaz;

Statutory Audit Committee

Chairman - Dr. Carlos Alberto Alves Lourenço;

Vice-Chairman – Dr.ª Maria José Martins Lourenço da Fonseca;

Member – Dr. Eduardo Moutinho Ferreira dos Santos;

Substitute – Dr. Arlindo Dias Duarte Silva;

Statutory Auditor - KPMG & Associados – Sociedade de Revisores Oficiais de Contas SA.

15. Identification of model of governance adopted

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The Company adopts a classical monist model of governance, composed by Board of Directors and Statutory Audit Committee, the Statutory Auditor having been appointed by the General Meeting. The Board of Directors is responsible for performing all the administration acts related with the corporate object, determining the Company's strategic guidelines, and appointing and overseeing the work of the Executive Committee, no specialized committees having been formed by the Board. The Executive Committee coordinates the operations of the functional units and the Company's various businesses, meeting with the senior managers of these units and businesses on regular basis.

The Statutory Audit Committee is responsible for auditing the Company's activity in accordance with the law and the Company's by-laws.

The diversity and consolidated professional experience of the Board of Director's Members and of the Statutory Audit Committee Member's are described respectively in the following points 19. and 33.

16. Statutory rules for procedural and material requirements applicable to appointment and replacement of members of the Board of Directors

The rules on the procedural and material requirements applicable to the appointment and replacement of members of the Board of Directors are stated in Articles 8, 9, 10 and 15 of the by-laws.

The Board of Directors is composed of an even or uneven number of members, with a minimum of three and a maximum of nine, elected by the General Meeting. Several substitutes equal to one-third of the number of effective directors may also be elected.

Up to one-third of the directors shall be elected from among persons proposed in lists subscribed by shareholder groups holding shares representing no more than 20% and no less than 10% of the share capital. Each list must propose at least two candidates for each post to be filled and a shareholder may not subscribe more than one list. If, in an isolated election, lists are presented by more than one group, the vote will decide on all the lists taken together.

In the event of death, resignation or temporary or permanent disability of a director, the Board of Directors shall arrange for a replacement. Where a director elected under the rules set forth in the preceding paragraph is no longer and available, a replacement shall be elected by the General Meeting.

17. Composition of the Board of Directors

The Board of Directors is currently composed of three members, the executive members being the Chairman and the Vice-Chairman. The Board of Directors shall choose its own chairman if this one has not been appointed by the General Meeting. The Board of Directors may specifically appoint one or more directors to handle certain matters. On 31 December 2020, the Board of Directors was composed by the following members:

Chairman – Dr. António Carlos Vaz Pinto de Sousa;

Vice-Chairman – Dr. António Alberto Guerra Leal Teixeira;

Member – Prof. Juan Carlos Vázquez-Dodero de Bonifaz;

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All the members were elected by General Meeting on 26 May 2017 for a mandate with term at 31 December 2020, but these members will be in exercise until a new election of the members of the Board of Directors by the next General Meeting.

It should be noted that the last electoral act of this corporate body occurred at the general meeting of May 26, 2017, without the validity of the current Code of Corporate Governance of 2018, issued by the Portuguese Institute of Corporate Governance (IPCG).

It should also be noted that the requirement of a gender-balanced composition of the governing bodies, in accordance with the quota system, has only been verified to be directly applicable to general election assemblies that have taken place after 1 January 2018. This Company shall observe these gender quotas at the time of a new electoral act or at the time of the renewal or replacement of the current members' mandate, according to Law 62/2017 of 1 August.

The members of the Board of directors were first elected to their posts as follows: Dr. António Carlos Vaz Pinto de Sousa, 1991; Dr. António Alberto Guerra Leal Teixeira, 1997; and Prof. Juan Carlos Vázquez-Dodero de Bonifaz, 1999.

According to Article 27 of the by-laws, directors are elected for a four-year period.

The Board of Directors may also delegate the day-to-day management of the Company to one or more directors or an executive committee, within the terms and limits established by law. The Board of Directors shall be responsible for the current exercise of the Executive Committee and the conditions it shall exercise the powers assigned to.

18. Difference between executive and non-executive members and, as regards non-executive members, details of members that may be considered independent

The governing body of the Company is made up of three directors and includes one non-executive member, Prof. Juan Carlos Vázquez-Dodero de Bonifaz, who is not associated with any specific interest groups, whether of the Company or its principal shareholders, and has no material interests that might clash or interfere with the free performance of his duties as a director. No internal control committee has been established. The mentioned non-executive member is a director of related companies, in which he does not perform any executive functions. He does not carry out any activities or businesses with the Company, within the meaning of articles 397 and 398 of the **Companies Code (CSC)** and meets the other requirements for independence stated in art 414.5 of the CSC, in particular as stated in the European Commission Recommendation of 15 February 2005. Face to this Recommendation, in its point number 13, it is determined, about the independence requirement, that an administrator must be considered independent if he has no business, family, or other relations with the company, either with the control shareholders, as well with the directive bodies of any of them – that can create a conflict of interest that undermine his judgment. These independence requirements are complete fulfilled by the non-executive member of Board of Directors, Prof. Juan Carlos Vazquez-Dodero de Bonifaz, and so this is an independent member.

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The above mentioned non-executive director, as a non-executive director of the Board of Directors of companies included in or linked to the Ibersol Group, does not collaborate or interferes with the management of those companies, neither provides any other type of services to any of these companies and has no other type of commercial relationship (material or non-material), whether of service provision or another nature, and is not a beneficiary of any kind of remuneration beyond that received annually as a non-executive director of Ibersol, SGPS, SA.

The company does not include a plural number of non-executive directors, pointing out that the last electoral event occurred at the general meeting of 26 May 2017, without the validity of the current Corporate Governance Code of 2018 issued by the Portuguese Corporate Institute Governance Committee (IPCG). It should be noted that this non-executive member has held his office continuously since 1999 as a result of successive elections held at subsequent general meetings - without this circumstance has been likely to affect or condition, in any respect, his necessary exemption of analysis and decision in the course of his necessary exemption of analysis and decision, in the course of his mandates until the present date.

19. Professional qualifications of the members of the Board of Directors

BOARD OF DIRECTORS

President - António Carlos Vaz Pinto de Sousa

Academic qualifications

- BA in Law - Faculty of Law of the University of Coimbra
- CEOG – Course in Management – Catholic University of Oporto

Professional activity

- Chairman of the Board of Directors of Ibersol, SGPS, SA.
- Director of other companies in which Ibersol SGPS, SA holds shares.

Date of first appointment and end of current term– 1991/2020;

Functions performed in board of directors of other societies held by Ibersol Group:

ASUREBI - SGPS, SA.

EGGON – SGPS, SA.

ANATIR – SGPS, SA.

CHARLOTTE DEVELOPS, SL.

DEHESA DE SANTA MARIA FRANQUICIAS, S.L.U.

FIRMOVEN - Restauração, SA.

FOODSTATION, SLU.

HCI - Imobiliária, SA.

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IBERAKI - Restauração, SA.

IBERGOURMET - Produtos Alimentares, SA.

IBER KING - Restauração, SA.

IBERSANDE - Restauração, SA.

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo, SA.

IBERSOL - Restauração, SA.

IBERSOL MADEIRA e AÇORES, RESTAURAÇÃO, SA.

IBERUSA - Hotelaria e Restauração, SA.

IBERUSA - Central de Compras para a Restauração, ACE

IBR – Imobiliária, SA.

INVERPENINSULAR, SL.

JOSÉ SILVA CARVALHO – Catering, SA.

LURCA, SAL.

LUSINVER RESTAURACIÓN, SAL.

MAESTRO - Serviços de Gestão Hoteleira, SA.

PANSFOOD SA.

Pans, Food, Vidisco y Lurca, Unión Temporal de Empresas.

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU.

CORTSFOOD,SLU.

VIDISCO, SL

Manager

RESTMON (Portugal) – Gestão e Exploração de Franquias, Lda.

Functions performed in board of directors of societies outside Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, S.A.

MBR, IMOBILIÁRIA, SA.

ONE TWO TASTE, SA.

POLIATLÂNTICA SGPS, SA.

DUNBAR – SERVIÇOS E GESTÃO, S.A.

CALUM – SERVIÇOS E GESTÃO, S.A.

FOOD ORCHESTRATOR, SA.

Vice – President, Dr. António Alberto Guerra Leal Teixeira

Academic qualifications

- BA in Economics – Faculty of Economics of the University of Oporto.

Professional activity

- Vice-Chairman of the Board of Directors of Ibersol, SGPS, SA

- Director of other companies in which Ibersol, SGPS, SA holds shares.

Date of first appointment and end of current term– 1997/2020;

Functions performed in board of directors of other societies held by Ibersol Group:

ASUREBI - SGPS, SA.

EGGON – SGPS, SA.

ANATIR – SGPS, SA.

CHARLOTTE DEVELOPS, SL.

DEHESA DE SANTA MARÍA FRANQUICIAS, S.L.U.

FIRMOVEN - Restauração, SA.

FOODSTATION, SLU.

HCI – Imobiliária, SA.

IBERAKI - Restauração, SA.

IBERGOURMET - Produtos Alimentares, SA.

IBER KING - Restauração, SA.

IBERSANDE - Restauração, SA.

IBERSOL ANGOLA, S.A.

IBERSOL - Hotelaria e Turismo, SA.

IBERSOL - Restauração, SA.

IBERSOL MADEIRA e AÇORES, Restauração, SA.

IBERUSA - Hotelaria e Restauração, SA.

IBERUSA - Central de Compras para a Restauração, ACE.

IBR – Imobiliária, SA.

INVERPENINSULAR, SL.

JOSÉ SILVA CARVALHO – Catering, SA.

LURCA, SAL.

LUSINVER RESTAURACIÓN, SAL.

MAESTRO - Serviços de Gestão Hoteleira, SA.

PANSFOOD SA.

Pans, Food, Vidisco y Lurca, Unión Temporal de Empresas.

SEC - EVENTOS E CATERING, SA.

SUGESTÕES E OPÇÕES – Actividades Turísticas, SA.

THE EAT OUT GROUP, SLU.

CORTSFOOD, SLU.

VIDISCO, SL.

Manager

RESTMON (Portugal) – Gestão e Exploração de Franquias, Lda.

Functions performed in board of directors of societies outside Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA.

MATEIXA – Sociedade Imobiliária, S.A.

ONE TWO TASTE, SA.

DUNBAR – SERVIÇOS E GESTÃO, SA.

CALUM – SERVIÇOS E GESTÃO, SA.

Member - Prof. Juan Carlos Vázquez-Dodero de Bonifaz

Academic qualifications

- BA in Law – Complutense University of Madrid.
- BA in Business Studies – ICADE, Madrid.
- Master of Business Administration – IESE, University of Navarra.
- PhD in Management - IESE, University of Navarra.
- “Managing Corporate Control and Planning” and “Strategic Cost Management” programmes, Harvard University.

Professional activity

- Professor Emeritus at IESE.
- Advisor and Consultant to various European and American companies.

- Member of the Board of Directors of Ibersol, SGPS, SA.
- Director of other companies in which Ibersol, SGPS, SA holds shares.

Date of first appointment and end of current term– 1999/2020;

Functions performed in board of directors of other societies held by Ibersol Group:

DEHESA DE SANTA MARIA FRANQUICIAS,SLU.

FOODSTATION, SLU.

IBERSOL - Restauração, SA.

PANSFOOD SA.

THE EAT OUT GROUP SLU.

Functions performed in board of directors of societies outside Ibersol Group:

ATPS - Sociedade Gestora de Participações Sociais, SA.

DUNBAR – SERVIÇOS E GESTÃO, SA.

CALUM – SERVIÇOS E GESTÃO, SA.

