

# Corporate Governance Report

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# Part I

## Mandatory information on Shareholder Structure, Organisation and Corporate Governance

### Introduction

This Corporate Governance report was prepared in accordance with the Regulation of CMVM (the Portuguese Securities Market Commission) 4/2013 from July 12.

The report follows the structure of Annex I of the previously mentioned CMVM (the Portuguese Securities Market Commission) Regulation.

## A. Ownership Structure

### I. Capital Structure

#### 1.

**The capital structure (share capital, number of shares, distribution of capital by shareholders, etc.), including an indication of shares that are not admitted to trading, different classes of shares, rights and duties of same and the capital percentage that each class represents (Article 245-A/1/a)).**

The share capital, fully subscribed and paid up is 180,135,111.43 €, being represented by 526,225,508 of ordinary, nominative shares with no nominal value.

All shares are admitted to trading on the Euronext Stock Exchange, with the code ISIN PTINA0APO008, confer the same right to participate in the Company's results and benefit from the same voting weight: - 1 vote per share, this without prejudice to the limitation on voting rights contained in Article 13-A of the Articles of Association which states that "Votes cast by a shareholder, in his own name or as representative of another, exceeding one third of the total votes corresponding to the share capital will not be considered."

The Company has not established any mechanism that has the effect of undermining the free transferability of shares, free appraisal by the shareholders of the performance of members of the governing body or cause mismatch between the right to receive dividends or to subscribe for new securities and the right to vote for each ordinary share.

On point 7 it is described the information about qualified stakes.

## 2.

**Restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A/1/b)).**

There are no restrictions to the free transfer of ownership of the shares other than the ones arising from the applicable law (namely the obligation to launch a public tender offering when the shareholder ownership exceeds 1/2 of the total voting rights).

## 3.

**Number of own shares, the percentage of share capital that it represents and corresponding percentage of voting rights that corresponded to own shares (Article 245-A/1/a)).**

The company does not hold any own share.

## 4.

**Important agreements to which the company is a party and that come into effect, amend or terminated in cases such as a change in the control of the company after a takeover bid, and the respective effects, except where due to their nature, the disclosure thereof would be seriously detrimental to the company; this exception does not apply where the company is specifically required to disclose said information pursuant to other legal requirements (Article 245-A/1/j)).**

The Company is not a party to any agreement that will come into force, be amended or terminate in the event of a mere change in the Company's controlling shareholder.



It is not included, on what was previously mentioned, any dispositions medium / long term financing established with the banking system, in obedience to certain clauses typified amendment or termination of contracts provisions, whenever a new shareholder structure may not offer the same guarantees the solvency of the company.

## 5.

**A system that is subject to the renewal or withdrawal of countermeasures, particularly those that provide for a restriction on the number of votes capable of being held or exercised by only one shareholder individually or together with other shareholders.**

Pursuant to the provisions of the statutory amendment of November 15, 2018, referred to in 1, the Board of Directors shall submit, every five years, a proposal for a resolution to the General Meeting to amend or maintain the limiting provision of voting rights, without aggravated quorum requirements for the quorum supplemented by law and in which all votes cast shall be counted, without limiting the voting rights.

## 6.

**Shareholders' agreements that the company is aware of and that may result in restrictions on the transfer of securities or voting rights (Article 245-A/1/g)).**

The company is not aware of any agreements signed by its shareholders.

## II. Shareholdings and Bonds held

### 7.

**Details of the natural or legal persons who, directly or indirectly, are holders of qualifying holdings (Article 245-A/1/c) & /d) and Article 16) with details of the percentage of capital and votes attributed and the source and causes of the attribution.**



The shareholders with qualifying holding on December 31, 2020 were:

<b>QUALIFIED HOLDINGS</b>			
	<b>ORDINARY SHARES</b>	<b>% ORDINARY SHARES</b>	<b>% VOTING RIGHTS</b>
<b>Parública - Participações Públicas SGPS, S.A.</b>	<b>236,199,384</b>	<b>44.89%</b>	<b>33.33%</b>
<b>Millennium BCP (Art. 20 CVM)</b>	<b>142,543,884</b>	<b>27.09%</b>	<b>27.09%</b>
- Banco Comercial Português, S.A.	93,513,669	17.77%	17.77%
- Fundo de Pensões do Grupo BCP	49,030,215	9.32%	9.32%
<b>Nova Expressão SGPS, S.A.</b>	<b>36,900,000</b>	<b>7.01%</b>	<b>7.01%</b>
<b>Novo Banco</b>	<b>34,445,831</b>	<b>6.55%</b>	<b>6.55%</b>
<b>TOTAL QUALIFIED HOLDINGS</b>	<b>450,089,099</b>	<b>85.53%</b>	<b>73.98%</b>

The shares from “Fundo de Pensões do Grupo BCP” have been allocated to Banco Comercial Português, S.A. in accordance with article 16 of CVM and the opinion on generic allocation of voting rights to pension Funds from CMVM on May 25, 2006, as stated in the statement of Banco Comercial Português, SA, which was the object of a notice issued by the company on February 25, 2008.

## 8.

**A list of the number of shares and bonds held by members of the management and supervisory boards.**  
**[NOTE: the information should be provided so that Article 447/5 CCC is complied with]**

	<b>NUMBER OF ORDINARY SHARES</b>	<b>NUMBER OF PREFERRED SHARES</b>	<b>NUMBER OF BONDS</b>
Diogo Francisco Bastos Mendes Rezende	0	0	0
Frederico João de Moser Lupi	0	0	0
João Miguel Pacheco de Sales Luís	0	0	0
Inês Patrícia Arede Simões Louro	0	0	0
Victor Maurílio Silva Barros	0	0	0
Emília Noronha Galvão Franco Frazão	0	0	0
Patrícia Isabel Sousa Caldinha	0	0	0

## 9.

**Special powers of the Board of Directors, especially as regards resolutions on the capital increase (Article 245-A/1/i)) with an indication as to the allocation date, time period within which said powers may be carried out, the upper ceiling for the capital increase, the amount already issued pursuant to the allocation of powers and mode of implementing the powers assigned.**

The Board of Directors is not currently authorized to increase the company's capital under the provisions of Article 456 of the Portuguese Companies Code.

Without prejudice to the foregoing, under the terms and conditions approved by the resolution of the General Meeting of November 15, 2018, on July 10, 2019, 15,000 convertible bonds were issued, with a maturity up to July 2026, with a nominal value of 1,000 € each, in the global amount of 15,000,000 €, fully subscribed and paid up by Papyrus GmbH as part of consideration of the price for which Inapa acquired the companies Papyrus Deutschland GmbH & Co. KG and Papyrus Deutschland Verwaltungs GmbH.

In order to accommodate the conversion of such obligations, by the same General Meeting, a capital increase from the current 180,135,111.43 € to 195,135,111.43 € was approved.

## 10.

**Information on any significant business relationships between the holders of qualifying holdings and the company.**

No business or transactions, out of normal market conditions, were entered into by the Company and owners of qualifying holdings or entity relationships with the former, as envisaged in Article 20 of the CVM (Securities Code).

The transactions with related entities are described on note 33 of the consolidated financial statements.

## B. Corporate Bodies and Committees

### I. General Meeting

**a) Composition of the Presiding Board of the General Meeting (throughout the said year).**

## 11.

**Details and position of the members of the Presiding Board of the General Meeting and respective term of office (beginning and end).**

At present, the Board of the General Meeting of Shareholders is composed by the following members:

- Chairman – Nuno Galvão Teles
- Secretary – Ricardo Andrade Amaro

The current composition of the Board of the General Meeting of Shareholders, for the period 2019-2021, was established jointly with the election of the Governing Bodies in the General Meeting of May 23, 2019.

Besides the support of the secretary, the Chairman of the Board of the General Meeting also has the support of the company's secretary as well as its administrative services that are deemed adequate and sufficient for the right performance of his duties.

**b) Exercising the right to vote**

## 12.

**Any restrictions on the right to vote, such as restrictions on voting rights subject to holding a number or percentage of shares, deadlines for exercising voting rights, or systems whereby the financial rights attaching to securities are separated from the holding of securities (Article 245-A/1/f).**

The Company's Articles of Association does not stipulate any minimum number of shares to exercise the voting rights.

Paragraph 1 of Article 23-C CVM (Securities Exchange Commission) stipulates, as written in Decree-Law 49/2010 of May 19, that “Shareholders may participate and exercise their voting rights at meetings of the General Meeting provided they hold shares, at 0 hours (TMG) of the fifth business day prior to the date of the meeting (registration date), that entitle them, according to the law and the Company’s Articles of Associations, to at least one vote”. According to paragraph 5 of article 13 of the Company Bylaws, for each share there is one vote.

Statutory regulations on the exercise of voting by post are set out in paragraph 2 of Article 13 of the company’s bylaws, which stipulate that:

“Shareholders may exercise their voting rights by post. To do so, they should address a registered letter with recorded delivery to the Chairman of the Board of the General Meeting at least three working days prior to the date of the session of the General Meeting in question.”

The ballot paper and the model of proxy are available on the company’s website, and interested shareholders may send such documentation via email in order to exercise their right to vote.

The company’s bylaws do not contemplate any rules relatively to systems to detach equity rights.

The company considers that it is in the best interest of its shareholders not to implement a telematics voting system, as there was no request or intention of participation on a General Meeting from a shareholder or potential investors to use such a systems, i) on the past General Meetings there was a low number of participants and ii) the implementation of a system allowing telematics voting in a safe way, would represent a significant cost.

Without prejudice to the foregoing, during the validity of Law 1-A/2020, of March 19, amended by Law No. 4-A/2020, of April 6, Law No. 4-B/2020, of April 6, Law No. 14/2020, of May 9, Law No. 16/2020, of May 29, Law No. 28/2020, of July 28, Law No. 58-A /2020, of September 30, Law No. 75-A/2020, of December 30, Law No. 1-A/2021, of January 13 and Law No. 4-B/2021, of February 1, which establishes exceptional and temporary measures to respond to the epidemiological situation caused by the coronavirus SARS-CoV-2 and the disease COVID-19, the telematic participation in the general meetings of the company will be governed by the provisions of 1 of its Article 5, which provides that “the participation by telematic means, namely video or teleconference of members of collegiate bodies of public or private entities in the respective meetings, does not impede the regular functioning of the body, namely with regard to quorum and deliberations, however, it must be registered in the respective minutes the form of participation”.

## 13.

**Details of the maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in Article 20/1.**

At the General Meeting held on November 15, 2018, it was reviewed the disposition of the company contract that foresees the limitation of voting rights expressed by one shareholder. This provision, currently, provides that the votes cast by one shareholder, in his own name or in representation of another, which exceed one third of the total votes corresponding to the share capital, will not be considered. The voting rights corresponding to shares held by a shareholder with a common domain, being proportionally limited, when it affects several shareholders.

It is established that the Board of Directors has to submit every five years for resolution by the General Meeting, a proposal to change or maintain this statutory provision, without aggravated quorum requirements relative to complementarily quorum established by law. On this deliberation all votes are counted, not being applied the limitation.

## 14.

**Details of shareholders' resolutions that, imposed by the articles of association, may only be taken with a qualified majority, in addition to those legally provided, and details of said majority.**

The Company's Articles of Association do not impose any qualified majority, in addition to those legally provided:

- The General Meeting shall decide at first call about changes in the Articles of Association, mergers, asset split, dissolution and other issues that require a qualified majority, whenever a number of shareholders or their representatives, whose holdings represent at least  $\frac{1}{3}$  of share capital are in attendance; on a second call the General Meeting can decide independently of the represented share capital (Article 383, paragraphs 2 and 3 of the Companies Act);
- The resolutions mentioned on the previous paragraph need to be approved by  $\frac{2}{3}$  of the votes, in first or second call; in the case of second call, if at least half of the share capital is represented, the resolutions can be approved by simple majority.