President and Founder of Patronato da Fundação Amigos de Rimkieta

Counselor of Jeanologia S.L.

Vogal of the Fundación IESE (FIESE)

20. Significant relationships between members of Board of Directors and qualified shareholders

There are no family, professional or business relationships with holders of qualifying shareholdings beyond the fact that the Directors, Dr. António Carlos Vaz Pinto de Sousa and Dr. António Alberto Guerra Leal Teixeira, through companies Calum-Serviços de Gestão, SA. and Dunbar – Serviços de Gestão, SA., have the control of ATPS SGPS, SA. and this company detains 54.91% of the share capital of Ibersol SGPS, SA, participation that is imputed to them individually as well.

21. Division of powers between the different boards, committees and/or departments within the company, including information on delegating responsibilities, particularly regarding the delegation of powers, in particular with regard to the delegation of daily management of the Company.

Two of the members of the Board of Directors perform executive functions and form an Executive Committee, which was elected and whose powers of day-to-day management were delegated by the board of directors under terms of Article 8.4 of the by-laws of the Company and Article 407.3 of the Companies Code (CSC) and the third director performs non-executive functions without delegation of management powers.

The executive committee coordinates the operations of the functional units and the various corporate businesses, meeting with the senior managers of these units and businesses on periodic and regular basis. The

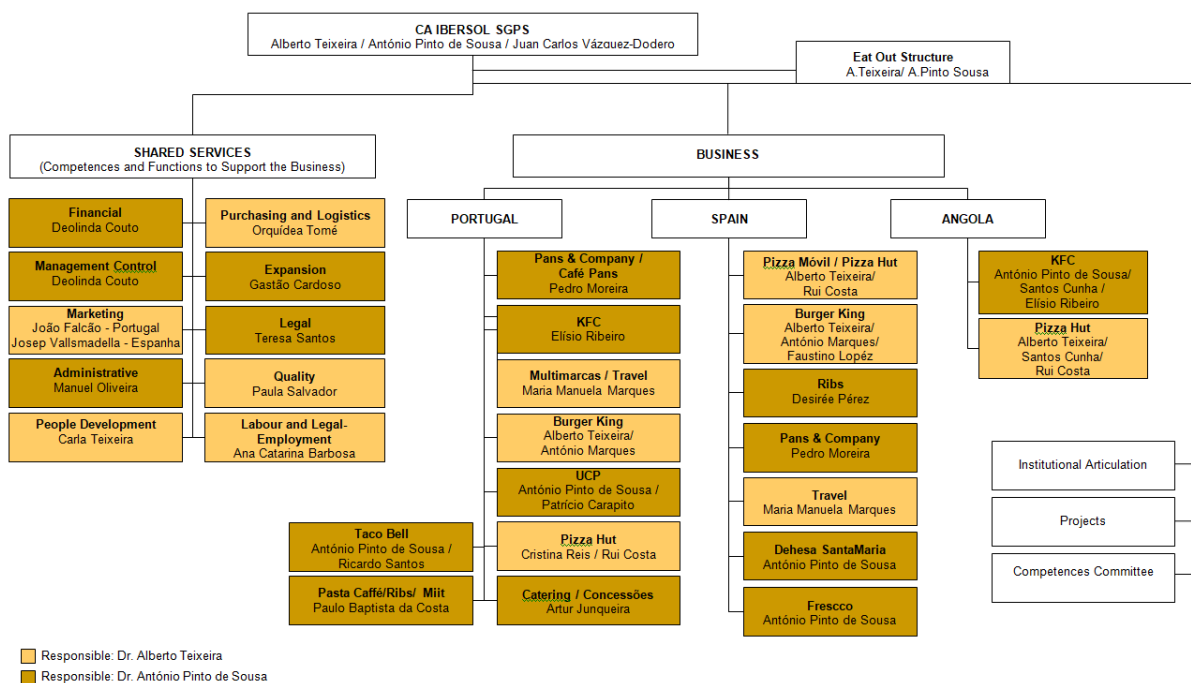
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decisions taken by the functional and business managers, which must respect the overall guidelines, are taken under powers delegated by the Executive Committee and are coordinated in periodic meetings.

The powers delegated to the Executive Committee are as follows:

- a) Exercise full powers of decision, management and monitoring of the Company's activity at a strategic level, within the legal limits of Article 407.4 of the CSC.
- b) Develop, plan and schedule the actions of the governing body, in the Company's internal and external plan for the exercise, so as to achieve the corporate objectives in accordance with the Company's mission, in particular assisting the Board of Directors in the proper verification of the instruments of supervision of the economic and financial situation and in the exercise of the control function over the companies belonging to the Ibersol Group.
- c) It is responsible for assisting the Board of Directors in the updating of its structures of advice and functional support; in the procedures of the companies belonging to the Ibersol Group, in line with the changing needs of the business, defining the profiles and characteristics of their strategic partners, customers, workers, employees and other agents; and in the conduct of the Group's relationships with its environment, acquiring, disposing and encumbering movable property and establishing or terminating cooperation agreements with other companies.

The organization chart and distribution of tasks is as follows:



b) Functioning

22. Location where the regulations governing the functioning of the Board of Directors can be found

The Regulations of the Board of Directors may be consulted on the Company's website: www.ibersol.pt.

23. Number of meetings held and attendance level of each member, as applicable, of the Board, the General and Supervisory Board and Executive Board of Directors

The By-Laws of the Company stipulate that the Board of Directors shall meet at least quarterly and whenever convened by the Chairman or two of its members. Meetings of the Board of Directors are arranged and prepared in advance and the necessary documentation of the points on the agenda is made available in good time.

The minutes of meeting are registered in proper book.

In 2020, the Board held 19 (nineteen) meetings.

The Executive Members had a presence performance of 100% and the Non-Executive Member had a performance of 47%.

24. Competent Bodies of the Company to appraise the performance of executive directors

The Board of Directors annually evaluates its own performance, both on the performance of its group and on the individual performance of the executive members and the non-executive member, emphasizing the analysis of the parameters of compliance with the strategic plan and the budget outlined for the Company, evaluating the risk management process, as well as placing this assessment at the level of the relationship with the other corporate bodies and with the Remuneration Committee.

The Remuneration Committee, representing the shareholders, is responsible for assessing the performance and the approval of remunerations of the Board of Director's Members and other bodies in accordance with the remuneration policy approved by the shareholders in the General Meeting.

25. Predetermined criteria for evaluating the performance of executive directors

The remuneration of the executive members of the Board of Directors does not include any variable component. The executive directors are remunerated by ATPS, SGPS SA. having this one subscribed a contract for services with the subsidiary of the Group, the Ibersol Restauração SA. There are no pre-determined criteria for the stated purpose.

26. Availability of each member of the Board of Directors indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities by members of these bodies during the financial year

The professional activity of the current members of the Board of Directors is described in point 19 above.

c) Committees within the board of directors and delegates;

27. Identification of committees created within the board of directors and where can be found the Regulations on the functioning

The Executive Committee is the only committee of the Board of Directors and the Regulation of the Board of Directors may be consulted on the website www.ibersol.pt.

The board of directors and the executive committee that integrates the board ensure that the company develops its activity in order to comply with the statutory purposes, not delegating the competence for the definition of the strategy and company management policies, centralizing the definition of the structure business of the group, taking charge and in its exclusive competence of all relevant strategic decisions, either by its value, its potential degree of risk involved, either by its specific characterization.

28. Executive Committee

Dr. António Carlos Vaz Pinto de Sousa;

Dr. António Alberto Guerra Leal Teixeira;

29. Competence of each committee created and synthesis of activities in exercise of those competence.

Ibersol, SGPS, SA has a Board of Directors made up of three members: a Chairman, a Vice-Chairman and a Director.

Two of the members perform executive functions and form an Executive Committee, which was elected and has powers delegated to it by the Board of Directors under the terms of art. 8.4 of the Company's By-laws and article 407.3 of Companies Code (CSC). The third director performs non-executive functions and has no delegation powers of ordinary management of the company

The executive committee coordinates the operations of the functional units and the company's various businesses, meeting with the senior managers of these units and businesses on a regular basis. The decisions taken by the functional and business managers, which must respect the overall guidelines, are taken under powers delegated by the Executive Committee and are coordinated in committee meetings.

The powers delegated to the Executive Committee are as follows:

- a) Exercise full powers of decision making, management and monitoring of the Company's activity at a strategic level, within the legal limits of Article 407.4 of the Companies Code (CSC), develop, plan and schedule the actions of the governing body, in the Company's internal and external plan for the year, so as to achieve the corporate objectives in accordance with the Company's mission, in particular assisting the Board of Directors in the proper verification of the instruments of supervision of the economic and financial situation and in the exercise of the function of control of the companies belonging to the Ibersol Group.
- b) The Executive Committee is also responsible for assisting the Board of Directors in the updating of its structures of advice and functional support; in overseeing the procedures of the companies belonging to the Ibersol Group, in line with the changing needs of the business, defining the profiles and characteristics of their strategic partners, customers, workers, employees and other agents; and in the

conduct of the Group's relationships with its environment, acquiring, disposing and encumbering movable property and establishing or terminating cooperation agreements with other companies.

The Executive Committee meets monthly and whenever called by the Chairman. Apart from the regular contacts established between the members of the Executive Committee in the periods between meetings, a total of 31 meetings were held during 2020.

The members of the Executive Committee provide the information requested by other members of the corporate governing bodies in a timely manner.

III. SUPERVISION

a) Composition

30. Identification of the Fiscal Board

Under the adopted model, the Company is audited by the Statutory Audit Committee (Fiscal Board) and by the Statutory Auditor or by Statutory Audit firm, who are both elected by the General Meeting of Shareholders. The Statutory Auditor or the Statutory Audit firm are not members of the Statutory Audit Committee (Fiscal Board).

31. Composition

Audit Committee

Chairman – Dr. Carlos Alberto Alves Lourenço;

Vice-Chairman – Dr.^a Maria José Martins Lourenço da Fonseca;

Member – Dr. Eduardo Moutinho Ferreira Santos;

Substitute – Dr. Arlindo Dias Duarte Silva;

The Statutory Audit Committee is made up of at least three effective members, who are elected by the General Meeting and must meet at least quarterly. When the Audit Committee has three active members it must have one or two substitutes, and when it has more than three active members, it must be two substitutes.

The statutory auditor or statutory audit firm are elected by the General Meeting at the proposal of the Statutory Audit Committee (Fiscal Board).

The term of mandate of the Statutory Audit Committee members is four years (Article 27 of the By-laws). The current Chairman and vice-Chairman took up the respective post in 2017. The Member was first appointed as a substitute in 2007 and was appointed as a member for the period 2013-2016 and 2017-2020;

32. Independence of the Fiscal Board members

All the effective members meet the criteria stated in Article 414.5 of the CSC and comply with all the rules of incompatibility mentioned in Article 414.-A.1 of the CSC.

The members of the Statutory Audit Committee have the duty to immediately report to the Company any event

that might give rise to incompatibility or loss of independence.

33. Professional Qualifications.

Chairman –Dr. Carlos Alberto Alves Lourenço

Academic qualifications

- Graduated by Instituto Superior de Contabilidade e Administração de Lisboa (1979) and Bachelor of Accounting and Administration;

Professional activity in the last five years:

- Statutory Auditor (1990);
- Management Consulting at PriceWaterHouse Coopers (PwC);

Date first appointed and end of current term of office: 2017 / 2020.

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

Vice-Chairman – Dr.ª Maria José Martins Lourenço da Fonseca;

Academic qualifications

- Economics Degree from the Faculty of Economics of Oporto University (1984);
- Postgraduate ins European Studies by the Center of European Studies, Catholic University of Oporto (1987);
- Master in Business Sciences, specialized in Accountability and Management Control by Faculty of Economics of Oporto University (2002);
- PhD in Business Sciences, specialized in Accountability and Management Control by Faculty of Economics of Oporto University (2015);

Professional activity in the last five years:

- Professor at Oporto Catholic Business School (CPBS);
- Director of the Master in Auditing and Taxation, CPBS;
- Consultancy activity at the Center for Management Studies and Applied Economics, CPBS;
- Collaboration with the Order of Chartered Accountants as a trainer in the ROC Preparation Course.

Date first appointed and end of current term of office: 2017 / 2020.

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

She does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

She does not hold any shares of the company.

Member – Dr. Eduardo Moutinho Santos:

Academic qualifications

- Law Degree in Faculty of Law of Coimbra University (1978).

Professional activity in the last five years:

- Lawyer in Oporto;

Date first appointed and end of current term of office: 2007 (substitute member), 2013-2020;

Functions performed in the governing bodies of other companies belonging to the Ibersol Group:

He does not perform any functions in other companies in the Ibersol Group.

Number of shares of Ibersol, SGPS, SA held directly or indirectly:

He does not hold any shares of the company.

b) Functioning

34. Location where the regulations governing the functioning of the Fiscal Board can be found.

The Regulations of the Statutory Audit Committee may be consulted on the website: www.ibersol.pt.

35. Meeting of the Fiscal Board.

The Statutory Audit Committee meets at least once each quarter. In 2020, five formal meetings of this Body were held. The President was present in all meetings and the rate of attendance of all the other active members was 100%. The minutes of meeting are registered in proper book.

36. Availability of each member with description of positions held in other companies inside and outside the group and other relevant activities carried out.

All the members of the Statutory Audit Committee consistently demonstrated their availability to perform their functions, having attended all the meetings and taken part in the work.

With reference to point 33 above we refer the information on other posts held in other companies by the active members of the Statutory Audit Committee in **Annex 3** to this report.

c) Competences and functions

37. Description of the procedures and criteria for intervention by the Fiscal Board for the purpose of hiring additional services to the Statutory Auditor.

The Statutory Audit Committee annually assesses the work of the external auditor and states its conclusions in its Report and Opinion, issued in terms and for the purposes of art. 420.1. g) of the Companies Code.

The Statutory Audit Committee analyzes and approves the scope of any additional services provided, considering whether they call the independence of the external auditor into question. It also ensures that any consulting services provided have the necessary level of quality, autonomy and independence relative to the services provided within the scope of the audit process.

38. Other functions.

The Statutory Audit Committee, in coordination with the Statutory Auditor, is responsible for the auditing of the Company, namely:

- Supervise the management of the Company, namely by regularly assessing compliance with the company's strategic plan and the budget;
- Verify that the accounting policies and valuation criteria adopted by the Company lead to a correct valuation of assets and results;
- Continuously monitor the effectiveness of the risk management system and the internal control system;
- Verify the accuracy of the accounting documents, accompanying the process of preparation and disclosure of financial information, and presenting recommendations to ensure the integrity of the same;
- Supervise the audit of accounts;
- Receive notifications of irregularities presented by shareholders, Group employees or others;
- To prepare annually a report on its audit action directed at shareholders, including the description of the inspection activity carried out, any detected constraints and to give an opinion on the report and accounts, as well as on the proposals presented by the management;

It is also responsible for making proposals to the General Meeting for the appointment of the statutory auditor and examining the auditor's independence, particularly as regards the provision of additional services.

The annual report on the work of the Audit Committee is published, together with the financial statements, on the Company's website.

To all effects, the Statutory Audit Committee represents the company in relation to the external auditor, ensuring that all the conditions of service provision are ensured, annually assessing the auditor's performance, acting as the auditor's main contact and receiving its reports, jointly with the Board of Directors.

To perform its functions the Statutory Audit Committee obtains from the Board of Directors the information it needs in order to carry out its activity, namely information on the Group's operations and finances, changes in the composition of the Group's portfolio of companies and businesses and the content of the main resolutions adopted by the Board.

IV. Statutory External Auditor

39. Statutory External Auditor identification and the representing partner

The statutory auditor of the Company is “KPMG & Associados – Sociedade de Revisores Oficiais de Contas, SA.”, designated by the General Meeting 14 May 2018 for the mandate’s course 2017/2020, represented by the Statutory Auditor Dr. Pedro Manuel Bouça Morais Alves da Costa and Substitute, Dr. Vítor Manuel da Cunha Ribeirinho, Statutory Auditor.

40. Permanence of functions

The mentioned Statutory Auditor of the Company, KPMG & Associados, performs functions in the Company from its nomination occurred at the General Meeting 14 May 2018 to the present, and its mandate will occur until 2020.

41. Other services provided to the Company

The Statutory Auditor is also the Company’s external auditor.

V. External Auditor

42. Identification

The external auditor named under article 8th of the Securities Code is “KPMG & Associados - Sociedade de Revisores Oficiais de Contas, SA.” registered in the Securities Market Commission under nº 20161489, and in 2020 its representative was the Statutory Audit Dr. Pedro Manuel Bouça de Morais Alves da Costa (ROC nº 1466).

43. Permanence of Functions

The external auditor was elected for the first time in 2018 and develops its first mandate since 2018 to 2020. The partner who represents the actual External Auditor exercises since 2019 and will end his functions when a new company’s external auditor shall be appointed.

44. Policy and frequency of rotation of the external auditor and its partner

The external auditor and its representative partner member in the performance of its duties are in a first mandate. The election for each mandate is carried out by the General Meeting upon proposal of the Statutory Audit Committee and the frequency of rotation thereof shall be appraised in accordance with best corporate governance practices at the date of the proposal for a new term of office.

45. External Auditor assessment

The Statutory Audit Committee annually assesses the work of the external auditor and states its conclusions in its Report and Opinion, issued in the terms and for the purposes of art. 420.1.g) of the Companies Code (CSC).

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46. Additional work

The services provided by the External Auditor and Statutory Auditor, other than Auditing, have always been approved by the Audit Committee, in compliance with the applicable legal rules and internal procedures established for this purpose. These services essentially consist of training and support services to safeguard the fulfilment of contractual obligations, allowed by the new legal regime of the new Statute of the Order of Statutory Auditors in force, in Portugal and abroad, which are approved by the Audit Committee. In the rendered services provided other than auditing, auditors have instituted strict internal rules to guarantee the safeguarding of their independence, and these rules have been adopted in the provision of these services and subject to monitoring by the company, especially by the Audit Committee. In 2020, fees for services other than audit represented 3.6% of the total services provided by KPMG to the Group.

47. Annual remuneration

The total annual remuneration paid by the Company and other companies in a control or group relationship to the auditor or other corporate entities belonging to auditor's network amounted in 2020 to 216,850 Euros, as follows:

RESUME

	2020	%	2019	%
<u>Company Ibersol SGPS SA.</u>				
Audit and review	25,000	11,5%	25,000	10,4%
Other services				
<u>Entities that integrate the Group</u>				
Audit and review (*)	184,000	84,9%	209,000	87,1%
Tax consultancy				
Other services	7,850	3,6%	6,040	2,5%
TOTAL	216,850	100%	240,040	100%

(*) In 2019 includes 25,000 Euros of additional fees related to audit (2019 exercise)

C. INTERNAL ORGANIZATION

I. Articles of Association

48. Rules about changes in Statutes

The rules applicable to amendment of the By-laws of the Company are those set forth in articles 85 ff. and 383 ff. of the Companies Code (CSC).

II. Whistle Blowing Policy

49. Whistle Blowing Policy

The values and principles of Ibersol Group, disseminated and rooted in the culture of its collaborators, rely in the absolute respect and adoption of good conduct rules and transparency in management of conflicts of interests and due diligence duties and confidentiality in relations with third parties.

The Company has a policy in place for the receipt of reports, claims or complaints about irregularities detected in the Company. As set forth in the Regulations of the Statutory Audit Committee, which are published on the Company's website, this organ keeps a written record of reports of irregularities that are addressed to it, and, when considered appropriate, takes the necessary steps together with the Board of directors and the auditors, and prepares a report on the irregularities. So, this kind of irregularities may be reported to the Statutory Audit Committee without anonymity and being reported directly to the Company, by means of its reference to the Statutory Audit Committee. The Company will send the reports received to the Chairman of the Statutory Audit Committee, ensuring confidentiality.

During 2020 the Statutory Audit Committee did not receive any reports of irregularities.

III. Internal Control and Risk Management

50. Individuals, bodies, or committees responsible for internal audit and/ or implementation of internal control systems.

Ibersol does not have autonomous internal audit and compliance services.

Risk management, as part of the company's culture, is present in all processes and is the responsibility of all managers and employees at the different organization levels.

Risk management is undertaken with the goal of creating value by managing and controlling uncertainties and threats that may affect the Group companies, with a view to the continuity of operations, to take advantage of business opportunities.

As part of strategic planning are identified and evaluated the risks of the existing businesses portfolio and the development of new businesses and relevant projects and defined those risks management strategies.

At the operational level, are identified and evaluated the risks management objectives of each business and planned actions to manage those risks that are included and monitored in the plans of business and functional units.

Regarding security risks of tangible assets and people are defined policies and standards, and the self-control of its application is made, being conducted external audits to all units and implemented preventive and corrective actions for the identified risks.

To ensure compliance of the established procedures is performed regularly assessing of the main internal control systems of the group. For specific business aspects there are risk areas whose management has been assigned to functional departments.

Internal control and the monitoring of internal control systems are overseen by the Executive Committee.

51. Disclosure of the relationship to other committees of the Society in hierarchical dependence and/ or functional relation

The Group does not have autonomous services of Audit and Compliance.

The Statutory Audit Committee evaluates the functioning of the internal control and risk management systems, supervising its business plan, receiving periodic information on its work, evaluating the conclusions, and issuing the guidelines it deems necessary.

The External Auditor verifies the effectiveness and functioning of internal control mechanisms in accordance with a work plan in line with the Statutory Audit Committee, to whom also reports its conclusions.

52. Existence of other functional areas regarding competences in risk control

There are central functions - Quality, Human Resources, Planning and Management control, and Financial Units – that reporting to the Executive Committee, promote, coordinate and facilitate the development of risk management processes.

53. Main Risks to which the Company and its Affiliates are exposed

The Board of Directors considers that the Group is exposed to the normal risks arising from its activity, namely at the level of the restaurants.

Strategic and operational risks

The corporate reality of the Ibersol Group is, due the nature of its activity, highly volatile, permanently exposed to challenges, transformations, and changes, which impose an accelerated management rhythm. 2020, with the Covid-19 pandemic, was a year especially representative of this reality.

Ibersol's business, like any retail business, is exposed to the instability of the economic environment as well as the evolution of consumer preferences. Strategic risk management involves the monitoring of macroeconomic indicators, studies of consumer trends, studies of the catering market with consumer surveys and monitoring of competition activity in the different markets where the Group operates.

In the annual Planning process, all these factors are reassessed and macroeconomic trends are analysed. Internationalization of businesses, strict control of costs, launching of new concepts, distribution channels, products and promotions adapted to changes in consumer profiles are some of the initiatives aimed at mitigating this risk.

With the acquisition of the Eatout Group, Ibersol has a significant part of its turnover in airport concession areas. The concessions are awarded by tender for a certain period, so the Group may or may not guarantee the renewal of these contracts, which may affect its turnover and profitability.

Operating various international brands under the franchise system, the Group enters into long-term franchise agreements (20 years or 10 + 10 years) and, after the respective term, have been renewed, although there is no such requirement. The group seeks to fulfil all obligations associated with contracts and maintain a good relationship with franchisors to minimize the risk of non-renewal.