## II. Management and Supervision (Board of Directors, Executive Board and the General and Supervisory Board)

### a) Composition (throughout the said year)

## 15.

**Details of corporate governance model adopted.**

According to the resolution of the General Meeting of May 31, 2007, the company adopted as a model of administration and supervision the contemplated in paragraph b) of article 278 CSC, a Board of Directors, comprising an audit committee, and statutory auditor.

At the Board of Directors meeting on May 29, 2019, the Board of Directors' regulations and the creation of an Executive Committee were approved, to which the current management of the company was delegated.

The regulations of the Board of Directors were recently revised, at a Board meeting on December 23, 2020, in order to accommodate the revision of the Regulations on Transactions of the Company with Related Parties, approved at that same meeting.

Article 4 of the Board of Directors' regulations stipulates that the Board shall meet ordinarily once a quarter.

The articles of association of the company, in article 21, provide that the members of the Audit Committee shall be appointed at a General Meeting, which shall be composed of three members, one of whom shall serve as chair. The chairman shall be responsible for convening the respective meetings, and the audit committee shall ordinarily meet at least every two months. In addition, the Executive Committee makes available, when requested, the supporting documentation of its deliberations and other documents that it keeps on file.

The minutes of each meeting of the Board of Directors, the Executive Committee and the Audit Committee were drawn up and are available for consultation by the Governing Bodies at the company's headquarters, and the Chairman of each Body is available to provide any clarification.

The minutes of the meetings of the Executive Committee are regularly shown to the Audit Committee, whose minutes of the meetings are regularly presented to all members of the Board of Directors.

Pursuant to the provisions of the Regulations of the Board of Directors approved on May 29, 2019, whenever the Chairman of the Board of Directors exercises executive functions, the independent directors must designate a leading independent director among themselves to, inter alia, (i) act, whenever that necessary, as interlocutor with the Chairman of the Board of Directors and with the other directors, (ii) ensure that they have the set of conditions and means necessary for the performance of their duties; and (iii) coordinate them in the performance evaluation by the management body.

## 16.

**Articles of association rules on the procedural requirements governing the appointment and replacement of members of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable. (Article 245-A/1/h).**

In conformity with provision of paragraph 1 of Article 18 of the company's bylaws, the Board of Directors should be composed by 5 to 12 members, elected on the General Meeting.

Paragraph 2 of the same article states that "the shareholders who vote against a motion to elect the Directors have the right to appoint one Director, as long as this minority represents at least 10% of the share capital".

Paragraph 3 of the same article states that the Director designated by the minority will automatically replace the less voted person, or in case of equal votes, the person on the last position of the same list.

In conformity with the provisions of paragraph 7 of Article 18 of its Bylaws, "if the Board of Directors is composed of fewer members than the maximum set forth in item 1 of this article and it deems it necessary for the management of the company business to increase the number of Directors, it may appoint two new members prior to the next scheduled annual General Meeting. Clearly, this must not result in more than the limit of twelve members for the Board of Directors as stipulated in these articles of association. The first annual General Meeting to be held after such appointment will either confirm or reject the advice of the Board of Directors with regard to the number of Directors. If the instruction is confirmed, the appointment of the new members will be ratified."

Paragraphs 8 and 9 of article 19 establish that "if a Director fails to attend more than two meetings of the Board of Directors in a calendar year without good reason accepted by the latter, this will be considered definitive absence of the Director in question" and "The Board of Directors will elect replacements for any members deemed definitively absent, dismissed under the terms of the law, or who resign their post. Any replacements thus made will remain in force until the end of the term to which the members of the Board of Directors who made the selection were elected, unless the selection is not ratified by the first subsequent General Meeting. Replacements must be submitted to the General Meeting for approval, as stipulated by Article 393(4) of the Company Code."

Paragraph 5 of article 18 of the Bylaws states that "The Board of Directors may delegate the day-to-day management of the company to one or more Directors or an Executive Committee".

The Company has not introduced any type of measure that could imply a future payment or assumption of charges by the company in the event of a change of control or changes in the composition of the management body that may be liable to impair the economic interest in the transmission of shares and shareholders' appreciation of the managers' performance.

## 17.

**Composition of the Board of Directors, the Executive Board and the General and Supervisory Board, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date when first appointed and end of the term of office of each member.**

According to the Bylaws, the Board of Directors is composed by five to twelve members, elected by the General Meeting, for periods of 3 years renewable, being able to delegate the daily management of the company to an Executive Committee.

In the use of this prerogative, the Board of Directors decided on May 29 2019 to delegate the daily management to an Executive Committee, being the composition of the two entities the following:

	BOARD OF DIRECTORS AND FUNCTION	EXECUTIVE COMMITTEE AND FUNCTION	DATE OF FIRST APPOINTMENT	END OF TERM OF OFFICE
Diogo Francisco Bastos Mendes Rezende	Chairman	Chairman	29.07.2015	31.12.2021
Frederico João de Moser Lupi	Member	Member	01.10.2015	31.12.2021
João Miguel Pacheco de Sales Luís	Member		07.05.2013	31.12.2021
Inês Patrícia Arêde Simões Louro	Member	Member	23.05.2019	31.12.2021
Victor Maurílio Silva Barros	Member*		23.05.2019	31.12.2021
Emília Noronha Galvão Franco Frazão	Member		23.05.2019	31.12.2021
Patrícia Isabel Sousa Caldinha	Member		23.05.2019	31.12.2021

\* Lead independent director

## 18.

### **Distinction to be drawn between executive and non-executive directors and, as regards non-executive members, details of members that may be considered independent, or, where applicable, details of independent members of the General and Supervisory Board.**

The independence criteria that served as a basis to the evaluation of the function of the Directors were the provisions set out in the Companies Act – Articles 414 and regulation 4/2013 of CMVM.

	NON-EXECUTIVE	INDEPENDENT
Diogo Francisco Bastos Mendes Rezende	No	-
Frederico João de Moser Lupi	No	-
João Miguel Pacheco de Sales Luís	Yes	Yes
Inês Patrícia Arede Simões Louro	No	-
Victor Maurílio Silva Barros	Yes	Yes
Emília Noronha Galvão Franco Frazão	Yes	Yes
Patrícia Isabel Sousa Caldinha	Yes	Yes

In assessing the independence criteria of non-executive directors, the provisions of CVM Regulation No. 4/2013 (in particular, Article 18.1) and the Commercial Companies Code (Article 414, paragraph 5, letter b)) were taken into account. When applying the criteria deriving from the IPCG code (2018), there were no discrepancies in the assessment of the independence of managers.

The Board of Directors elected for the 2019-2021 term as its Chairman Diogo Francisco Bastos Mendes Rezende, who combines these functions with Chairman of the Executive Committee.

It was elected for the functions of lead independent director, the Chairman of the Audit Committee, Victor Maurílio Silva Barros, with the mission of i) to act as an interlocutor with the Chairman of the Board of Directors, ii) to ensure that the necessary conditions and means exist, for the performance of the functions of the independent directors and iii) to coordinate the performance evaluation of the management body.



## 19.

**Professional qualifications and other relevant curricular information of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.**



### Academic qualifications

- Degree in Economics by Nova University of Lisbon
- MBA from INSEAD

### Professional qualifications

- CEO of Ford Lusitana (from 2004 to 2014)
- Assistant professor of applied entrepreneurship on the master program (from 2013 to 2015) and member of the Consulting Board (from 2011 to 2015) of Nova School of Business and Economics
- CEO of Chrysler Jeep in Portugal (from 1998 to 2003)
- Marketing professor at Economics School of Nova University (from 1996 to 1998)
- Marketing and sales director of Ford Lusitana (from 1992 to 1998)
- Strategic Consultant at ESFI - Strategy and Finance (from 1990 to 1992)
- Chairman of the Board of Directors / Management of the subsidiary companies of Inapa Group:
  - Inapa Portugal Distribuição de Papel, S.A.
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa France, SAS
  - Inapa España Distribución de Papel, S.A.
  - Inapa Belgium, S.A.
  - Inapa Packaging, SAS
  - Inapa Packaging, GmbH
  - Inapa Merchants Holding, Ltd
  - Europackaging - Investimentos, Participações e Gestão, Lda.
  - Inapa Packaging, Lda.
  - Korda Kagit Pazarlama Ve Ticaret Anonim Şirketi
  - Inapa Complott GmbH

**Frederico João  
de Moser Lupi**



### Academic qualifications

- Degree in Economics by Nova University of Lisbon
- Three post-graduate executive programs from INSEAD (Fontainebleau, France)

### Professional qualifications

- CFO of EIP group (in 2015)
- Director of real estate business in BCP (from 2011 to 2014)
- Commercial director of retail network in Millennium BCP (from 2007 to 2010)
- Member of the Executive Committee of Millennium Bank in Athens, responsible for Private Banking and Bancassurance (from 2005 to 2006)
- Director coordinator of Millennium Bank in Athens (from 2003 to 2004)
- Commercial director of Banco Pinto e Sotto Mayor (2003)
- Bancassurance director (from 1996 to 2002), being a member of the management of BCP group (since 2002)
- Financial director and deputy administration in Lusalite (from 1993 to 1995)
- Director / General Manager of the following subsidiary companies of Inapa Group:
  - Inapa Portugal - Distribuição de Papel, S.A.
  - Inapa España Distribución de Papel, S.A.
  - Inapa France, SAS
  - Inapa Shared Center, Lda.
  - Inapa Belgium, S.A.
  - Korda Kagit Pazarlama Ve Ticaret Anonim Şirketi
  - Inapa Angola, S.A.

**Inês Patrícia  
Arede Simões  
Louro**



### Academic qualifications

- Degree in Business Management by ISEG
- MBA by Lisbon MBA

### Professional qualifications

- Corporate Director of Strategic Planning and Control at the Group ETE (2016-2019)
- Director of Strategic Planning and Pricing at Portugal Telecom (2009-2015)
- Director of Strategic Planning and Control of Portugal Telecom (2006-2009)
- Business Development Director of PT Comunicações (2004-2005)
- Corporate Responsible for Planning and Control of Portugal Telecom (2002-2003)
- Director of Planning and Management Control at PTM.com (2001-2002)
- Director / General Manager of the following subsidiary companies of Inapa Group:
  - Inapa España Distribución de Papel, S.A.
  - Inapa France, SAS
  - Inapa Deutschland, GmbH
  - Korda Kagit Pazarlama Ve Ticaret Anonim Şirketi



**Victor Maurílio  
Silva Barros**

### Academic qualifications

- PhD in Management with specialization in Finance by ISEG - University of Lisbon
- Master in Finance by ISEG - University of Lisbon
- Postgraduate Diploma in Regional and International Taxation
- BSc in Management by University of Madeira
- Certified Accountant
- CFA® charterholder by CFA Institute
- Advanced program for Non-Executive Directors - Portuguese Corporate Governance Institute

### Professional qualifications

- Member of the Fiscal Council of IDEFE / ISEG Executive Education (since 2017)
- Assistant Professor of Finance at ISEG - University of Lisbon (since 2016)
- Faculty Advisor of ISEG in the CFA Institute Research Challenge (since 2015)
- Teaching Assistant at ISEG - University of Lisbon (2013-2016)
- Member of the Supervisory Board of IDEFE / ISEG Executive Education (since 2017)
- Researcher at ADVANCE/CSG - Research in Social Sciences and Management (since 2011)



**Emília de Noronha  
Galvão Franco  
Frazão**

### Academic qualifications

- Degree in Business Management by Universidade Católica
- Advanced Program for Non-Executive Directors - Portuguese Corporate Governance Institute