Operational risks are closely linked to the activity of restaurants: supply management (supply and logistics), stock management, fund management, and the efficiency and safety of resource and asset utilization. The adequacy and scope of the control procedures are monitored and revised where necessary.

Due to the specificities of the Business, there are areas of risk whose current management has been allocated to functional departments, namely:

Food quality and food safety

In the restaurants business, the risk associated with hygiene and food safety is of primordial importance.

The management of this area of risk is overseen by the Quality Unit and is aimed primarily by adopting a responsible proactive approach, following the prevention principles, training, monitoring of indicators and continuous improvement in order to minimise risks with an impact on consumers health.

The main management dimensions of this risk area are:

- qualification and selection of Suppliers and Products in food quality and safety area and a Programme of Periodic Inspections of Suppliers, Products and Services;
- ensuring the effectiveness of the Traceability System;
- control of the Production Process in the units /restaurants through HACCP Systems;
- System for Developing Food Safety Competencies;
- maintenance and monitoring of measurement devices;
- food crisis management System, which is used to monitor existing food warning systems at all times and take immediate action when necessary;
- Continuous Improvement System, supported, among other instruments, by external audit programs in all units of the Group; microbiological analysis programs for raw materials and final products, carried out by sampling by an accredited external entity; Complaints Handling System. Also noteworthy are the certification audits and the certification itself in the standards NP EN ISO 9001: Quality Management System and NP EN ISO 22000: Food Safety Management System that ensure the demand and guarantee of compliance with international requirements quality and food safety.

- Viva Bem Program, through which Customers can obtain information on the Ibersol Group's Food Safety System and on healthy eating habits, guaranteeing them, in a transparent way, the knowledge necessary to make the most appropriate choices for their lifestyle.

In 2020, following the Covid-19 pandemic, specific risks in this regard were identified and managed.

Hygiene and safety at work (HSW)

The management of this risk area is overseen by the Human Resources Unit, which defines, and coordinates training plans and the application of the rules and procedures defined in Ibersol's HSW Manual, and articulates the training plans.

A number of initiatives and actions are developed annually in the field of Health and Safety at Work, aiming to reinforce the commitment and involvement of all employees with the prevention and reduction of occupational risks.

Financial

It is the responsibility of the Finance Department to manage the various financial risks inherent to the unpredictability of the markets to which the Group is naturally exposed, namely foreign exchange, interest rate, credit, liquidity, and capital risks. The steps taken by the Finance Department work to minimize the adverse effects of these possible risks:

a) Exchange rate risk

In this regard, the Ibersol Group pursues a policy of natural hedging, using local currency financing. Since it is essentially present in the Iberian market, bank loans are mostly denominated in euros and the volume of purchases, outside the Euro Zone, does not assume relevant proportions.

It should be noted that the main source of exposure comes from the investment outside the euro zone of the operation in Angola, which is still small and in the process of losing weight in the group's activity. The imbalances of the Angolan economy cause a shortage of foreign currency in Angola, reason why the devaluation of Kwanza is a risk to consider. The remaining financings contracted by the Angolan subsidiaries are denominated in local currency, the same in which the income is generated. In view of the current limitations on payments abroad, the Group adopted a policy of monthly monitoring of credit balances in foreign currency and its full coverage with the acquisition of Treasury Bonds of the Republic of Angola, indexed to the USD. Actually, and in the last two years, operators in general have access to foreign exchange with relative ease.

b) Interest rate risk

Except for the Angolan State Treasury Bonds, the Ibersol Group has no interest-bearing assets with significant interest. Accordingly, the income and cash flows of the investment activity are substantially independent of changes in the market interest rate. Regarding the Angolan State Treasury Bonds, indexed to the US Dollar, interest is fixed, so there is no risk either.

The Ibersol Group's main interest rate risk arises from liabilities, particularly long-term borrowings. Loans issued at variable rates expose the Group to the risk of cash flows associated with the interest rate. Loans issued at fixed rates expose the Group to fair value risk associated with the interest rate.

At the current level of interest rates, the Group's policy is, in mature loans, to fix interest rates up to 30% of the outstanding amount.

c) Credit risk

In the Group's main business, sales are paid in cash, or debit or credit card, so the Group does not have relevant credit risk concentrations.

In relation to customers, the risk is limited to the Catering, sales through aggregators and Franchisees, which represents around 6% of consolidated turnover. The Group began to monitor receivables more regularly with the aim of:

- i) control the credit granted to customers;
- ii) analyse the age and recoverability of receivables;
- iii) analyze the risk profile of customers;

d) Liquidity risk

Liquidity risk management implies the maintenance of sufficient cash and bank deposits, the feasibility of consolidating floating debt through an adequate amount of credit facilities and the ability to liquidate market positions. The management of cash requirements is based on annual planning, which is reviewed quarterly and adjusted on a daily basis. In accordance with the dynamics of the underlying business, the Ibersol Group has been performing a flexible management of commercial paper and the negotiation of credit lines available at all times.

e) Capital risk

The Company seeks to maintain a level of own capital appropriate to its principal business (cash sales and supplier credit) and ensure its continuity and expansion.

The balance of the capital structure is monitored based on the financial leverage ratio (defined as: net interest-bearing debt / net interest-bearing debt + equity) with the aim of placing it between 50% -75%.

Environmental

Risk management in the environmental area falls within the domain of the Quality Department, responsible for implementing and reinforcing sustainability concepts with a view to adopting more sustainable and efficient practices in all aspects of the Ibersol group's activity.

In this context, there are several measures implemented in the promotion of responsible and proactive behaviors and procedures that distribute shared value to the business, environment and society, in areas considered as priorities, namely the circular economy and waste management, the preservation of resources and reducing the ecological footprint.

It is also worth noting the recertification in the NP EN ISO 14001: 2015 Standard - Environmental Management Systems, in different business areas of the Group, which attests to the commitment of the entire structure to reinforce its environmental performance in managing the impact of its activities, namely by optimizing the use of natural resources, protecting the environment and reducing the ecological footprint.

Legal

Ibersol and its subsidiaries have a Management and legal advisory function in permanent coordination with the other central and business functions, in order to preventively ensure the protection of the Group's interests and the fulfilment of the legal duties and obligations within the scope of the corporate activity.

Legal advice is also guaranteed, at national and international level, by external professionals of recognized competence.

Sectoral

The evolution of private consumption influences the sales of restaurants. The company adopted strict cost control with a monthly monitoring of market developments and the consequent review of the planning of resources to be used, to lessen the impact of eventual fluctuations in consumption.

On the other hand, operating in the food industry, possible epidemics or distortions in the supply markets, changes in mobility and consumption patterns can have important impacts on contractual compliance and financial statements.

54. Description of the identification, assessment, monitoring, control, and risk management process

As a structured approach, Risk Management is integrated throughout the Group's planning process. Its purpose is to identify, evaluate and manage the opportunities and threats that Ibersol's businesses face in pursuit of their value creation goals.

In the context of strategic planning, the risks of the business portfolio, as well the risks of development of new businesses and the implementation of the most important projects are identified and assessed, and strategies to manage those risks are defined.

At operational level the risks affecting the objectives of each business are identified and assessed, and actions are planned to manage those risks. These actions are included and monitored through the plans of the individual businesses and functional units.

As regards the risks to the security of tangible assets and persons, policies and standards have been established and are monitored to ensure compliance. All units are subject to external audits and preventive and corrective measures are taken in respect of the risks that have been identified.

To ensure that the established procedures are followed, the Group's main internal control systems are evaluated periodically.

55. Main elements of the internal control systems and risk management implemented by the company regarding the financial disclosure process

The Company does not have any internal audit services reporting directly to the Statutory Audit Committee (given the classic model adopted), the necessary compliance services being overseen by the individual departments of the company. Organizationally and functionally, the various Directions of the Group are directly responsible for compliance services to the Board of Directors and to the Supervisory Audit Committee and the persons responsible are duly identified in the Company's organization chart, it is necessary to reaffirm that they perform in interaction with both the supervisory board and the non-executive director of the company, reporting functionally to the same director, regardless of the hierarchical relationship that these departments maintain with the executive management of the company.

Within the scope of audit services, the external auditor meets with the different departments of the Group, at least twice a year to analyze and review the internal control system, submitting a report to the Statutory Audit Committee for subsequent discussion with the Board of Directors, namely with the non-executive director.

Regarding the risk in the process of financial information disclosure, only a restricted number of employees is involved in the disclosure process. All those who are involved in the process of financial analysis of the Company are considered to have access to inside information and are specially informed of their obligations in this precise scope.

The system of internal control of the accountability, preparation, and disclosure of financial information rests on the following key elements:

- the use of accounting principles, as set forth in the notes to the accounts, is one of the bases of the control system;
- the plans, procedures and records of the Company and its subsidiaries offer a reasonable guarantee that only duly authorized transactions are recorded and that they are recorded in accordance with generally accepted accounting principles;
- the financial information is analysed systematically and regularly by business unit management (supported by the Management Control Department) and by the heads of the profit centres, ensuring continuous monitoring and the necessary budgetary control;
- a timetable is previously established for the preparation and review of information, the work is divided up among the various areas involved and all the documents are reviewed in detail. This includes a review of the principles used, verification of the accuracy of the information produced and a check of consistency with the principles and policies used in previous years
- the accounting records and the preparation of the financial statements are overseen by the central accounting function. The financial statements are prepared by the accountants and are reviewed by the Administrative Unit;
- The consolidated financial statements are prepared on a quarterly basis by the central consolidation function, which conducts an additional reliability check;

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- The financial information, annual report and financial statements are reviewed by the Financial Unit and submitted to the Board of Directors for final review and approval. Once the documents have been approved, they are sent to the external auditor, which issues its audit report and opinion.

- The statutory auditor carries out an annual audit and a half-yearly limited review of the individual and consolidated accounts. Also, each quarter it conducts a summary examination of the quarterly information.

- The process of preparation of the individual and consolidated financial information and of the management report is supervised by the Statutory Audit Committee and the Board of Directors. At quarterly intervals these bodies meet and analyze the individual and consolidated financial statements and management report.

Among the causes of risk that may materially affect financial reporting are the accounting estimates, which are based on the best information available and on the knowledge and experience of current and past events. Balances and transactions with related parties are disclosed in the annex to the financial statements and are associated above all with the Group's operating activities and its lending and borrowing, which is done at market prices.

IV. Investor Relations Office

56. Department responsible for investor relations, composition, functions, information provided by these services and elements for contract.

The Office may be contacted through the Representative for the capital market, António Carlos Vaz Pinto de Sousa (Telephone: +351 22 6089708; Telefax: +351 22 6089757; E-mail: psousa@ibersol.pt, Morada: Praça do Bom Sucesso, 105/159 – 9th floor, 4150–146 Porto, who is accessorized by Dr. Tiago Marques.

57. Legal Representative for Capital Market Relations.

The representative is the person indicated on the website of Ibersol, SGPS, SA. - Dr. António Carlos Vaz Pinto de Sousa;

58. Information about the volume and response time for information request at the year or outstanding from previous years.

Ibersol maintains constant contact with analysts and investors, supplying them with up-to-date information. Whenever necessary, the representative for market relations ensures that all the necessary information on the Group's activity is made available and provides any clarifications requested by investors within five business days.

In 2020 were received 28 requests for information, and there are no pending inquires from previous years.

V. Website

59. Address.

The Ibersol has a website for disclosure of information about the company. The address of the website is www.ibersol.pt

60. Location of the information mentioned in Article 171 of the Commercial Companies Code.

[www.ibersol.pt\investidores\Governo da Sociedade](http://www.ibersol.pt/investidores/Governo da Sociedade);

61. Location where the Articles of Regulation for the committees can be found.

[www.ibersol.pt\investidores\Estatutos](http://www.ibersol.pt/investidores/Estatutos) ;

[www.ibersol.pt\investidores\Governo da Sociedade](http://www.ibersol.pt/investidores/Governo da Sociedade);

62. Location where is provided information about the identify of the governing bodies, the representative for market relations, the Investor Relations Office, functions and means of access.

[www.ibersol.pt\investidores\Governo da Sociedade](http://www.ibersol.pt/investidores/Governo da Sociedade)

[www.ibersol.pt\investidores\Relação com Investidores](http://www.ibersol.pt/investidores/Relação com Investidores)

63. Location where is provided the documents of accounting, calendar of corporate events.

[www.ibersol.pt\investidores\Relatório e Contas](http://www.ibersol.pt/investidores/Relatório e Contas);

[www.ibersol.pt\investidores\Calendário de Eventos](http://www.ibersol.pt/investidores/Calendário de Eventos);

64. Location where is provided the notice to General Meeting and related information.

[www.ibersol.pt\investidores\Assembleias Gerais](http://www.ibersol.pt/investidores/Assembleias Gerais);

65. Location where the historical archives are available with resolutions adopted at general meetings of the company, the represented share capital and the voting results, with reference to the previous 3 years.

[www.ibersol.pt\investidores\Assembleias Gerais](http://www.ibersol.pt/investidores/Assembleias Gerais);

D. REMUNERATIONS

I. Competence for definition

66. Competence for determining the remunerations of governing bodies of the executive committee members and managers of the Company.

The members of the corporate governing bodies are remunerated in accordance with the remuneration policy proposed by the Remuneration Committee and approved by the General Meeting of shareholders.

II. Remuneration Committee

67. Composition of the Remuneration Committee, including the identification of the other independent commission hired to support the committee

The Remuneration Committee is made up of three members: Dr. Vítor Pratas Sevilhano, Dr. Joaquim Alexandre de Oliveira e Silva and Dr. António Maria de Borda Cardoso.

The members of the Remuneration Committee are independent of the members of the Board of Directors. No individual or corporate entity that has provided services to any body reporting to the Board of Directors of the Company or to the Board of Directors itself at any time in the last three years or that currently provides consulting services to the Company, has been hired to support the Remuneration Committee in any capacity.

68. Experience and professional qualifications of the members of the Shareholders' Remuneration Committee

The professional experience and background of the members of the Remuneration Committee allows them to perform their functions rigorously and effectively. All the members are empowered with the necessary academic, professional and technical training required for their function, and authorized with proper functional experience necessary for its proper performance, namely:

- **Dr. Vítor Pratas Sevilhano:** - Degree in Finance by Instituto Superior de Economia, Degree in Hospital Administration by ENSP - Escola Nacional de Saúde Pública de Lisboa, Certified by Manchester Business School - ITP - International Teachers Program. Certified by SBDC – Small Business Development Center de Wisconsin, EUA, Certified by INSEAD (Fontainebleau) – Advanced Management Program and Financial Management Program. Certified by Henley College - Strategic Planning in Practice. Certified by Linkage International–GILD e Executive Coaching Master Class. PCC– Professional Certified Coach by ICF–International Coach Federation. Professional qualifications: - Managing Partner of the European School of Coaching and Partner of the Company My Change;
- **Dr. Joaquim Alexandre de Oliveira e Silva** - Degree in Economics by Faculdade de Economia of Oporto's University, having exercised the tax consultancy activity in the last five years.
- **Dr. António Maria de Borda Cardoso** – Degree in Economics by Faculdade de Economia of Oporto's University. Retired in the last five years.

III. Remuneration Structure

69. Remuneration policy and performance assessment

The remuneration policy of the corporate governing bodies is approved by the shareholders in General Meeting. The General Meeting of shareholders held on 29 June 2020 approved the remuneration policy already in force, which has been implemented consistently and in this general meeting was present the President of the Remuneration Committee members.

The remuneration policies and practices of other groups of companies are not used as a benchmark in setting the remuneration of the members of the Board of Directors and Statutory Audit Committee and no policy has been established with regard to severance payments for directors, as indicated in the statement of the Remuneration Committee attached to the Corporate Governance Report.

The remuneration policy for senior managers is described in the statement of the Board of Directors attached to the Corporate Governance Report. The remuneration of senior managers includes no major or material variable components.

The executive members of the Board of Directors are remunerated by the shareholder ATPS-SGPS, SA, which has subscribed a contract for services with Ibersol Restauração, SA.

The non-executive member receives a fixed annual remuneration (**cf. Annex 1.**) and no other remuneration of any kind.

The total remuneration of the members of the Statutory Audit Committee for 2020 was as follows: Chairman: 9,900 euros; Vice-Chairman: 8,800 euros; Member: 8,800 euros; and SROC: 25,000 euros.

70. Information about remuneration structure to align the interests of members of the board with the long-term interests of the Company as well as about the Company assess and discourage excessive risk assumption

The directors' remuneration policy is the responsibility of the Remuneration Committee, which will submit its proposals to the approval of the Company's shareholders in the 2021 Annual General Meeting, in accordance with **Annex 1.**

The general principles of the remuneration policy for the Audit Bodies and the Board of the General Meeting are as follows:

- a) Functions performed: - the nature and volume of the activity involved in the functions performed by each member of the abovementioned corporate governing bodies is taken into consideration, as well as the responsibilities assigned to each one. The members of the Statutory Audit Committee, the Board of the General Meeting and the Statutory auditor will not all occupy the same organizational or functional position. Various criteria are applied, including level of responsibility, time commitment or the value of a particular service or institutional representation.
- b) The Company's economic situation.
- c) One relevant consideration will be the size of the company and the relative degree of functional complexity.

71. Reference, if applicable, of the existence of a variable remuneration component and information about likely impact of performance appraisal in this component

There is no variable component.

72. Deferring payment of the variable remuneration component, specifying the period of deferral

There is no variable component.

73. Criteria that underlie the allocation of variable remuneration in shares and the maintenance of these shares by Executive Directors

No remuneration involving the allocation of shares or any other system of bonuses paid in shares is envisaged.

74. Criteria that underlie the allocation of variable remuneration in options and indication of the deferral period and the exercise price and the members of the Company

No remuneration involving the allocation of share options is envisaged.

75. Main parameters and reasoning for any scheme of annual bonuses and any other noncash benefits

There is no system of annual awards or other non-cash benefits.

76. Main characteristics of complementary pension or early retirement schemes for the Administrators

There is no pension or early retirement scheme for members of the governing bodies, audit bodies or other senior managers.

IV. Disclosure of remuneration

77. Indication of the annual amount of remuneration earned, in an aggregate and individual manner, by the members of the company's management body, from the company, including fixed and variable remuneration and, in relation to this, mention of the different components that gave rise to it

The executive members of the Board of Directors are remunerated by the shareholder ATPS-SGPS, SA, which has subscribed a contract for services with Ibersol Restauração, SA., having received for such services, in 2020, a total of 1,000,000 euros. One of the obligations of ATPS-Sociedade Gestora de Participações Sociais, SA. under the contract for services with Ibersol, Restauração, SA. is to ensure that the directors of the Company António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira perform their duties without the Company incurring any additional expense. So, the Company does not directly pay any remuneration to any of its executive directors. Given that ATPS-Sociedade Gestora de Participações Sociais, SA. is owned by the directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the above-mentioned total of 1,000,000 euros in 2020, each director received the amount of 500,000 euros. The executive directors do not receive any remuneration from other companies in the group and acquired no pension rights in the year in question.

The non-executive member receives a fixed annual remuneration of 6,000 euros and no other remuneration of any kind. In particular, he receives no performance award, bonus or complementary performance-related fees, retirement supplement or any additional payments beyond the annual amount of 6,000 euros delivered to him by the Company.

78. Any amounts paid by other companies in a control or group or that they are subject to the same domain

No other amounts are paid on any account by other companies controlled by or belonging to the Group, except as indicated in nº 77 above.

79. Compensation paid in the form of profit sharing and / or bonus payments and the reasons why such bonuses and / or profit sharing were granted

During the year no remuneration was paid in the form of profit-sharing or awards.

80. Compensation paid or owed to former executive directors following the termination of their duties during the year

No amounts were paid or are owed as compensation to directors who ceased to be directors.

81. Indication of the annual remuneration earned in aggregate and individually, by the members of the Fiscal Board of the Company

The total remuneration received by the members of the Statutory Audit Committee in 2020 was 27,500 Euros.

This total breaks down as follows:

Chairman – Dr. Carlos Alberto Alves Lourenço - 9,900 Euros;

Vice-Chairman – Doutora Maria José Martins Lourenço da Fonseca: 8,800 Euros;

Member - Dr. Eduardo Moutinho Ferreira Santos: 8,800 Euros.

82. Indication of the annual remuneration earned by the Chairman of the Shareholders' General Meeting

Chairman of the Board – Dr.^a Luzia Leonor Borges e Gomes Ferreira – 1,333.34 euros;

V. Agreements with remuneration implications

83. Contractual limitations provided for compensation payable for unfair dismissal Managers and its relationship with the variable remuneration component

No contractual limitation is envisaged for the compensation payable for unfair dismissal of a director, nor is there any indication of a relationship with the variable component of remuneration (the variable component is not stipulated in the contract), being applicable to this case the legal dispositions.

84. Reference to the existence and description stating the sums involved, of the agreements between the company and members of the Board of Directors, providing for compensation in case of dismissal without due cause or termination of the employment relationship, following a change of control of the company

There are no agreements between the Company and the directors or other senior managers, within the meaning of article 248-B.3 of the Securities Code, that provide for compensation in the event of resignation, unfair dismissal or termination of the mandate or employment relationship following a change of control of the company, being applicable to this cases the legal dispositions, and namely the rules of the Companies Code and

Labour Code.

VI. Share Plans and Stock Option Plans

85. Identification of the plan and recipients

There are no share or share option schemes in force.

86. Plans functioning

The Company does not have any share or share option scheme.

87. Option rights granted to acquire shares (stock options) where the beneficiaries are company employees

No share options have been allocated to workers or employees of the Company.

88. Control mechanisms in any system of employee participation in the capital

Not applicable.

E. RELATED PARTY TRANSACTIONS

I. Control procedures and mechanisms

89. Mechanisms implemented by the Company for purposes of monitoring of transactions with related parties (for this purpose refers to the concept resulting from IAS 24).

The Board of Directors and the Statutory Audit Committee have approved the internal procedure in relation to transactions with related parties under the terms of law no. 50/2020 which, as of August 26, made the conditions for the control and disclosure of these transactions mandatory.

The criteria applicable to its intervention for the purpose of prior assessment of the business to be carried out between the company and holders of qualified participation or entities that are related to them under the terms of Article 20 of the Portuguese Securities Code, having set a qualifying criterion as a value of the transaction equal to or greater than two point five percent of the consolidated net assets of Ibersol SGPS, SA.

90. Statement of the transactions that were subject to control in the reference year

A business with a related party was carried out in the amount of 128,760.00 Euros.

91. Description of the procedures and criteria for intervention by the Authority for the purpose of preliminary assessment of the business carried out between the Company and holders of qualifying holdings or entities that are in a relationship with them, according to Article 20 of the CVM

All transactions carried out in 2020 with related parties were communicated to the Audit Committee, together with the elements contained in paragraph 2-a) to d), Article 7, of the referred procedure.

The procedures applicable to the intervention of the Audit Committee in the prior assessment of any business

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to be carried out between the Company and holders of qualified holdings follow the rules of the respective Internal Procedure in matters of transactions with related parties and compliance with Recommendations I.5.1 and I.5.2 of the IPCG / 2020 Corporate Governance Code, followed in Appendix -A to this Governance Report the respective “Internal Procedure in Matters of Transactions with Related Parties”.