### Professional qualifications

- Member of the Association's Board of Directors - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) (since 2020)
- Member of the Fiscal Council of Monte d'Alva - Alimentação, S.A. (since 2020)
- Member of the SGEHR Fiscal Council - Sociedade Gestora e Exploradora de Hotéis e Resorts S.A. (since 2019)
- Non-executive member of the Board of Directors of FUNDIESTAMO - Sociedade Gestora de Organismos de Investimento Coletivo, S.A. (since 2019)
- Coordinating Director at Novo Banco (2013-2017)
- Non-Executive Director at Espírito Santo Capital - Sociedade de Capital de Risco (2013-2015)
- Executive Director at Espírito Santo Capital - Sociedade de Capital de Risco (2000-2013)
- Executive Director at IAPMEI (1999-2000)
- Director at Banco Espírito Santo de Investimento, S.A. (1991-1999)
- Professor to the Bachelor's degree at Universidade Católica (1988-1991 and 1994-1998)

**Patrícia Isabel  
Sousa Caldinha**



### Academic qualifications

- Degree in Business Management by Universidade Autónoma de Lisboa
- Chartered Accountant
- Certified Economist and Accountant

### Professional qualifications

- Member of the Board of Directors of the Order of Statutory Auditors (since 2020)
- Presidente da Comissão de Inscrição da Ordem dos Revisores Oficiais de Contas (desde 2020)
- Member of the Fiscal Council of EPAL – Empresa Portuguesa das Águas Livres, S.A. (since 2018)
- Provides, privately, the activity of Chartered Accountant and related services (since 2012)
- Director at Auto Jardim do Algarve – Automóveis de Aluguer, SA (2005-2007)
- Director at Sociedade Gestora de Participações Sociais, S.A. (1998-2005)
- Manager at Auto Jardim do Algarve – Automóveis de Aluguer, Lda. (1997-2012)
- Manager at Auto Colibri – Reparações Auto, Lda. (1997-2012)
- Auditor at António Borges & Associados, Sociedade de Revisores Oficiais de Contas (1995-2015)
- Consultant at António Borges & Associados – Consultores Associados, S.A. (1995-2004)

**João Miguel  
Pacheco de Sales  
Luís**



### Academic qualifications

- PADE (Program for Top Corporate Managers) from AESE (1999/2000)
- MBA in Nova University (1997)
- Chartered Accountant
- Degree in Business Economics and Administration by Universidade Católica Portuguesa (1981)

### Professional qualifications

- Chairman of the Supervisory Board of Banco Internacional de São Tomé Príncipe (since 2019)
- Chairman of Foundation FORSDI – Fundação da Obra Social das Religiosas Dominicanas Irlandesas (since 2015)
- Chairman of Supervisory Committee of Unicre – Instituição Financeira de Crédito, S.A. (since 2013)
- Top manager of the retail network of Millennium BCP (2008-2012)
- Commercial manager of the retail network (2003-2008)
- Top manager of the brokerage business of BCPI Investimento (2001-2003)
- Top manager of Private Banking in the South region of BCP (2000-2001)
- Top manager of “Internacional Private Banking” (1998-2000)
- Marketing manager of the Insurance company Seguros Ocidental (1997-1998)
- Commercial manager of Nova Rede (1995-1997)
- General Manager of BCPI (Asset Management company of BCP) (1991-1994)
- Department of Studies and Planning of BCP (1986-1991)
- Department of Planning and Control in Sorefame (Metalworking Industry and Railways) (1986-1991)

The lists proposed for the election of the Board of Directors are accompanied by a curriculum vitae of the candidates, in order to assess the suitability of the members for the exercise of the mandate that includes the academic qualifications and a description of the professional activity throughout the career. This information is made available to shareholders within the deadlines set forth in the law for the elective General Meetings.

In the elections held on May 23, 2019, the gender balance criteria of the Board of Directors and Audit Committee were met, with each gender representing at least  $\frac{1}{3}$  in each body.

To date, no specific criteria have been established relating to the individual profile or attributes of the members of the Board of Directors.

## 20.

**Customary and meaningful family, professional or business relationships of members of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, with shareholders that are assigned qualifying holdings that are greater than 2% of the voting rights.**

There are no family, professional or business relationships of members of the Board of Directors with shareholders with a qualified stake greater than 2% of voting rights.

## 21.

**Organisational charts or flowcharts concerning the allocation of powers between the various corporate boards, committees and/or departments within the company, including information on delegating powers, particularly as regards the delegation of the company's daily management.**



## GENERAL MEETING

### REMUNERATION COMMITTEE

**Nuno Galvão Teles**  
Chairman

**Pedro Vilas Boas**

**Tiago Estevinho**

### BOARD OF DIRECTORS

#### NON-EXECUTIVE

**Victor Barros**

**Emília Frazão**

**Patrícia Caldinha**

**João Sales Luís**

#### EXECUTIVE

**Diogo Rezende**  
Chairman

**Frederico Lupi**

**Inês Louro**

### AUDIT COMMITTEE

**Victor Barros**  
Chairman

**Emília Frazão**

**Patrícia Caldinha**

### EXECUTIVE COMMITTEE

**Diogo Rezende**  
Chairman

**Frederico Lupi**

**Inês Louro**

### CORPORATE CENTER

**David Pedroso\*** Internal audit

**António Alvim** Legal

**João Alvarinho** IT

**Hugo Rua** Investor Relations

**Carlos Alves** Consolidation

**Sofia Picoto** Finance and Planning

**Gilbert Trepmann** Graphic

**Antoine Lequitte** Office

\* Also reports to the Audit Committee

### GERMANY

**Thomas Schimanowski**

**Frank Weithase**

**Martin Tewes**

**Hugo Rua**

**Alexander Herbst**

**Achim Thörner**

**Jürgen Luzar**

### FRANCE

**Afonso Chaby**

**Marc Gautier**

### TURKEY

**Suzi Matat**

### SPAIN

**Gines Ramires**

**Pedro Huidobro**

**Miguel Moreira**

### BELUX

**Chris Luyten**

### PORTUGAL

**Gines Ramires**

**Miguel Moreira**

**Luís Ferreira**

### ANGOLA

**José Mendes Coelho**

In accordance with the resolution of May 29, 2019 of the Board of Directors and the provisions of paragraphs 3 and 4 of Article 407 of the Companies Act, the following powers have been delegated to the Executive Committee, without prejudice to the Board of Directors, in conformance with the provisions of paragraph 8 of the aforementioned Act, of being entitled to pass resolutions on the matters it delegated:

- The day-to-day management of the Company;
  - Monitoring and coordination of subordinate companies, including the definition of management and control guidelines;
  - Setting out plans for the implementation of Company and Group policies, objectives and strategy for approval by the Board of Directors;
  - Setting out general guidelines concerning the Company's internal organisation, including internal control and risk management, for approval by the Board of Directors;
  - Compiling operational budgets and medium and long-term investment and development plans for approval by the Board of Directors;
  - Approving contracts for the procurement of goods and services by the Company up to a limit of 500,000.00 € or less, per category of goods or services;
  - Negotiating and contracting short-term bank finance agreements to fund the Company or subsidiary companies, under the terms and conditions that most adequately suit the interests of the Group;
  - Negotiating and celebrating agreements that change, substitute or renew financing contracts, including commercial paper programs, under the terms and conditions most favourable to the interest of the company;
  - Negotiating bank finance agreements with a term longer than a year and a day to fund the Company and its subsidiary companies and the issuing of corporate bonds and commercial paper programs, for which purpose binding the Company under any such transactions shall be made expressly conditional to a prior resolution of the Board of Directors to the effect;
  - Provide financial support to subsidiaries, according to a structure and conditions more adequate to the best interest of the Company;
  - Purchasing, selling and pledging goods or assets accounted for as fixed assets of the Company in accordance with budgets approved by the Board of Directors;
  - Purchasing, selling and pledging goods or assets accounted for as fixed assets of the Company not included in budgets approved by the Board of Directors up to a value of 1.5% of the realized share capital per item;
  - Purchasing, selling or pledging shares in other companies, provided the transactions in question are included in the budget or in approved action plans not exceeding 2.5% of the realized share capital per item, above which limit prior approval from the Board of Directors shall be required;
  - Deliberate on the realization of investments, divestitures and restructurings in and by the subordinate company.
  - Renting or letting out any buildings or sectional title properties;
  - Representing the Company in court and out of court, either as plaintiff or as defendant, as well as proposing and filing any legal suits, admitting guilt, withdrawing or settling out of court and committing to abide by arbitrage proceedings;
  - Entering into, amending and terminating employment contracts and exercising powers of discipline over the staff;
  - Opening, transacting and closing bank accounts;
  - Appointing duly mandated representatives of the Company.
- The Regulation of the Board of Directors approved states that it is Inapa's Board of Directors competence, non-delegable on the Executive Committees, to:
- Deliberate on the matters stated on paragraphs a) and m) of Article 406 of the CSC (the Portuguese Companies Code);

- Deliberate, under the terms and limits established in Article 503 of the CSC (the Portuguese Companies Code), on binding instructions to Subordinated Companies;
- Deliberate on proposal from the Executive Committee, on the budget and plan of the Company and the Group;
- Deliberate on acquisition or sale of majority or dominance stakes, as well as those subject to a special process of acquisition or sale under the terms of CVM (the Portuguese Securities Code);
- Deliberate, on proposal from the Executive Committee, on the setting of the company's strategic objectives in terms of risk-taking and on the respective internal control and management systems.

It should also be mentioned that all directors, including those belonging to the Audit Committee, in addition to assessing and approving the budget and strategic plan for the three-year period, monitor its evolution on at least a quarterly basis.

The strategic plan for 2019-2021, where the priorities, policies and strategic objectives are set out, was discussed and approved at a meeting of the Board of Directors on December 12, 2019 in order to incorporate the very relevant integration into the Group of the new German subsidiary Papyrus Deutschland, which was only completed in July 2019, and only after that date it was possible to access relevant data for the establishment of the strategic plan. The supervisory body also gives its opinion on the strategic guidelines and that the risk policy is adapted to society's objectives.

The Board of Directors and Audit Committee annually assess the adequacy of the risk mitigation measures present in the Company, jointly defining a work program that monitors the maintenance of the adequacy of the measures in progress and allows adjustments to be made whenever justified.

It is important to note that in the aforementioned resolution the Board of Directors of May 29, 2019, has granted to the Chairman of the Executive Committee, according to provisions stipulated in paragraph 6 of Article 407 CSC (the Portuguese Companies Code), the following duties:

- Ensure that all relevant information is provided to the other members of the Board of Directors, regarding the operations and resolutions of the Executive Committee;

- Ensure the fulfilling of the delegated limit and the company's strategy.

The Chairman of the Executive Committee sends regular notices and minutes of the Executive Committee meetings to the Chairman of the Audit Committee and they are filed and available for consultation by the other members of the governing bodies at the company's headquarters. The notices, decision support materials and minutes of the Board of Directors are distributed to all company directors, including those who are also part of the Audit Committee, and they may also request additional clarification or access to other documents.

In conformance with the provisions of applicable legislation and with the aforementioned resolution of the Board of Directors of May 29, 2019, the following powers have specifically been granted to the Audit Committee:

- Supervising the administration of the Company;
- Ensuring due compliance with the law and the provisions of the Bylaws;
- Verifying due compliance of the accounting books, records and supporting documentation;
- Verifying, when and in the form deemed convenient, cash balances and stocks of any type of goods or assets owned by the Company or held in lieu of security or in trust or under any other entitlement;
- Verifying the accuracy of the financial statements;
- Verifying whether the accounting policies and valuation criteria adopted by the Company are conducive to appropriately represent its assets and results;
- Compiling, on an annual basis, an audit report on its audit and supervisory action and issuing an opinion on the annual report and accounts and proposals of the Board of Directors, where it states its agreement or not on the management report and financial statements and include the declaration subscribed by its members, according to Article 245, number 1, paragraph c) of CVM (the Portuguese Securities Code);
- Convening a meeting of the General Meeting of Shareholders, having a duty so to act, should its Chairman fail to do so;

- Auditing the efficacy of the risk management system, the internal control system and the internal audit system;
- Being the recipient of reports on irregularities which shareholders, employees of the Company or other parties may submit;
- Auditing the process of preparation and disclosure of financial statements;
- Validate if the Governance Report includes the elements referred on Article 245-A of CVM (the Portuguese Securities Code);
- Propose to the General Meeting of Shareholders the appointment of a Chartered Accountant and Auditor, approve annually the scope of its work and remuneration, approve any additional services and oversee its independence;
- Provide its previous opinion to any relevant business with qualified shareholders or with entities with relationship with them under the terms of Article 20 of CVM (the Portuguese Securities Code);
- Notifying the Office of the Public Prosecutor of any contraventions of the law constituting a public crime of which it may have become aware;
- Contracting for the provision of expert services in order to assist one or more of its members in the performance of their duties.

In the performance of its duties the Audit Committee meets with the external auditor and the chartered accountant – the two functions are assigned to the same entity – and is the first recipient of the reports.

Annually, the Audit Committee makes an assessment of the work performed by the auditor. In case it considers adequate the dismissal of the auditor, the Committee proposes its substitution in the General Meeting.

In case it considers adequate its dismissal, it should propose its substitution in the General Meeting.

The Audit Committee annually gives its opinion on the report and accounts submitted by management, which lists the strategic pillars and objectives of the current mandate.

The statutory auditor carries out work on the company every six months. The audit work plan is reviewed jointly with the Audit Committee. The continuation of the work, including its completion, is monitored by the Audit Committee, being this Committee the first recipient of the reports.

In the scope of its work, the statutory auditor carried out:

- Identification and evaluation of risks of material misstatement of the financial statements due to fraud or error;
- An understanding of the internal control relevant to the audit;
- An assessment of the adequacy of accounting policies;
- A conclusion about the appropriation of the use of the continuity assumption and whether there is any material uncertainty related to events or conditions that could raise significant doubts about the ability to continue the activities;
- An assessment of the overall presentation, structure and content of the financial statements;
- A communication with those in charge of governance, including the oversight body, scope, planned audit schedule and significant audit findings including any significant weaknesses in internal control identified during the audit;
- A communication to the heads of governance, including the supervisory body, on the most important matters in auditing the financial statements for the year;
- A statement to the supervisory body on compliance with relevant ethical requirements regarding independence and any relationships that may be perceived as threats to independence.

## b) Functioning.

### 22.

**Availability and place where rules on the functioning of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, may be viewed.**

In the resolution of the Board of Directors of May 29, 2019, the regulations of the following corporate bodies were approved: Board of Directors, Executive Committee and Audit Committee, the first of which was reviewed on December 23, 2020 in order to accommodate the revision of the Regulation on Transactions with Related Parties that was approved at that time.

The above mentioned regulations can be obtained in the company headquarters (Rua Braamcamp 40 - 9.º D - Lisbon, Portugal) or through the website [www.inapa.com](http://www.inapa.com).

### 23.

**The number of meetings held and the attendance report for each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable.**

From January 1 to December 31, 2020, the Board of Directors had the following assiduity:

- Number of meetings: 9
- Attendance of each member:
  - Diogo Francisco Bastos Mendes Rezende: 100%
  - Frederico João de Moser Lupi 100%
  - João Miguel Pacheco de Sales Luís: 100%
  - Inês Patrícia Arede Simões Louro: 100%
  - Victor Maurílio Silva Barros: 100%
  - Emília Noronha Galvão Franco Frazão: 100%
  - Patrícia Isabel Sousa Caldinha: 100%

From January 1 to December 31, 2020, the Executive Committee had the following assiduity:

- Number of meetings: 35
- Attendance of each member:
  - Diogo Francisco Bastos Mendes Rezende: 100%
  - Frederico João de Moser Lupi 100%
  - Inês Patrícia Arede Simões Louro: 100%

### 24.

**Details of competent corporate boards undertaking the performance appraisal of executive directors.**

The performance assessment of executive directors is done by the General Meeting, the Board of Directors and, within its own competence, the Audit Committee.

For remuneration purposes the performance assessment of the executive directors still lies to the Remuneration Committee.

## 25.

### **Predefined criteria for assessing executive directors' performance.**

The performance assessment of executive directors is based on the following criteria that are stated in the remunerations policy:

- Simplicity, clarity, transparency, and alignment with the Company's culture, also taking into account the Group to which it belongs;
- Competitiveness, taking into account market practices and equity, and the remuneration practice is based on uniform, consistent, fair and balanced criteria;
- Pursuing excellence in management, through a set of leading business practices, which enable the Company to achieve balance and sustainability; and
- Calculation of individual variable remuneration considering the assessment of the respective performance, based on criteria of a financial and non-financial nature, according to the functions, the level of responsibility and the results of the Company.

## 26.

### **The availability of each member of the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and details of the positions held at the same time in other companies within and outside the group, and other relevant activities undertaken by members of these boards throughout the financial year.**

The 4 non-executive members are in part-time regime relatively to the management of the company.

The functions that each member has inside and outside the company are the following:

#### João Miguel Pacheco de Sales Luís

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##### **In the Company:**

- Member of the Board of Directors

##### **In the Group:**

- None

##### **Outside the Group:**

- President of Foundation FORSDI – Fundação da Obra Social das Religiosas Dominicanas Irlandesas (since 2015)
- Chairman of the Supervisory Board of Banco Internacional de São Tomé Príncipe (since 2019)

#### Victor Maurílio Silva Barros

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##### **In the Company:**

- Member of the Board of Directors
- Chairman of the Audit Committee

##### **In the Group:**

- None

##### **Outside the Group:**

- Assistant professor of Finance of ISEG - Universidade de Lisboa (since 2016)
- Member of the Fiscal Council of IDEFE / ISEG Executive Education (since 2017)

## Emília Noronha Galvão Franco Frazão

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### In the Company:

- Member of the Board of Directors
- Member of the Audit Committee

### In the Group:

- None

### Outside the Group:

- Member of the SGEHR Fiscal Council – Sociedade Gestora e Exploradora de Hotéis e Resorts S.A. (since July 2019)
- Non-executive member of the Board of Directors of FUNDIESTAMO - Sociedade Gestora de Organismos de Investimento Coletivo, S.A. (since September 2019)
- Member of the Association's Board of Directors – Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) (since January 2020)
- Member of the Fiscal Council of Monte d'Alva - Alimentação, S.A. (since January 2020)

## Patrícia Isabel Sousa Caldinha

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### In the Company:

- Member of the Board of Directors
- Member of the Audit Committee

### In the Group:

- None

### Outside the Group:

- Provides, privately, the activity of Chartered Accountant and related services (since 2012)
- Member of the Fiscal Council of EPAL – Empresa Portuguesa das Águas Livres, S.A. (since 2018)

The 3 executive members work on a full time basis in the management of the company and its subsidiaries.

The functions that each member has inside and outside the company are the following:

## Diogo Francisco Bastos Mendes Rezende

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### In the Company:

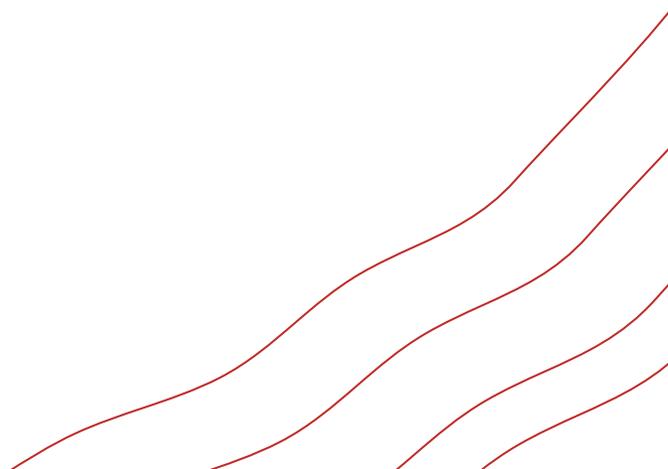
- Charman of the Board of Directors (since May 4, 2018)
- Chairman of the Executive Committee

### In the Group:

- Chairman / General Manager:
  - Inapa Portugal Distribuição de Papel, S.A.
  - Inapa Deutschland Holding, GmbH
  - Inapa Deutschland, GmbH
  - Inapa France, SAS
  - Inapa España Distribución de Papel, S.A.
  - Inapa Belgium, S.A.
  - Inapa Packaging, SAS
  - Inapa Merchants Holding, Ltd
  - Europackaging – Investimentos, Participações e Gestão, Lda.
  - Inapa Packaging, Lda.
  - Inapa Packaging, GmbH
  - Korda Kagit Pazarlama Ve Ticaret Anonim Şirketi
  - Inapa Complott GmbH

### Outside the Group:

- Manager of:
  - Bica Consult, Lda.



## Inês Patrícia Arede Simões Louro

### In the Company:

- Member of the Board of Directors
- Member of the Executive Committee

### In the Group:

- Director / General Manager:
  - Inapa España Distribución de Papel, S.A.
  - Inapa France, SAS
  - Inapa Deutschland, GmbH
  - Korda Kagit Pazarlama Ve Ticaret Anonim Şirketi

### Outside the Group:

- None

## Frederico João de Moser Lupi

### In the Company:

- Member of the Board of Directors
- Member of the Executive Committee

### In the Group:

- Director / General Manager:
  - Inapa Portugal – Distribuição de Papel, S.A.
  - Inapa España Distribución de Papel, S.A.
  - Inapa France, SAS
  - Inapa Shared Center, Lda.
  - Inapa Belgium, S.A.
  - Korda Kagit Pazarlama Ve Ticaret Anonim Şirketi
  - Inapa Angola, S.A.

### Outside the Group:

- None

### c) Committees within the Board of Directors or Supervisory Board and Board Delegates.

## 27.

**Details of the committees created within the Board of Directors, the General and Supervisory Board and the Executive Board, where applicable, and the place where the rules on the functioning there-of is available.**

The Board of Directors has created an Executive Committee, in which it has delegated the daily management of the company.

Given the small size of the company (bearing in mind the provisions of Article 413/2 of the CSC (the Portuguese Companies Code)), the limited number of members of the Board of Directors – 7 –, the functions performed by its Audit Committee, and the number of the Directors that are part of the Executive Committee (3) and the Audit Committee (3), only remaining one independent director, the Board considered that the appointment of any of the indicative special committees is not justifiable.

Also worse noted that a lead independent director has been appointed to coordinate the performance evaluation of the management body, acting as interlocutor with the Chairman of the Board of Directors and ensuring that the conditions and means necessary for the performance of the functions of the independent directors exist.

## 28.

**Composition of the Executive Board and/or details of the Board Delegate/s, where applicable.**

The Executive Committee has the following composition:

- Chairman: Diogo Francisco Bastos Mendes Rezende;
- Member: Inês Patrícia Arede Simões Louro;
- Member: Frederico João de Moser Lupi.

## 29.

**Description of the powers of each of the committees established and a summary of activities undertaken in exercising said powers.**

The competences of the Audit and Executive Committees are detailed on section 21.

### III. Supervision (Supervisory Board, the Audit Committee or the General and Supervisory Board)

#### a) Composition (\*throughout the said year).

## 30.

**Details of the Supervisory Body (Supervisory Board, the Audit Committee or the General and Supervisory Board) representing the model adopted.**

The company has adopted the model in which the Audit Committee is the Supervisory Body.