II. Elements related to transactions

92. Location where the financial statements and the information about transactions with subsidiaries can be found (in accordance of IAS 24)

Information on transactions with related parties is provided in the Annex to the individual financial statements and in the Annex to the consolidated financial statements.

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PART II - GOVERNANCE MODEL EVALUATION

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

This Corporate Governance Report was prepared in accordance with CMVM Regulation 4/2013 of 1 August and with the new Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) from 2018 revised in 2020. In accordance with article 4. 2 of CMVM Regulation 4/2013, the necessary and indispensable information is disclosed as required by these regulations, both in substance and form.

This Report complies with article 245-A of Securities Code and in accordance with the comply or explain principle, indicates the degree of compliance with the new Recommendations from the mentioned IPCG as stated in its 2018 Corporate Governance Code in its actual 2020 version.

The reporting obligations under Law 28/2009 of 19 June, articles 447 and 448 of Companies Code and CMVM Regulation 5/2008 of 2 October 2008 with the changes of Regulation 7/2018 are also complied.

All the legal and regulatory texts mentioned in this report are available at www.cmvm.pt.

2. ANALYSIS OF COMPLIANCE WITH THE CORPORATE GOVERNANCE CODE ADOPTED

Overall Ibersol, SGPS, SA complies with the CMVM's corporate governance recommendations, as observes, and exposes the degree of compliance with the new Recommendations of the Portuguese Institute of Corporate Governance, as follows:

I - GENERAL PROVISIONS

I.1. Company's relationship with investors and disclosure

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.1.1 The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	Adopted	29, 38, 49, 56 to 65

I.2. Diversity in the composition and functioning of the company's governing bodies

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.1. Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity,	Adopted	15, 17 a 19, 26, 31 to 33 and 36

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which may contribute to a better performance of the governing body and to the balance of its composition.		
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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.2. The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members —, disclosed in full on the company's website. Minutes of the meetings of each of these bodies should be drawn out.	Adopted	22, 23, 27 34 to 35

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.3. The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Adopted	23, 35, 62, 63 and 64

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.2.4. A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Adopted	49 e 38

I.3. Relationship between the company bodies

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation		21 to 23,

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and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Adopted	29, 34, 35, 38, 50 to 55, 63 to 65
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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.3.2. Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	Adopted	21 to 23, 29, 34, 35, 38, 50 to 55, 63 to 65

I.4. Conflicts of interest

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.4.1. .The members of the managing and supervisory boards and the internal committees are bounded, by internal regulation or equivalent, to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Adopted	49, 89 to 91

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.4.2. Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Adopted	49, 89 to 91

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I.5. Related party transactions

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.5.1. The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Adopted	89 to 91

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
I.5.2. The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Adopted	89 to 91 and 61

II — SHAREHOLDERS AND GENERAL MEETINGS

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
II.1. The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Adopted	12 to 14

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
II.2. The company shall not adopt mechanisms that make decision making by its shareholders(resolutions) more difficult, specifically, by setting a quorum higher than that established by law	Adopted	12 to 14

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>II.3. The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.</p>	Not adopted	v.d. explanation below at the end of this frame

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>II.4. The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.</p>	partially adopted	12 - v.d. explanation below

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>II.5. The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years the amendment or maintenance of this rule will be subject to a shareholder resolution without increased quorum in comparison to the legally established - and in that resolution, all votes cast will be counted without observation of the imposed limits</p>	Not applicable	12 to 14

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>II.6. The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.</p>	Adopted	4

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III — NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.1. Without prejudice to the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions; and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.</p>	Not applicable	18

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The formation of such suitability judgment should be included in the corporate governance report.</p>	Adopted	17, 18, 28, 29, 31 to 33

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.</p>	Not adopted	18

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:</p> <p>i)having carried out functions in any of the company's bodies for more</p>		

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<p>than twelve years, either on a consecutive or non-consecutive basis;</p> <p>ii)having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;</p> <p>iii)having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;</p> <p>iv)having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;</p> <p>v)having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons who are direct or indirect holders of qualifying holdings, or</p> <p>vi) having been a qualified holder or representative of a shareholder of qualifying holding.</p>	<p>partially adopted</p>	<p>17 and 18</p>
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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.5. The provisions of paragraph (i) of recommendation III.4 does not inhibit the qualification of a new director as independent if, between the termination of his/her functions in any of the company'sbodies and the new appointment, a period of 3 years has elapsed (<i>cooling-off period</i>).</p>	<p>Not applicable</p>	<p>17 and 18</p>

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.6. The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.</p>	<p>Adopted</p>	<p>24 e 38</p>

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>III.7. Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.</p>	partially adopted	24, 66, 69 and following

IV — EXECUTIVE MANAGEMENT

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group</p>	Adopted	22, 27 and 61

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>IV.2. The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i)the definition of the strategy and main policies of the company; ii)the organisation and coordination of the business structure; iii)matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.</p>	Adopted	21, 24, 27 and 29

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>IV.3. In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.</p>	Adopted	24, 29, 50 to 53, 54 and 55

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V — EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT

V.1. Annual evaluation of performance

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Adopted	24, 25

V.2 Remuneration

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.1. The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Adopted	66 to 68

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.2. The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Adopted	69 to 76

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.3. For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Not applicable	76, 83 e 84

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.4. In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	Adopted	69

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.5. Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	Not applicable	67

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.6. The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	Not applicable	67

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.7. Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	Not applicable	69, 70 to 74

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.8. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	Not applicable	69, 70 to 74

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.9. When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Not applicable	69, 70 to 74

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.2.10. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	Adopted	69

V.3 Appointments

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.3.1. The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	Adopted	v.d. documents published in this context in www.ibersol.pt with the proposals of election occurred at the General Meeting 2017

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.3.2. The overview and support to the appointment of members of senior management should be attributed to a nomination committee unless this is not justified by the company's size.	Not applicable	15, 27 a 29

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.3.3. This nomination committee includes a majority of non- executive, independent members.	Not applicable	15, 27 a 29

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
V.3.4. The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including gender diversity.	Not applicable	15, 27 a 29

VI — INTERNAL CONTROL

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking	Adopted	24, 50, 52 to 55

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.2. The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	Adopted	38

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>VI.3. The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.</p>	Adopted	38,50 and 51

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>VI.4. The supervisory body should provide its view on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance and internal audit functions, and may propose the adjustments deemed to be necessary.</p>	Adopted	38,50 and 51

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>VI.5. The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.</p>	Adopted	38, 49 and 50 to 55

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
<p>VI.6. Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.</p>	Adopted	24, 50 to 55

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RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VI.7. The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Adopted	24, 38, 50 to 55

VII — FINANCIAL INFORMATION

VII.1 Financial information

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.1.1. The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Adopted	34 and 38

VII.2 Statutory audit of accounts and supervision

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.2.1. By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Adopted	34, 37, 38

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.2.2. The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Adopted	34, 37, 38

CORPORATE GOVERNANCE REPORT

RECOMMENDATION	Degree of Compliance	Corporate Governance Report
VII.2.3. The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Adopted	37 and 38

Explanation for not adopted or partially adopted Recommendations

Recommendation II.3 – In the absence of express requests from shareholders up to the present date regarding the form of participation in the General Meeting by telematic or remote means, and if this modality is not specifically provided in company's bylaws, the possibility of recommendation to use this same route at a distance if force majeure reasons, for example, justifies it, all without prejudice of such modality may be considered expressly in a future statutory revision.

Recommendation II.4 – In the absence of express requests from shareholders up to the present date regarding the method of exercising the right to vote electronically, this method is not yet foreseen in the company's articles of association, without prejudice to such modality be considered relevant in a future statutory review. However, the voting by correspondence method by email / via email is already operative.

3. OTHER INFORMATION

The company should provide any additional elements or information that, if not finding explained in the preceding paragraphs, are relevant to understand the model and governance practices adopted.

In compliance of the premises supra exposed and in accordance with paragraph 1-r), Article 245-A, of the Portuguese Securities Code, we will expose the information about the diversity policy applied in the Company related to its management and supervisory bodies, namely in terms of age, sex, qualifications and professional background, also the objectives of this diversity policy, the way it was pursued, and its results in the 2020 exercise.

The diversity policy applied by the company related to its management and supervisory bodies complies with the following general principles:

The candidates for members of the management and supervisory bodies should observe:

- Experience in sufficiently senior positions in companies or similar organizations that provide them:
 1. To evaluate, challenge and develop of the most senior managers of the company;
 2. To evaluate and challenge the corporate strategy of the group and its main subsidiaries;
 3. To evaluate and challenge the operational and financial performance of the company;
 4. To evaluate the degree of compliance in the organization of the Ibersol values;

CORPORATE GOVERNANCE REPORT

- In addition to the common basic minimums, each candidate individually must contribute to the overall knowledge and competencies of the Board of Directors, as follows:

1. Deep and international knowledge of the main sectors of activity of Ibersol;
2. Knowledge of the main markets and geographies of the main businesses;
3. Knowledge and skills in management techniques and technologies that determine the success of companies with dimension in our sectors of activity;

- Candidates must have the human qualities, clarity of purpose, analytical ability, synthesis ability and communication skills required for a large number of diverse and complex subjects can be discussed in necessary limited time and necessary depth to provide high quality and timely decision making;

- Subject to the fulfilment of the other factors, a significant representativeness of genres and origins should seek to achieve a significant representativeness of genres and origins.

The composition of the management and supervisory bodies elected by the General Meeting in most of the Group's Companies complies the above-mentioned guidelines, presenting a balanced diversity of gender, origin, qualifications and professional background.

In the Statutory Audit Committee and General Meeting's Board whose composition is above described in this report, the proportion of persons of each sex respects, in advance, the limiting principles imposed by the Article 5 of Law 62/2017 1st August. However, this perspective has not occurred in the appointment of the Board of Directors members started in 2017 for it's four-year mandate.

The diversity and professional experience of the members of the Board of Directors and the Statutory Audit Committee are a result of it's respective curriculum vitae.

In addition to the elements above described, there are no other relevant elements to be considered.

ANNEX 1

REMUNERATION COMMITTEE STATEMENT

OF THE REMUNERATION COMMITTEE

ABOUT THE REMUNERATION POLICY FOR THE CORPORATE GOVERNING BODIES OF IBERSOL, SGPS S.A. TO BE SUBMITTED FOR APPROVAL BY THE NEXT GENERAL MEETING OF 2021

1. Under the terms of the authority assigned to this Committee by the General Meeting of shareholders of Ibersol SGPS, SA. and under the terms of article 26.2 of the By-laws of the Company, the function of this Remuneration Committee is to set the remuneration of the members of the corporate governing bodies.

2. Under the applicable terms of the By-laws, the Remuneration Committee was appointed by the General Meeting of Shareholders on 26th May 2017 and is made up of three members, who are independent of the members of the Company's governing and audit bodies.

3. The Remuneration Committee thus submits this report for the consideration of this General Meeting and for the purpose of adoption of Recommendation of the Corporate Governance Code of the Instituto Português de Corporate Governance. The report contains the guidelines followed by this Committee in setting the remuneration of the members of the governing and audit bodies and the Board of the General Meeting, as follows:

a) The remuneration of the members of the Board of the General Meeting for 2019 was set at a fixed annual amount, payable twelve times a year, having its members earned the following annual remuneration:

- **Chairwoman** – Dr.ª Luzia Leonor Borges e Gomes Ferreira: 1,333.34 Euros ;

- **Vice-Chairwoman** – Dr.ª Raquel de Sousa Rocha: 667.92 Euros ;

- **Secretary** – Dr.ª Maria Leonor Moreira Pires Cabral Campello: 333.36 Euros;

b) The shareholder ATPS-SGPS, SA. provided administrative and management services to the Group and in 2020 received from the investee Ibersol, Restauração, SA. a total of 1,000,000 euros for such services. One of the obligations of ATPS-Sociedade Gestora de Participações Sociais, SA. under the contract of services with Ibersol, Restauração, SA. is to ensure that the directors of the Company António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira perform their duties without additional expenses that the Company has to incur. The Company does not directly pay any remuneration to any of its executive directors. Given that ATPS-Sociedade Gestora de Participações Sociais, SA. is controlled by the directors António Carlos Vaz Pinto de Sousa and António Alberto Guerra Leal Teixeira, out of the abovementioned total of 1,000,000 Euros paid in 2020, it is supposed that each director has received the amount of 500,000 Euros. The non-executive member receives annual remuneration of 6,000 Euros, and has not received any other remunerations of any kind, namely performance bonuses, bonuses or any additional performance fees and / or any additional payments at the annual amount of 6,000 Euros provided to by the company.