## 31.

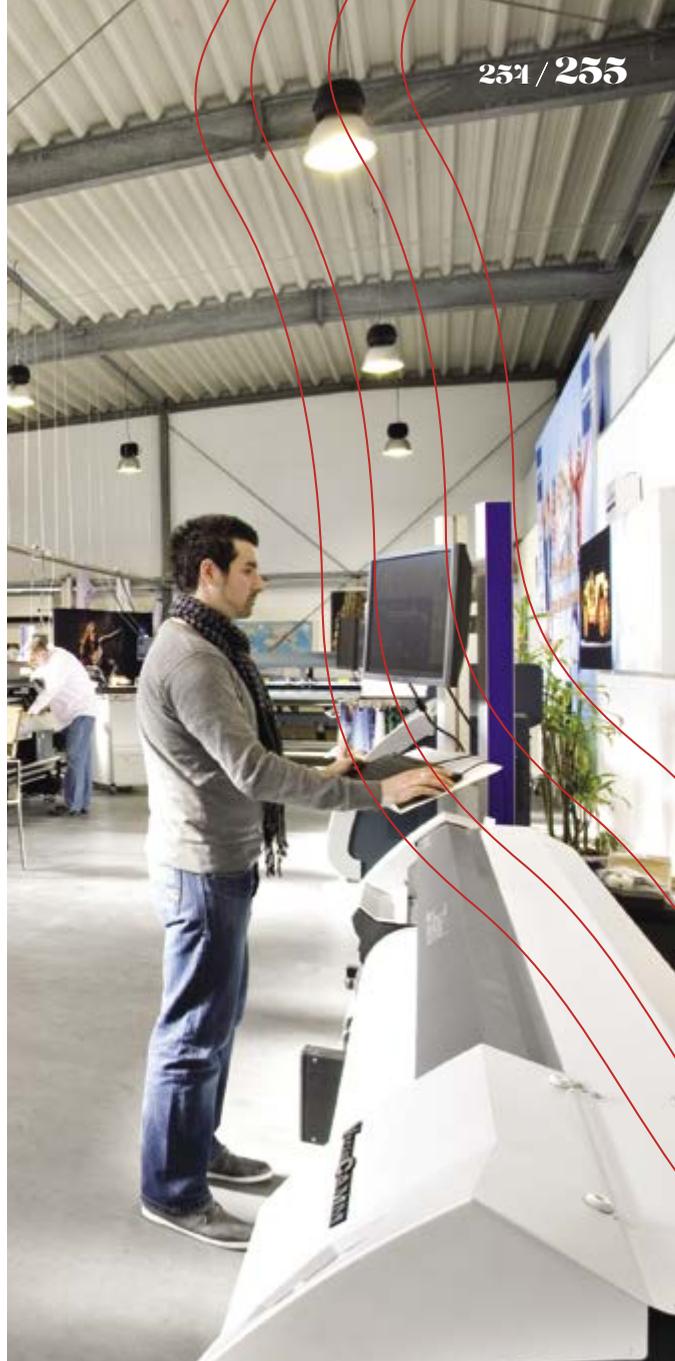
**Composition of the Supervisory Board, the Audit Committee, the General and Supervisory Board or the Financial Matters Committee, where applicable, with details of the articles of association's minimum and maximum number of members, duration of term of office, number of effective members, date of first appointment, date of end of the term of office for each member and reference to the section of the report where said information is already included pursuant to paragraph 18.**

Paragraph 4 of article 22 of the company's bylaws states "The Audit Committee of the Board of Directors will comprise of three members who fulfil the applicable legal requirements, one of whom will act as Chairperson, to be appointed by the General Meeting from among the members of the Board of Directors".

The members of the Audit Committee have been elected by the General meeting for a 3 years term.

The Audit Committee has the following Board of Director members:

	FUNCTION	DATE OF FIRST APPOINTMENT	DATE OF END OF THE TERM OF OFFICE
Victor Maurílio Silva Barros	Chairman	23.05.2019	31.12.2021
Emília de Noronha Galvão Franco Frazão	Member	23.05.2019	31.12.2021
Patrícia Isabel Sousa Caldinha	Member	23.05.2019	31.12.2021



## 32.

**Details of the members of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, which are considered to be independent pursuant to Article 414/5 CSC and reference to the section of the report where said information already appears pursuant to paragraph 19.**

All members of the Audit Committee comply with the rules of independence in accordance with the definition given pursuant to paragraph 5 of Article 414, with any incompatibilities being assessed in accordance with the definition provided for in Article 1 of Art. 414-A and paragraph 3 of Art. 423-B of the Portuguese Companies Code.

## 33.

**Professional qualifications of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and other important curricular information, and reference to the section of the report where said information already appears pursuant to paragraph 21.**

On section 19 of this report, the qualifications of the Audit Committee are further described.

### b) Functioning.

## 34.

**Availability and place where the rules on the functioning of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, may be viewed, and reference to the section of the report where said information already appears pursuant to paragraph 24.**

The regulations of the Audit Committee are accessible to the shareholders and anyone that is interested in the company's website - [www.inapa.com](http://www.inapa.com) - or on its headquarters.

## 35.

**The number of meetings held and the attendance report for each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, and reference to the section of the report where said information already appears pursuant to paragraph 25.**

From January 1 until December 31, 2020:

- Number of meetings: 16
- Attendance of each member:
  - Victor Maurílio Silva Barros: 100%
  - Emília Noronha Galvão Franco Frazão: 100%
  - Patrícia Isabel Sousa Caldinha: 100%

## 36.

**The availability of each member of the Supervisory Board, the Audit Committee, the General and Supervisory Board and the Financial Matters Committee, where applicable, indicating the positions held simultaneously in other companies inside and outside the group, and other relevant activities undertaken by members of these Boards throughout the financial year, and reference to the section of the report where such information already appears pursuant to paragraph 26.**

The Audit Committee members are in part-time regime relatively to the management of the company and do not have any functions in the company or the Group, besides the ones relative to their role as members of the Board of Directors.

The function of the Audit Committee members outside the company and the Group are the following:

- **Victor Maurílio Silva Barros**
  - Assistant professor of Finance of ISEG - Universidade de Lisboa (since 2016)
  - Member of the Fiscal Council of IDEFE / ISEG Executive Education (since 2017)

• **Emília Noronha Galvão Franco Frazão**

- Member of the SGEHR Fiscal Council – Sociedade Gestora e Exploradora de Hotéis e Resorts S.A. (since July 2019)
- Non-executive member of the Board of Directors of FUNDIESTAMO - Sociedade Gestora de Organismos de Investimento Coletivo, S.A. (since September 2019)
- Member of the Association's Board of Directors - Fundo de Assistência do Crédito Agrícola Mútuo (FACAM) (since January 2020)
- Member of the Fiscal Council of Monte d'Alva - Alimentação, S.A. (since January 2020)

• **Patrícia Isabel Sousa Caldinha**

- Provides, privately, the activity of Chartered Accountant and related services (since 2012)
- Member of the Fiscal Council of EPAL – Empresa Portuguesa das Águas Livres, S.A. (since 2018)

**c) Powers and duties.**

## 37.

**A description of the procedures and criteria applicable to the supervisory body for the purposes of hiring additional services from the external auditor.**

It is the responsibility of the Audit Committee to pre-approve the provision of any service distinct to audit to be provided by the external auditor.

The Audit Committee analyses the different audit services and the proposals presented by the external auditor or a member of its network, previously evaluated and communicated by the Executive Committee, in order to ensure that: (i) the contracting of additional services does not jeopardize the independence of the external auditor; (ii) the balance between the statutory audit services and the additional audit services whose provision is being analysed is ensured; and (iii) the additional services under consideration are not prohibited under the terms of paragraph 8 of Article 77 of Law No. 140/2015, of 9 September, and the permitted provisions to be waived by each member state in accordance with EU Regulation No. 537/2014 of the European Parliament and of the Council, of April 16.

## 38.

**Other duties of the supervisory body and, where appropriate, the Financial Matters Committee.**

In addition to the powers assigned in Article 8 of the Regulation, and described in section 21, the Audit Committee is also responsible for:

- a) Assess the independence of the ROC in audit work and additional services;
- b) Review of the transparency report, signed by the Auditor and published on his website. This report includes related matters on ethics, independence, monitoring and declaration on the effectiveness of the functioning of the internal quality control system;
- c) Represent the Company, within the scope of its powers, with the external auditor;
- d) Receive communications from the external auditor about deficiencies detected in the internal control system or other irregularities;
- e) Supervision of the Internal Audit and Risk Management activity, with the following scope: (i) Annual activity plan; (ii) Reception and periodic reporting of the activity carried out; (iii) Evaluation of the results and conclusions of the work; (iv) Issuing guidelines understood as convenient;
- f) Approval of the Risk Management and Internal Audit Charter and Risk Management and Internal Audit Manual

#### IV. Statutory Auditor

### 39.

#### **Details of the statutory auditor and the partner that represents same.**

The statutory auditor is the firm Deloitte & Associados, SROC, S.A. represented by Jorge Carlos Duarte Batalha Catulo Appointed Chartered Accountant, being Carlos Luís Oliveira de Melo Loureiro the Substitute Chartered Accountant.

### 40.

#### **State the number of years that the statutory auditor consecutively carries out duties with the company and/or group.**

The statutory auditor - Deloitte - is presently serving his third mandate, after being appointed for these duties on April 15, 2016, in substitution of the company PricewaterhouseCoopers.

Jorge Carlos Duarte Batalha Catulo represents the statutory audit company Deloitte & Associados, SROC, S.A. since April 15, 2016.

### 41.

#### **Description of other services that the statutory auditor provides to the company.**

Deloitte & Associados, SROC, S.A. has provided consulting services related with the General Data Protection Regulation.

#### V. External Auditor

### 42.

#### **Details of the external auditor appointed in accordance with Article 8 and the partner that represents same in carrying out these duties, and the respective registration number at the CMVM.**

The external auditor is the firm Deloitte & Associados, SROC, S.A represented by Jorge Carlos Duarte Batalha Catulo and Carlos Luís Oliveira de Melo Loureiro as substitute.

The external auditor has the CMVM registration number 20161389.

### 43.

#### **State the number of years that the external auditor and respective partner that represents same in carrying out these duties consecutively carries out duties with the company and/or group.**

The external auditor is presently serving its first mandate, after being appointed for the first time for these duties on April 15, 2016, in substitution of the company PricewaterhouseCoopers.

The partner in charge is serving since April 15, 2016.

### 44.

#### **Rotation policy and schedule of the external auditor and the respective partner that represents said auditor in carrying out such duties.**

The policies and schedule of rotation regarding the external auditor and respective partner are those established by the law.

## 15.

### **Details of the Board responsible for assessing the external auditor and the regular intervals when said assessment is carried out.**

In addition to the General Assembly, the Audit Committee evaluates the performance of the external auditor. In this context, this Committee is responsible for monitoring and evaluating the services provided by the external auditor (auditing and not related to auditing). To carry out this monitoring, the Commission integrates meetings with the external auditor in its agenda in order to: (i) monitor and evaluate the work already done and in progress; (ii) learn about the scope and planning of the audit; (iii) analyse the audit work schedule; and (iv) analyse and assess the conclusions of its audit reports. The Commission works with the external auditor on a regular basis and ensuring adequate working conditions for the performance of all services provided, in order to monitor its independence throughout the year. Likewise, the external auditor must sign a declaration attesting his independence annually.

Within the scope of this interaction, it is the responsibility of the external auditor to immediately inform the Audit Committee about any irregularities relevant to the performance of the supervisory body's functions as well as any difficulties encountered in the performance of its duties.

In addition, and in accordance with current auditing standards, the external auditor must, within the scope of its powers, verify the application of the remuneration policies and systems of the governing bodies, the effectiveness and functioning of the internal control mechanisms and report any deficiencies and irregularities to the Audit Committee.

The external auditor confirms its independence annually in its Legal Certification of Accounts / Audit Report.

## 16.

### **Details of services, other than auditing, carried out by the external auditor for the company and/or companies in a control relationship and an indication of the internal procedures for approving the recruitment of such services and a statement on the reasons for said recruitment.**

The contracting of services other than auditing, provided to the Group in Portugal and abroad, is subject to a rigorous analysis in order to prevent any conflicts of interest with the External Auditor or a member of its network. These services are also assessed for compliance with Law No. 140/2015, of 9 September, and EU Regulation No. 537/2014 of the European Parliament and of the Council, of 16 April.

The Audit Committee approved at a meeting on November 4, 2015 the "Procedures for the selection of the ROC" and respective annex "Terms of Reference for the selection of the ROC for the 2016-2018 triennium", subsequently revised at a meeting on November 22 of the same year, in which it established ex-ante and in abstract the criteria and requirements for the selection of the ROC and external auditor to be proposed to the General Meeting.

Such documents were prepared in the light of the applicable legal and regulatory rules and in particular Law 140/2015, of February 7, which approved the Statute of the Order of Statutory Auditors, of Law 148/2015, of September 9, which approved the Audit Supervision Legal Regime, as well as the EU Regulation 537/2014, of the European Parliament and of the Council, of 6 April.

It was on the basis of these Procedures and Terms of Reference that he proposed to the General Assembly the election of the current ROC and external auditor for the 2016-2018 three-year period, which was subsequently renewed in the 2019-2021 three-year term.

In addition to the audit work, which includes statutory audit services, the External Auditor's fees relate to the following separate audit services: tax advice (preparation of VAT tax returns in Germany).

## 17.

Details of the annual remuneration paid by the company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and the percentage breakdown relating to the following services (For the purposes of this information, the network concept results from the European Commission Recommendation No. C (2002) 1873 of 16 May):

COMPANY	2020	%
Statutory account review services	35,500€	63%
Audit reliability services	21,000€	37%
<b>TOTAL</b>	<b>56,500€</b>	<b>100%</b>

ENTITIES THAT ARE PART OF THE GROUP	2020	%
Statutory account review services	299,500€	79%
Audit reliability services	-	-
Tax consulting services	77,470€	21%
Other non-statutory auditing services	-	-
<b>TOTAL</b>	<b>376,970€</b>	<b>100%</b>

## C. Internal Organization

### I. Articles of Association

## 18.

The rules governing amendment to the articles of association (Article 245-A/1/h)).

The company bylaws, with the exception of changing the headquarters, in which the Board of Directors has a specific delegation, can only be changed by resolution of the General Meeting.

The General Meeting shall meet at first call whenever a number of shareholders or their representatives, whose holdings represent at least  $\frac{1}{3}$  of share capital are in attendance; a second call shall be deemed valid regardless of the number of shareholders in attendance or duly represented and whichever the percentage of share capital their holdings may represent (Article 383, paragraph 2 and 3 of the Bylaws).

General Meeting resolutions require a majority of  $\frac{2}{3}$  of the issued votes in first and second call; in the case of second call, if at least half of the share capital is represented, the resolutions can be approved by simple majority.

Pursuant to the provisions of paragraph 4, the limitation of voting rights contemplated in paragraph 1 of Article 13-A also applies to resolutions to amend the Articles of association.

## II. Reporting of Irregularities

### 19.

#### Reporting means and policy on the reporting of irregularities in the company.

The Board of Directors has adopted internal regulations for disclosure of irregular practices, containing the following features:

1. The employees of Inapa Group (management and staff of the parent company, Directors, and management and staff of its affiliate companies) are bound to report any irregular practices of which they may have become aware being perpetrated in Inapa Group companies to the following officials:
  - a) To the Chairman of the Executive Committee of the Board of Directors of Inapa - Investimentos, Participações e Gestão, S.A. should such irregular practices involve the management and staff of the parent company, Directors or the management of its affiliate companies;
  - b) Without prejudice to what stated on the following paragraph, to the Chairman of the Audit Committee of the Board of Directors should such irregular practices involve the Directors of Inapa - Investimentos, Participações e Gestão, S.A. or of its supervisory board and/or its staff;
  - c) To the Chairman of the Board of Directors should such irregular practices involve a member of the Audit Committee of the Board of Directors of the Company;
  - d) By email [ethics@inapa.com](mailto:ethics@inapa.com) when related with other employees from affiliate companies.
2. In the situations referred in sub-paragraph a) of paragraph 1 above, the Chairman of the Executive Committee shall submit such allegations, with the urgency deemed necessary, to the Chairman of the Audit Committee of the Board of Directors.

3. Such allegations shall be submitted in writing, and their author shall be entitled to demand from the recipient a written statement to the effect that the information in question shall be treated in the strictest confidence.
4. The reporting official shall be assured that, barring allegations of a calumnious nature, any information provided within the scope of these regulations shall neither be raised as grounds for instituting proceedings against him or her nor for any unfavourable treatment towards him or her.

To be able to act in a swift manner, the company decided that communications should be directed to the executive members or the legal head of the Group. Notwithstanding this communication being performed normally to the CEO or the legal head of the Group, the Audit Committee is informed of all communications that are performed, analysing any irregularities and monitoring its resolutions.

All reported non-compliance situations are treated as confidential and, if requested, anonymously.

### III. Internal Control and Risk Management

## 50.

### **50. Individuals, boards or committees responsible for the internal audit and/or implementation of the internal control systems.**

The Board of Directors approved the systems of internal control and risk management of the company and the group, on its own initiative or the Executive Committee of the Board of Directors.

An internal audit plan of the company and its subsidiaries is also approved annually by the management and supervisory bodies, whose execution and compliance is regularly evaluated by the Audit Committee.

Within the scope of the action previously described to the Audit Committee, the reports made under his direction within the scope of his duties are regularly presented by the person responsible for internal auditing.

The internal auditor of the Group is responsible for the implementation and evaluation of internal control systems.

Planning and control services of the group are responsible for monitoring the activity of each of the Group companies.

The assessment of the respective functioning and adjustment to the needs of the company and the group are regularly assessed by the Audit Committee and, within the scope of the powers that are legally assigned to it, by the External Auditor.

The review of procedures and reporting of information on risk management will be timely subject to independent validation by independent external entity.

## 51.

### **51. Details, even including organisational structure, of hierarchical and/or functional dependency in relation to other boards or committees of the company.**

The organizational structure and hierarchical and functional dependencies are described in section 21.

## 52.

### **52. Other functional areas responsible for risk control.**

In addition to the areas identified above should also be noted as areas with responsibility for risk control, the central IT and information systems department, internal control and accounting department in each of the companies and at the level of the shared services centre.

## 53.

### **53. Details and description of the major economic, financial and legal risks to which the company is exposed in pursuing its business activity.**

The Group's main activity is the distribution of paper, and as such, it acts as a link between the upstream paper producers and the downstream intermediate consumers (namely companies and paper manufacturing industries, such as printers, advertisers, media companies, and newspaper and book publishers, among others), modern distributors (large-scale suppliers and specialized retail chains) and end consumers (companies in the office segment and individuals).

Inapa is subject to the inherent risks of the economic sector where it operates and especially to fluctuations in paper price, short-term imbalances between demand and supply, changes in consumption patterns and the performance of the economy in general.

In this context, the most relevant risks to which Inapa is exposed while conducting its business are associated with its capacity to pass changes in the purchase price of paper and in its operating costs on to customers through selling prices, particularly costs related to logistics and transportation.

Additionally, the paper distribution business is sensitive to changes in the behavioural patterns of the demand, mainly in segments such as advertising and media, and to changes in the distribution structure.

The balance between supply and demand depends on a variety of factors, among which we highlight the trends in installed production capacity and the level of overall economic activity.

The Group's capacity to reflect in products prices, or the fees it charges for the services it provides, the increase of paper price and/or fuel is not totally elastic. The direct margins of products sold and the net contribution of services rendered may be adversely impacted by such adverse trends. The transport costs associated to our delivery services may increase and consequently adversely impact on the Group's performance, financial situation, and earnings.

Inapa counts with some means of mitigating this risk, among which stand out its systems, which introduce various levels of authority according to the margin generated by the operation in the sales process.

The developments in the productive capacity of the different geographical markets, trends in paper demand in emerging economies such as China and India and its impact on those markets' suppliers, the impact of exchange rate fluctuation on the competitiveness of the various markets, and a number of regulatory issues that affect the world paper trade are all factors which, either in combination or in isolation, may directly or indirectly impact the performance of the Company, its financial situation and its earnings performance.

Furthermore, the paper distribution business has undergone structural changes in recent years, as a result of mergers among paper merchants, especially in Europe. Competitor moves may directly or indirectly impact the Company's future strategic decisions and, therefore, its positioning in each particular market and, consequently, affect its economic and financial returns and asset allocation.

Inapa is present in 8 European countries and, since 2009 and 2013, in Angola and Turkey. Its external activity accounts for about 97% of the total business volume. All these circumstances, naturally exposes Inapa's business to risks that arise from the specific performance of each economy in which it operates. On the other hand, it is also a risk mitigation factor due to the unfavourable occurrence of the same pattern of economic behavior in all markets simultaneously.

However, the currency exposure is limited, although real, as the value of sales in a currency euro (US dollar, kwanza and Turkish lira) represents about 2% of total Group sales.

As in any company or economic group, Inapa's performance depends on its ability to maintain its customer database.

In addition to over 80,000 customers, the geographic dispersion, offering a wide range of products, competitive and high quality, along with an adequate level of service pre- and post-sales, Inapa has been developing a customer loyalty program that offers complementary services and products to its core business, with the purpose of becoming more and more a global service provider in the paper market.

The impact on local economies of a downturn in the world economy may make it difficult for customers of the Inapa Group to meet their obligations towards the Group.

As a credit risk mitigation factor, Inapa contracted in 2011, a credit insurance policy to cover for credit risk of its operating subsidiaries with a major insurance company in Europe. This insurance covers core countries of the Group (Germany, France, Portugal, Spain and Turkey), thus covering the majority of Group sales.

Regardless of the coverage contemplated above, Inapa also manages credit risk by acting as follows: each Group subsidiary has its credit collections committee composed by the CEO, CFO and head of sales and purchases; credit limits are defined and recorded in the information system and inhibit new orders when limit is fully utilized; limits of credit granting are subject to annual review and/or whenever there is relevant information arising from the recommendation of the internal and external monitoring systems; approval of sales above the defined credit limits are subject to Board approval of each company.

A slowdown in economic growth rates or a decrease in consumer and producer confidence indexes may, in turn, lead to a slowdown or fall in the paper demand, namely the demand for writing and printing paper, thereby adversely affecting its operations, sales, earnings, and the overall financial standing of the Inapa Group.

The Group's ability to successfully implement the established strategy is a function of its ability to retain, and if necessary to hire, the most competent and adequately skilled staff to perform each duty.

Despite its human resources policy being oriented to these goals, it is not possible to guarantee that in the future there are no restrictions in this area.

The company's demand and operational activity are subject to the risks of pandemics. Operational risks are mitigated (i) by the high geographical dispersion of its operations, both at the Group level and at the level of each of the national operations and its suppliers, (ii) by the contingency plans adopted by each Group company that ensure that, with the exception of the storage and transport areas, which require the physical presence of workers, the others can be assured, essentially, through teleworking.

The implementation of measures that influence the mobility of people or goods by government entities could have a significant impact in terms of treasury and general financing of the activity.

Inapa gives to some employees of its subsidiaries Inapa France SAS, Inapa Packaging SAS, Semaq SAS, Papyrus Deutschland and Papier Union GmbH, supplement plans of retirement and survivors' pensions, having duly accounted for the inherent expenses and costs associated with such benefits in accordance with the specifications of International Accounting Standard 19 (IAS 19).