The mentioned executive directors do not receive any other remuneration in other companies of the group nor have pension rights acquired in 2020.

In view of the above, it is not possible to issue a statement on the remuneration policy of the members of the governing body of the company, particularly a report containing the information mentioned in actual article 2.3 of Law 28/2009.

CORPORATE GOVERNANCE REPORT

c) The remuneration of the members of the Statutory Audit Committee for 2020 was set at a fixed annual amount, payable twelve times a year. The individual members received the following annual remuneration:

Chairman - Dr. Carlos Alberto Alves Lourenço: 9,900.00 Euros;

Vice-Chairman - Dr.^a Maria José Martins Lourenço da Foseca: 8,800.00 Euros;

Member – Dr. Eduardo Moutinho Santos: 8,800.00 Euros;

The general principles observed are essentially those that emerge from the law, considering the activities actually performed by the above persons, also the Company's economic situation and the usual terms and conditions in comparable situations. The functions performed by each member of the corporate governing bodies were considered in the broadest sense of the activity performed, using the level of responsibility as an assessment parameter. The weighting of the functions is considered in a broad sense, in the light of various factors, particularly the level of responsibility, the time spent, and the value the member's institutional role added to the Group. The size of the company and the degree of complexity of the assigned functions is also an important aspect. The combination of the abovementioned factors and assessment thereof serves to guarantee not only the interests of the post holders but also the primordial interests of the Company.

The remuneration policy we submit to the approval of the Shareholders of the Company is therefore based on the abovementioned parameters, consisting of the remuneration of the members of the corporate bodies in a gross fixed amount, paid annually until the end of the year. In setting all remuneration, the general principles stated above were observed: functions performed, situation of the Company and comparative criteria for equivalent degrees of performance.

Oporto, 27 April 2021

Remuneration Committee,

Vítor Pratas Sevilhano, Dr.

Joaquim Alexandre de Oliveira e Silva, Dr.

António Maria de Borda Cardoso, Dr.

ANNEX 2

BOARD OF DIRECTOR'S STATEMENT UPON THE REMUNERATION POLICY OF IBERSOL, SGPS, S.A. DIRECTORS

1. According to Article 11 of IBERSOL, SGPS SA. by- laws, the Board of Directors has the responsibility to determine the general remuneration policy and incentives for the Company's Directors positions and, for all the administrative and technician personnel.
2. Under the terms of number 3 of the article 248º-B and 245º-A of the Securities Code, Directors are, besides Management and Supervisory Bodies members, those who have regular access to privileged information and take part in the company's decisions upon management and negotiation strategy.
3. According to CMVM Recommendations upon publicly listed companies corporate governance, and to promote transparency, in order to comply with Recommendations of Corporate Governance, the Board of Directors submits to this General Meeting this statement with the guidelines observed to determine the mentioned remunerations, as follows:
 - a) The remuneration policy adopted for Ibersol's Directors matches with the policy determined for the generality of the Company's employees.
 - b) However, the Company's Directors remuneration contains a fix remuneration and an eventual performance bonus.
 - c) The evaluation of the performance quality and the performance bonus are established according to the criteria previously defined by the Board of Directors.
 - d) Therefore, behaviour factors of each Director, namely, specific competencies to the function, its level of responsibility, ability to adjust to company's management and specific procedures, autonomy level of individual performance, will be attended to determine an eventual performance bonus, being also considered the technical and/or the financial-economic performance in the Directors' business sector, as well as the financial/economic performance of IBERSOL.

Oporto, 27 April 2021

The Board of Directors

ANNEX 3

List of Positions held in other companies by the members of the Statutory Audit Committee and General Meeting Board

STATUTORY AUDIT COMMITTEE:

President – Dr. Carlos Alberto Alves Lourenço;

Besides the position of President of the Statutory Audit Committee of Ibersol SGPS, SA., he performs functions in the following Societies outside Ibersol Group:

Chairman of the Fiscal Board:

- ELEVOLUTION GROUP, SGPS.

Member of the Supervisory Board:

- Manuel Champalimaud, SGPS, SA

Vice- President – Dra. Maria José Martins Lourenço da Fonseca

Besides the position of Vice-President of the Statutory Audit Committee of Ibersol SGPS, SA., she performs functions in the following Societies outside Ibersol Group:

Chairman of the Fiscal Board:

- Sonae, SGPS,SA
- SDSR - Sports Division SR,SA.

Member of the Supervisory Board:

- Sonae MC, SGPS, S.A.
- Sonaecom, SGPS, S.A.

Member (effective) – Dr. Eduardo Moutinho Santos

Besides the position of effective Member of the Statutory Audit Committee of Ibersol SGPS, SA., he performs the following cargo in a company outside Ibersol Group:

Member of Supervisory Board: IVN-Serviços Partilhados, SA.

Substitute Member – Dr. Arlindo Dias Duarte Silva

Performs no other cargos in companies behind the cargo of Substitute Member of the Satutory Audit Committee of Ibersol SGPS, SA.

BOARD OF THE GENERAL MEETING

President – Dra. Luzia Leonor Borges e Gomes Ferreira

Functions performed in board of directors of other societies held by Ibersol Group

Besides the position of Board's President of Ibersol SGPS, SA. General Meeting, she performs functions in the following Societies outside Ibersol Group:

President of the Board of the General Meeting:

- MDS, SGPS, SA.
- Modelo - Distribuição de Materiais de Construção, SA.
- Sonae Holdings , SA.
- Sonae Corporate, SA.
- Sonae FS,SA
- SFS – Financial Services, IME, SA
- SFS – Gestão de Fundos, SGOIC, SA
- Dot Value – SGPS, SA.
- Hotelco – Hotelaria e Comércio, SA.
- Laminar – Indústria de Contraplacados, SA.
- Orbitur – Intercâmbio de Turismo, SA.
- Orbitur – Imobiliária, SA.
- IVN – Serviços Partilhados, SA.

Vice-president – Dr.ª Raquel de Sousa Rocha

Besides the position of Vice-President of Ibersol SGPS, SA. General Meeting Board, she performs functions in the following Societies outside Ibersol Group:

Secretary of the Board of the General Meeting:

- MDS, SGPS, SA.
- Sonae Holdings, SA
- FS – Financial Services, IME, SA
- Sonae Corporate, SA
- Sonae FS, S.A.
- Mktplace, Comércio Electrónico, SA

Secretary – Dr.ª Maria Leonor Moreira Pires Cabral Campello

She performs no other cargos in other societies behind the Secretary cargo of Ibersol SGPS, SA. General Meeting Board.

Oporto, 27th April 2021.

ANNEX A

INTERNAL PROCEDURE REGARDING TRANSACTIONS WITH RELATED PARTIES

1. FRAMEWORK

Ibersol, SGPS SA, a publicly listed company (“Company”) has approved and has in practice, since 2010, a specific procedure in relation to transactions with related parties, approved by the Board of Directors and the Statutory Audit Committee, which aim to materialize the objectives now pursued by Law 50/2020, which, as of August 26, made the conditions for the control and disclosure of these transactions mandatory, without prejudice to the autonomy of the tax law provisions on transfer pricing.

The procedure instituted at Ibersol aims to ensure that transactions with related parties are carried out:

- 1) - within the scope of its current activity and under market conditions, in compliance with legal requirements, being disclosed in a transparent manner and,
- 2) - in order to guarantee the protection of minority shareholders, being transactions of which benefit all shareholders in a balanced and equitable manner.

2. PURPOSE AND SCOPE OF THIS PROCEDURE

2.1 The internal procedures applicable to Transactions with Related Parties are established, under the terms of the applicable legislation of Articles 249-A to 249-D of the Securities Code and Article 397 of the Commercial Companies Code, the IAS 24 relevant forecasts in this regard, and Chapter I.5 of the IPCG 2020 Corporate Governance Code.

2.2. Typology of transactions in this scope:

* a) Transactions to be carried out between Ibersol, SGPS S.A. (“**Company**”) on one hand, and a Related Party of the Company (**Related Party**) on the other;

* b) Transactions to be carried out between a Related Party of the Company and a Subsidiary² of the Company for an amount equal to or greater than 2.5% of the Consolidated Asset of the Company (“**Subsidiary Transactions**”).

2.3. Transactions carried out between a member of the Board of Directors (including members of the Executive Committee) and the Company or companies that are in a controlling or group relationship

with the Company (“**Transactions with Directors**”) shall be considered as Relationships with Related Parties or Affiliate Transactions, as the case may be.

3. GENERAL PRINCIPLES

3.1. Corporate interest, balance, and equity

A) Each member of the Board of Directors must ensure that **Related Party Transactions** comply with the following requirements:

a) They are carried out considering the best interests of the Company in the scope of its current activity, and

b) They are carried out under normal market conditions, that is, fulfilling an objective consideration that the parties involved in the transaction act there as independent entities, carrying out transactions comparable and consistent with market conditions in order to ensure the protection of the interests of shareholders.

B) The member of the Board of Directors or of the Executive Committee who is in a situation of conflict of interests must not interfere by any means in the decision-making process regarding any Transaction with Related Party, without prejudice to the duty to provide all information that the members of this body request it.

3.2. Transparency

Each one of the members of the Board of Directors must, when applicable under the terms of this Procedure:

2. The term “**Related Party**” has the meaning established in paragraph 9 of IAS 24 - according to Annex I which contains a list that summarizes the criteria here relevant for the identification of related parties.

“**Subsidiary**” means an entity over which the Company has a dominant influence under the terms of Article 21 of the Portuguese Securities Code.

3. “**Consolidated Company Assets**” means the value of the Company's assets in accordance with the most recent audited consolidated accounts, as publicly disclosed.

* the value of 2.5% applies in both cases.

a) Promote that Transactions with Related Parties and, when reasonable and insofar as they may exert influence, the Transactions of Affiliates, are duly documented and, when applicable, disclosed under the terms established in this Procedure;

b) Keep the Board of Directors informed of any Transactions with Related Parties or Transactions of Affiliates that they are aware of.

3.3. Current Activity

The Board of Directors or the Executive Committee, should promote that Related Party Transactions and Affiliate Transactions comply with the following conditions:

a) They are carried out within the scope of the current activity of the Company (considering that the Company is a Management Company of Social Participations, subject to the legal regime of Law Decree no. 495/88 of 30 December) or the respective Subsidiary; and

b) Are concluded under normal market conditions (not subject to any special terms and conditions, atypical or that are not normal and current practice in the market) and, with respect to Transactions with Directors, that no special benefits are granted to the director contracting party.

Transactions that comply with the requirements of these subparagraphs a) and b) should, for the purposes of this Procedure, be considered “**Current Activity Transactions**”.

3.4. Failure to grant credit to members of the Board of Directors

The Company is prohibited from entering into, and the Board of Directors, or the Executive Committee is also prohibited from approving or entering into any Transactions with Directors in which the Company (or a company that is in a controlling or group relationship with the Company) directly or indirectly grant loans or credit to any member of the Board of Directors (including the members of the Executive Committee) or provide guarantees for obligations contracted by them, and it is also prohibited to provide advances of remuneration exceeding one month.