The balance reported in the consolidated accounts under liabilities for pension benefits is based on predefined assumptions on mortality rates, whereas the beneficiaries of the pension fund schemes in question may live longer than what such assumptions accounted for and, as such, may draw benefits from the pension fund in excess of the provisions for such benefits.

Therefore, liabilities for pension benefits may have an adverse impact on cash flows. Regarding the consolidation of accounts, Inapa has methods to mitigate internal and external risks.

As in any other activity, Inapa may be a party in litigation arising from the conduct of its business, including legal proceedings which may have been ruled in favour of the Group, fully or partially, or sentences that may be subject to recourse or petition for their annulment by the counterparties in conformance with applicable legal procedure and until that time as such sentences have been upheld in a court of final appeal.

Inapa has the support of local legal advisory teams that assist the subsidiaries in each geography in the pre-litigation and litigation phases of disputes, being monitored / coordinated by the legal department of the Holding, whenever their relevance or specificity recommends it.

Inapa Group's operations require investments. It is Inapa's intention to partly fund those investments with cash resources generated from operations. However, should its operations fail to generate sufficient cash resources, Inapa may be required to partly fund the envisaged investments with funding raised from external sources, including bank finance and/or funds raised from financial and capital markets instruments.

In addition, Inapa Group is exposed to a number of other risks, namely liquidity risk, interest rate risk, market risk on the price of raw materials, operating, environment risk and other risks.

Considering that Inapa does not hedge its exposure to adverse changes in market interest rates, such changes may, in turn, have an adverse impact on its performance, financial situation, and earnings.

Nevertheless, and in order to manage such risks, the Group's Finance Department strives to manage the impact of changing interest rates by monitoring market developments on an ongoing basis and by being in a position to contract financial instruments to mitigate the impact of interest rate volatility.

In a context of sector consolidation, Inapa may be the target of a public tender offer.

Despite the fact that the Group has been implementing careful risk management methodologies to manage every type of risk to which it is exposed, in the event of exceptionally adverse scenarios materializing, the policies and procedures employed by Inapa to identify, monitor, manage, and mitigate such risks may prove not to be fully effective.

To operate in the business areas of paper, packaging and visual communication, the Group needs working capital. More adverse economic scenarios that would change the commercial and financial policies of our partners, including suppliers, clients and financial institutions can create additional working capital needs that would pressure the liquidity levels.

Inapa manages the Group's liquidity risk by acting as follows: striving to structure the Group's financial indebtedness to feature a large percentage of medium and long-term debt, with a maturity that adequately matches its ability to generate cash resources; resorting to credit facilities it may draw on at any time (overdraft credit facilities). Treasury management is done locally in each Group company supervised by the Holding Company. Cash flow forecast is regularly updated and monitored to avoid potential deviations.

On Note 3 of the consolidated financial accounts there is more detailed information about the management of the different natures of financial risks (capital markets, receivables, concentration of credit lines and liquidity risk).

On Notes 8 and 9 of the consolidated financial accounts it can be analysed the goodwill and intangible assets with their impairment and sensitivity tests.

In the course of conducting Inapa's normal business, and owing to its organizational structure, the Group is subject to certain operational risks, including possible interruptions in the services it renders or delays in providing such services, omissions, errors.

These risks are monitored by the Company on an ongoing basis by means of the administrative and information systems it implemented for that purpose, having also arranged for insurance policies to cover certain operational risks.

The normal development of the business may be temporarily affected by risks arising from the merger or restructuring of subsidiaries.

Inapa Group's operations are also dependent on IT processing, which involves the storing and processing of financial reporting records, monitoring and control records from its logistics, warehousing and delivery services, and internal accounting records.

Notwithstanding the ongoing assessment of the condition of its information systems and the fact that our capacity has proven to be reliable, it is not possible to absolutely guarantee a full identification and timely redressing of every single issue concerning the information technology systems or the unqualified success of every single implementation of a technological enhancement to such systems.

The company may also be exposed to risks related to migration processes of core IT systems, which may have a transitory effect on the activity.

The risk of IT fraud / cyber-attack is gaining international importance, not being possible to mitigate completely this risk, despite the measures and procedures in place.

In this scenario, there could be significant changes in Inapa's current strategy with implications for the several businesses and markets where it operates.

Inapa Group may be adversely affected by amendments to ruling legislation and to other tax legislation applicable in Portugal, the European Union and the particular countries where it operates.

The Group's units are subject to risks that are inherent to the conduct of any economic activity, such as accidents, faults or natural catastrophes that may cause damages to the Group's assets or a temporary interruption of its trading activities.

## 54.

### **Description of the procedure for identification, assessment, monitoring, control and risk management.**

Risk identification and risk assessment is an ongoing process taking part in the Board of Directors, Executive Committee, Audit Committee and internal audit. Risks and mechanisms that allow its identification and assessment are described in the previous section.

The monitoring, control and risk management is carried out continuously by the Executive Committee. During the year, the Audit Committee and External Auditor also conduct audits of the effectiveness of risk management, internal control and reliability of the IT systems, also counting on the regular report of the internal audit.

## 55.

### **Core details on the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (Article 245-A/1/m)).**

The process of disclosure of financial information is monitored by both the management and supervisory bodies, as well as by business units and the corporate centre. The accounting documents and other financial information are prepared by the Consolidation and Planning and Control Departments, based on the information provided by the business units.

The Audit Committee, throughout the year, monitors the implementation of the systematized formalization of the relevant data and elements that make up Inapa's risk management and internal control system, as well as the implementation of common IT platforms to strengthen control mechanisms.

## IV. Investor Assistance

## 56.

### **Department responsible for investor assistance, composition, functions, the information made available by said department and contact details.**

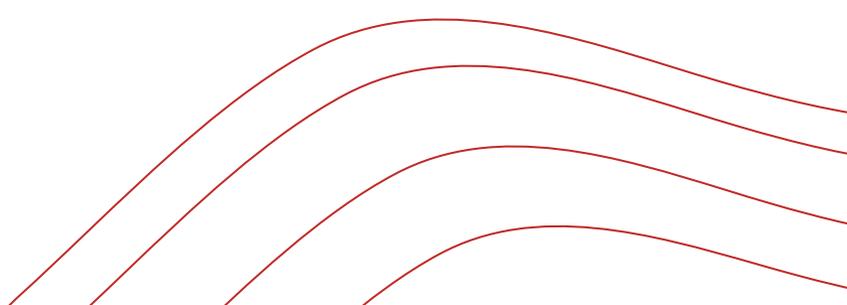
The Company has an Investor Relations Office headed by the responsible for relations with the market.

#### **Role of the Office:**

- To provide all investors – corporate or particular – with the most complete and accurate information, in the strict respect for the applicable legislation, concerning the corporate structure of the Company and the Group, on the rights and duties of the shareholders in conformance with the legislation and the Company's Articles of Association, on its financial and economic situation according to the disclosed elements and the indication of the probable calendar of the most relevant events of corporate initiative.
- To provide investors, in due respect for applicable legislation, with any additional or complementary information and clarification they may ask for.

#### **Type of information made available:**

- Information published by the company with corporate or economic-financial nature, of at least in the last three years, in Portuguese and English.
- Any relevant fact that can influence the company activity, in Portuguese and English.



**Assess means to the office:**

- By post:
  - Rua Braamcamp, n.º 40 - 9.º D, 1250-050 Lisbon
  - Portugal
- By fax: +351 21 382 30 16
- By telephone: +351 21 382 30 07
- By e-mail: hugo.rua@inapa.com
- By website: www.inapa.com

**57.****Market Liaison Officer.**

The Company's representative for market relations is Mr. Hugo Duarte de Oliveira Rua.

**58.****Data on the extent and deadline for replying to the requests for information received throughout the year or pending from preceding years.**

The investor relations received a small number of information requests, by email or phone, having answered all the requests within one business day.

**V. Website****59.****Address(es).**

The corporate website on the internet is: [www.inapa.com](http://www.inapa.com).

**60.****Place where information on the firm, public company status, headquarters and other details referred to in Article 171 of the Commercial Companies Code is available.**

The information can be obtained in the company headquarters, Rua Braamcamp, n.º 40 - 9.º D, 1250-050 Lisbon - Portugal. The information is also available in the company's website [www.inapa.com](http://www.inapa.com).

**61.****Place where the articles of association and regulations on the functioning of the boards and/or committees are available.**

The information can be obtained in the company headquarters, Rua Braamcamp, n.º 40 - 9.º D, 1250-050 Lisbon - Portugal. The information is also available in the company's website [www.inapa.com](http://www.inapa.com).

**62.****Place where information is available on the names of the corporate boards' members, the Market Liaison Officer, the Investor Assistance Office or comparable structure, respective functions and contact details.**

The information can be obtained in the company headquarters, Rua Braamcamp, n.º 40 - 9.º D, 1250-050 Lisbon - Portugal. The information is also available in the company's website [www.inapa.com](http://www.inapa.com).

## 63.

**Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar on company events that is published at the beginning of every six months, including, inter alia, general meetings, disclosure of annual, half-yearly and where applicable, quarterly financial statements.**

The information can be obtained in the company headquarters, Rua Braamcamp, n.º 40 – 9.º D, 1250-050 Lisbon - Portugal. The information is also available in the company's website ([www.inapa.com](http://www.inapa.com)) and the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).

## 64.

**Place where the notice convening the general meeting and all the preparatory and subsequent information related thereto is disclosed.**

The information can be obtained in the company headquarters, Rua Braamcamp, n.º 40 – 9.º D, 1250-050 Lisbon - Portugal. The information is also available in the company's website ([www.inapa.com](http://www.inapa.com)) and the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).

## 65.

**Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available.**

The information can be obtained in the company headquarters, Rua Braamcamp, n.º 40 – 9.º D, 1250-050 Lisbon - Portugal. The information is also available in the company's website ([www.inapa.com](http://www.inapa.com)) and the CMVM website ([www.cmvm.pt](http://www.cmvm.pt)).

## D. Remuneration

### I. Power to Establish

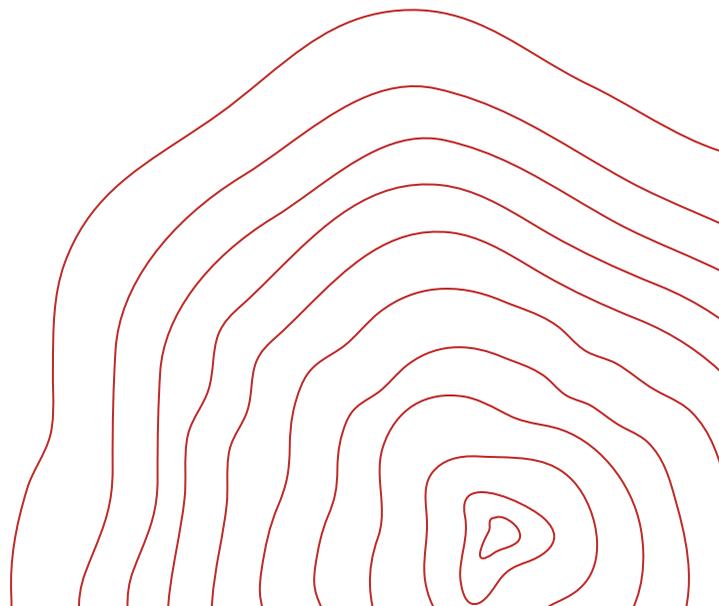
## 66.

**Details of the powers for establishing the remuneration of corporate boards, members of the executive committee or chief executive and directors of the company.**

The remuneration of the Governing Bodies is determined by:

- The Remunerations Committee, and;
- The General Meeting.

The company considers its directors, according to paragraph 3 of article 248.º B from CVM, exclusively the members of the Board of Directors and Audit Committee.