4. INTERNAL REGISTRATION AND REVIEW BY THE FISCAL COUNCIL

4.1. All Related Party Transactions must be notified to the Statutory Audit Committee by the Board of Directors, and the Board of Directors must ensure that the Company Secretary keeps a record of all transactions together with all relevant supporting documentation.

4.2. The Board of Directors, or the Executive Committee, must send to the Statutory Audit Committee, at least on a semi-annual basis, a list of Transactions with Related Parties that have been carried out since the last communication, together with supporting documentation and information, namely the elements referred to in points 7.2 a) to d) - this Procedure should start counting from the entry into force of Law 50/2020, of 25 August.

4.3. After receiving the elements referred to in point 4.2, the Audit Committee shall review all documentation and verify that the referred Transactions with Related Parties are Current Activity Transactions, and the conclusions of this review should be included in its annual report and presented to the Board of Directors.

4.4. The Audit Committee may request from the Board of Directors or the Executive Committee all information it deems relevant in relation to each Transaction carried out with a Related Party and may also issue the recommendations it deems necessary.

5. CURRENT ACTIVITY TRANSACTIONS AND EXEMPTED TRANSACTIONS

5.1. The following transactions shall be considered as Current Activity Transactions and, as such and to the extent applicable, subject only to the forecasts regarding internal registration and review by the Audit Committee under the terms of point 4 above - the following transactions:

a) Transactions with Related Parties whose respective terms and conditions (including price) are in accordance with the Company's usual transactions and are determined by external factors not controlled by the Company (for example, transactions carried out in a regulated market in line with market prices in force);

b) All Related Party Transactions and Affiliate Transactions entered into with credit institutions or financial institutions, provided that these transactions are in line with the Company's usual transactions and with the terms and conditions of previous transactions carried out with the same parties (for example, renewals or extensions of existing credit lines) or those whose terms and conditions are no less favorable to the Company (or to the Subsidiary) than the conditions offered by entities that are not Related Parties;

c) Transactions with Related Parties carried out by the Company in respect of conditions and / or prices previously established and applicable to any counterparty.

5.2. The process and requirements for disclosure set out in points 6.1. and 7.1 below are not applicable with respect to the following transactions (“Exempt Transactions”):

a) Transactions carried out between the Company and its Affiliates provided that they are in a controlling relationship with the Company⁴ and no Party Related to the Company has an interest in that Affiliate;

b) Transactions related to the remuneration of the members of the Board of Directors, or to certain elements of that remuneration; and

c) Transactions proposed to all shareholders of the Company in the same terms in which the equal treatment of all shareholders and the protection of the interests of the Company are ensured.

6. TRANSACTIONS CARRIED OUT BETWEEN THE COMPANY AND ITS RELATED PARTIES

6.1. All transactions that are not excluded or exempted in accordance with point 5 above and that the Company plans to carry out with one or more Related Parties must be previously reviewed by the Administrative Department, which must send to the competent body for approval of the transaction, a report where:

- a) the estimated value of the transaction is indicated, as well as whether the Related Party has carried out other Transactions with the Company in the last 12 months that have not been publicly disclosed under the terms of this Procedure, indicating the value of these Transactions;
- b) it is stated and substantiated that the transaction in question is a Current Activity Transaction; and,
- c) it is confirmed that the Company's Administrative Department has been informed of the potential transaction for the purpose of complying with the transfer pricing requirements, if applicable.

6.2. The Board of Directors (or the Executive Committee if within the scope of its delegated powers) - can approve a Transaction with Related Parties if: (i) the report issued by the Administrative Department of the Company confirms that the Transaction in question is a Current Activity Transaction and (ii) the value of the transaction is less than 2.5% of the Company's consolidated assets, here being considered all Transactions with the same Related Party entered into during any 12-month period or during the same year, and which have not been subject to the public disclosure obligations foreseen under the terms of this Procedure in Point 7 below;

⁴ Entities that are co-controlled by the company are not included in this exclusion

6.3. If the Board of Directors (or Executive Committee) approves the Transaction with the Related Party pursuant to point 6.2. above, it must immediately inform the Audit Committee of this resolution, pursuant to points 4.1. and 4.2. supra;

6.4. The prior opinion of the Audit Committee to be issued within a period not exceeding 10 working days, which may be greater or lesser, depending on the complexity of the analysis and / or the urgency that may prove relevant - followed by a decision by the Board of Directors, will be necessary for approval of Related Party Transactions included or exempted under Point 5 above, that:

- a) They are not Current Activity Transactions; or
- b) Are equal to or exceed 2.5% of the Company's consolidated assets.⁵

6.5. Related Parties or their representatives may not be involved in the process of approving Related Party Transactions to which they are an interested party.

7. PUBLIC DISCLOSURE OF RELATED PARTY TRANSACTIONS

7.1. The Board of Directors must ensure that the Company publicly discloses, at the latest until the moment when they are carried out, all Transactions with Related Parties that: (i) are not Current Activity Transactions and (ii) are carried out for an amount (isolated or in conjunction with other Transactions carried out with the same Related Party in the previous 12 months and which have not been publicly disclosed under the terms of this Procedure) - equal to or greater than 2.5% of the Company's Consolidated Assets.

7.2. The public disclosure mentioned in point 7.1, must contain at least the following elements:

- a) Identification of the Related Party;
- b) Information on the nature of the relationship with the Related Party;

5. If applicable, this amount must be aggregated with that of other transactions carried out between the same Related Party and the Company in the last 12 months that have not been publicly disclosed pursuant to paragraph 7.1.

- c) The date and amount of the Transaction with the Related Party;
- d) The reasons for the balanced, normal, 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 that the opinion of the Audit Committee regarding the Transaction with the Related Party is unfavorable, if applicable.

7.3. The Board of Directors must specify, in its annual report, the authorizations granted by the Board of Directors under the terms of article 397 of the Portuguese Companies Code, and the Supervisory Board must mention in its report the opinions given on these authorizations.

7.4. The public disclosure duties imposed by this Procedure apply without prejudice to the rules on the disclosure of inside information referred to in Article 17 of Regulation (EU) No. 596/2014 of the European Parliament and of the Council, of 16 April 2014.

8. TRANSACTIONS OF PARTICIPATES WITH RELATED PARTIES

8.1. The Board of Directors of the Company (or the Executive Committee) shall send to the Board of Directors of the Subsidiaries an updated list of the Related Parties with the Company and shall give instructions to each of these Subsidiaries to notify the Board of Directors of the Company whenever any of these Affiliates intend to carry out a transaction with a Related Party of the Company that: (i) has an amount equal to or greater than 2.5% of the Consolidated Assets of the Company (considering all the Affiliate Transactions carried out with the same Related Party in the last 12 months that have not been publicly disclosed in accordance with paragraph 7. above) and (ii) are not exempt under paragraph 5. above.

Such notification must include:

- a) All the elements mentioned in point 7.2. supra;
- b) Reference to the fact that the transaction is a Current Activity Transaction and its basis, and
- c) Copy of all relevant documents related to the transaction.

8.2. If the Subsidiary's Transaction referred to in point 8.1 is not a Current Activity Transaction, it must be publicly disclosed by the Company, latest at the time it is carried out, pursuant to points 7.1 and 7.2 above.

9. IDENTIFICATION OF RELATED PARTIES, SUBSIDIARIES OF THE SOCIETY AND KEY MANAGEMENT STAFF

9.1. The Administrative Department of the Company, articulating with the other Financial Departments / Development Department / Legal Labor Relations Department of the Company must keep the following lists ("Lists") permanently updated:

- a) Key Management Personnel ⁶;
- b) Subsidiaries of the Company; and
- c) Parties Related to the Company.

9.2. The Lists must be available for consultation by the Board of Directors, the Executive Committee and the Statutory Audit Committee for the proper fulfillment of their duties arising from this Procedure.

10. REPORTING TRANSACTIONS WITH RELATED PARTIES

The procedure to be followed by the Board of Directors in relation to transactions with related parties will be resulting from the Internal Policy in relation to Transactions with Related Parties, approved by the Board of Directors, with a prior binding opinion of the Statutory audit Committee - and in compliance with articles 249.º-A to 249º- D of the Securities Code.

11. FINAL FORECASTS

11.1 The Board of Directors approved this Procedure, with a prior favorable and binding opinion from the Statutory Audit Committee.

11.2 Any changes to this Procedure must be approved by the Board of Directors with a prior favorable and binding opinion from the Statutory Audit Committee.

⁶ “Key Management Personnel” means any individuals who have, directly or indirectly, authority or responsibility for the planning, direction and control of the Company's activities, including any director (executive or non-executive) of the entity in question.

11.3 This Procedure will be disclosed in the Corporate Governance Annual Report and made public through any other legally permissible means.

ATTACHMENT: Attachment I - Related Parties in accordance with IAS 24;

ANNEX I

RELATED PARTIES ACCORDING TO IAS 24

The list below includes a summary of the individual and collective legal persons considered Related Persons for the purposes of point 9 of IAS 24, as legislated by Commission Regulation (EC) No. 1126/2008 of November 3, 2008 in its current wording.

A. Individuals

- i. Person holding Control or Joint Control of the Company;
- ii. Person who has a Significant Influence on the Society;
- iii. Person who is part of the Key Personnel of the Management of the Company or its holding company;
- iv. Any Intimate Family Members of any of the persons identified in the points i. iii. above.

B. Collective Entities

- i. Entities that belong to the same group as the Company;
- ii. Entity that is an Associate of the Company (or Associate of any of the entities that belong to the same group as the Company) or that the Company is an Associate (or Associate of an entity that belongs to the same group as that Entity);
- iii. Entities that are a joint venture of the Company (or a joint venture of an entity that is a member of the group to which the Company belongs) or the Company is a joint venture of an Entity (or joint venture of a group member to which this Entity belongs);
- iv. Entities that are a joint venture of the same third party;
- v. Entities that are a joint venture of a third party of which the Company is an Associate (or, if the Company is a joint venture of a third party, the Associated entity of that third party);
- vi. The entity that is a post-employment benefit plan for the benefit of the Company's employees, or any entity that is a related party to the Company;
- vii. Entities controlled or co-controlled by any of the natural persons mentioned in point A. above.
- viii. Entities over which a person (or any close member of his family), who has Control or Joint Control of the Company, has a Significant Influence or is considered Key Management Personnel of that entity (or the parent company of that entity);
- ix. Entity, or any member of the group of which it is a part, that provides Key Management Personnel services to the Company or its holding company.

C. Glossary

a) Associate: means an entity, including entities without legal personality such as partnerships, over which the person in question has significant influence, and which is neither a Subsidiary nor a joint venture;

b) Intimate Family Member: in relation to an individual, it refers to family members who are expected to influence, or be influenced by, that individual in their dealings with the Society, which may include:

- i.** The spouse or person with a similar affective relationship and the individual's children;
- ii.** Children of the spouse or similar person with an affectionate relationship; and
- iii.** Dependents of the individual, spouse, or person with a similar affective relationship.

c) Control: has the meaning determined by IFRS 10 - in general terms, one entity controls another when it has power over that entity that gives it the ability to manage the activities to which it is exposed, or when it has rights in relation to variable results through its relationship with that entity and has the capacity to affect those results through the power it exercises over the investee.

d) Joint Control: is the sharing of control, contractually agreed, of an economic activity that exists only when strategic decisions related to the activity require the unanimous consent of the parties that share control;

e) Significant Influence: it is the power to participate in the decisions of the financial and operational policies of a specific entity, but which does not confer control over those policies. Significant influence can be obtained through ownership of shares, by-laws, or agreement.