## II. Remuneration Committee

### 67.

**Composition of the remuneration committee, including details of individuals or legal persons recruited to provide services to said committee and a statement on the independence of each member and advisor.**

On the General Meeting of April 15, 2016 it was elected the following remunerations committee:

- Chairman: Nuno Galvão Teles;
- Member: Pedro Manuel Macedo Vilas Boas;
- Member: Tiago Manuel Rodrigues Estevinho.

All members of the Remunerations Committee are independent relatively to the members of the Board of Directors.

The Chairman of the Remuneration Committee was present at the General Meeting of May 22, 2020, where the proposal on the remuneration policy was appraised and voted on.

### 68.

**Knowledge and experience in remuneration policy issues by members of the Remuneration Committee.**

The elected members or entities of the Remunerations Committee have experience in the remunerations policy, as it can be verified by the curricula which was presented in the General Meeting, here transcript:

## Nuno Galvão Teles

### Academic qualifications

- Law Degree by University of Lisbon
- LL.M in International Commercial Law by University of London
- Member of the Portuguese Bar Association

### Professional qualifications

- Partner of the firm Morais Leitão, Galvão Teles, Soares da Silva & Associados, Sociedade de Advogados and responsible for the Commercial, Societary and Capital markets areas
- Lawyer in Morais Leitão, Galvão Teles, Soares da Silva & Associados, Sociedade de Advogados (since 1987)

## Pedro Manuel Macedo Vilas Boas

### Academic qualifications

- Management and Administration Degree from the School of Economics and Business Sciences of the Portuguese Catholic University
- “PDO - Programa para Diretores Operacionais” (Program for operational managers) from the Catholic Lisbon School of Business and Economics
- “PADE - Programa de Alta Direção de Empresas” (Program for top management) from AESE - Business School

### Professional qualifications

- Central manager of BCP (Millennium BCP), responsible for the department of Specialized Monitoring
- Coordinator of the area of special projects in Millennium BCP
- Responsible for a department of Corporate Finance and for the Department of Relationship in Investment Banking

## Tiago Manuel Rodrigues Estevinho

### Academic qualifications

- Degree in Economics by New Business School
- Post-graduation in Finance by New Business School
- Master in Finance

### Professional qualifications

- Economist at Parpública, Participações Públicas (SGPS), S.A.: technical advice and monitoring of companies

### III. Remuneration Structure

## 69.

### Description of the remuneration policy of the Board of Directors and Supervisory Boards as set out in Article 2 of Law No. 28/2009 of 19 June.

The remuneration policy has been the object of a separate assessment by the General Meeting of May 22, 2020.

In such General Meeting, the following description on remuneration policy has been approved:

#### I. Introduction

Under the terms of paragraph 1 Article 2 of Law 28/2009 of June 19, the Remuneration Committee of Inapa - Investimentos, Participações e Gestão, SA ("Inapa" or "Company") must submit annually the approval to the General Meeting of a declaration about the remuneration policy of its Governing Bodies.

Additionally, Recommendation V.2 of the Corporate Governance Code, approved by the Portuguese Institute of Corporate Governance in 2018, recommends that the mentioned statement includes a set of additional elements to be submitted to the General Meeting.

It should be noted that this declaration, in addition to being mandatory, aims to constitute itself as an effective instrument of good Corporate Governance, in order to provide information to shareholders, protect their interests and provide greater transparency in the remuneration policies of Governing Bodies.

On this statement current remuneration policies have been examined and made suggestions to ensure that remuneration policies are appropriate and reflect the risk profile and long-term objectives of the Company, taking into account market practices and assuming that practice should be based on uniform, consistent, fair and balanced criteria.

On the market where Inapa is present, one of the main critical success factors is the ability to attract, motivate and retain the best existing professionals.

Current declaration has been prepared by the Remuneration Committee of Inapa elected on the General Meeting of May 23, 2019, being composed by three members, independent from the Board of Directors and Audit Committee and with knowledge and experience in remuneration policies.

In order to comply with the applicable legislation and regulations, the Remuneration Committee submits to the annual General Meeting, to be convened on May 22, 2020, the declaration of the remuneration policies applicable to Inapa Governing Bodies.

#### II. Remuneration policy to the Governing Bodies

In order to determine the remuneration to be attributed to the members of the Governing Bodies, which shall be disclosed in the Corporate Governance Report, Inapa shall be governed by the following criteria:

- Simplicity, clarity, transparency and alignment with the Company's culture, also taking into account the Group in which it operates;
- Competitiveness, taking into account market practices and fairness and the remuneration practice is based on uniform, consistent, fair and balanced criteria;
- Pursuing excellence in management through a set of benchmark business practices that enable the Company to achieve balance and sustainability; and
- Determination of the individual variable remuneration considering the respective performance evaluation, based on financial and non-financial criteria, according to the functions and level of responsibility, as well as the results of the Company.

#### III. Remuneration policy to non-executive directors, including Audit Committee members

The remuneration of the non-executive members of the Governing Bodies had exclusively a fixed component, paid 12 times a year.

Similarly, the additional fixed remuneration also takes into consideration the function on the Audit Committee and the functions of the Chairman of the Committee.

Specifically, the remuneration of non-executive directors was determined for the 2019/2021 mandate. In 2019, the fixed remuneration paid to non-executive directors corresponds to the amount indicated in the company's 2018 governance report

#### **IV. Remuneration policy for executive directors in effect and allocation of variable remuneration component to the executive members of the Board of Directors for 2019**

With the change in the remuneration policy, as a result of the approval of the proposal of this Remuneration Committee submitted to the approval of Inapa shareholders at the general meeting of April 28, 2017, the remuneration of the executive members of the Board of Directors is now composed of a fixed component and a variable component, as set out in section V below.

The application of the variable remuneration allocation rules, outlined in section V below, results that the executive members of the Board of Directors will be entitled to receive the variable component of the annual remuneration related to their performance in 2019.

It should be noted, in this regard, that the Remuneration Committee has been making efforts to approve a new remuneration regulation for the Company's governing bodies for the 2019-2021 mandate, and the updating of the quantitative objectives to be introduced in the even for the purposes of calculating the variable remuneration of the members of the Executive Committee of the Board of Directors.

The work carried out by the Remuneration Committee in this regard, however, has been hampered by the measures of social distance and prophylactic isolation adopted by the General Directorate of Health and the Portuguese Government following the declaration of the SARS Cov-2 virus and the COVID-19 disease as a pandemic by the World Health Organization, and it has not been possible for the Remuneration Committee (for reasons to which it is alien), to date, to complete the approval of the remuneration regulation of the governing bodies applicable to the 2019-2021 mandate.

To this extent, the Remuneration Committee decided to keep the regulations governing the remuneration of the governing bodies applicable to the former term of 2016-2018 in force, on a transitional basis.

Thus, under the terms of the remuneration regulations for INAPA's governing bodies currently in force, the annual variable remuneration of the members of the Executive Committee is not allowed to exceed in each year the amount equivalent to 10% of the net income for the year.

INAPA's net income for the year ended December 31, 2019 (calculated according to the income statement of INAPA for the same period, which was subject to legal certification of accounts by the company's statutory auditor) amounted to approximately 4,143,000.00 € negative, thus variable remuneration cannot be granted.

To this extent, and to speed and minimization of costs associated with its activity, the Remuneration Committee waived the formal procedure for evaluating the performance of the members of the Executive Committee of the Board of Directors, whose sole purpose is to calculate and propose to shareholders the attribution of variable remuneration.

Therefore, the Remuneration Committee proposes to the shareholders that no variable remuneration is attributed to the members of the Executive Committee of the Board of Directors of Inapa regarding their performance in 2019.

Notwithstanding the foregoing, the Remuneration Committee wishes to highlight the good performance of the executive members of the Board of Directors in pursuing Inapa's strategic and financial objectives, regarding the work that has been done in the course of the year.

## V. Fixed and variable components of attribution of variable remuneration to the executive members of the Board of Directors

### Fixed component

The value of the fixed component was set on the term 2019/2020. On 2019 the paid fixed remuneration to executive directors corresponds to the amount presented on the 2018 Governance Report, paid 14 times a year.

### Variable component

The attribution of variable remuneration is based on the achievement of quantitative and qualitative objectives, which are associated with objective, simple, transparent and quantifiable (quantitative objectives) performance indicators, as outlined below:

1. The variable remuneration shall be paid in cash, taking into account the following reference values (Target) and ceilings:
  - i) Target variable remuneration - 20% of the respective fixed remuneration of the respective executive member of the Board of Directors;
  - ii) Maximum amount of attributable remuneration - 30% of the respective fixed remuneration of the respective executive member of the Board of Directors.
2. Specifically, the allocation and calculation of the variable remuneration is based on the results of the performance evaluation of the executive members of the Board of Directors, carried out with reference to the whole calendar year concerned, and is determined by considering the following components:
  - i) Quantitative component - includes the evaluation of Inapa's performance through quantitative indicators, with a global weight of 80%;
  - ii) Qualitative component - covers the weighted average of the competency assessment of the executive member of Inapa's Board of Directors with a global weight of 20%.
3. The concrete achievement of the mentioned quantitative objectives must be previously validated and certified by an independent external entity at an earlier time.
4. The annual variable remuneration of each executive director is attributed in cash, after approval of accounts for the year to which he refers, in compliance with the minimum limits and legal conditions, and is paid as follows: (a) 50% of the remuneration variable is paid in the month following the date of the meeting of Inapa's annual shareholders' meeting, (b) the remaining 50% of the deferred variable remuneration being paid during each of the 3 years following the date of payment of the amount referred to in (a) ( $\frac{1}{3}$  per year).
5. The variable remuneration is subject, in whole or in part, to mechanisms of (a) reduction of the variable remuneration prior to its attribution (malus) and (b) reversal by way of retention of part or all of the remuneration a variable attributed whose payment of any of its installments has not yet been performed (claw back), the latter being a supplementary mechanism if the reduction mechanism proves to be insufficient, in the following situations:
  - i) The executive member of Inapa's Board of Directors in question participated directly and decisively or was responsible for an action that resulted in significant losses for Inapa;
  - ii) Serious or fraudulent breach of Inapa's code of conduct or internal rules by the executive member of the Board of Directors with a significant negative impact on Inapa, or situations justifying just cause of dismissal of the executive member of the Board of Directors; and/or
  - iii) False statements and/or material errors or omissions in Inapa's financial statements for which the objective conduct of the executive member of the Board of Directors has contributed decisively.
6. In the event of termination of duties of the executive member of the Board of Directors, for any reason (other than dismissal for good cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms), after the end of the variable remuneration period, but before the full payment of the respective variable remuneration, the full variable remuneration will be paid.

7. The payment of the variable remuneration corresponding to the fiscal year in which the executive member of the Board of Directors ceases functions shall not be due, except in cases of termination by mutual agreement, retirement, death, invalidity or in any other case of early termination of the mandate, for reasons not attributable to the executive member of the Board of Directors (in particular, changes in the control of the Company, among others, following a takeover bid or other fact unrelated to the executive member of the Board of Directors), in which case variable remuneration will be due pro rata temporis.
8. In the event of the termination of the duties of the executive members of the Board of Directors, before the end of the term of office due to dismissal for just cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms, the last will lose the right to receive all the variable remuneration paid but not paid.
9. The variable remuneration of the executive members of the Board of Directors shall not exceed 10% in each year of the net results of the INAPA year.

## Benefits

The following benefits are assigned to Executive Directors:

- a) Life insurance, whose value is measured according to the amount of basic compensation of each of the executive directors;
- b) Automobile, including the maintenance and insurance, whose total value varies among executive directors according to the responsibilities assumed;
- c) Fuel fleet card; and
- d) Mobile phone.

## VI. Remuneration policy of the Statutory Auditor

The Statutory Auditor of the Company is remunerated in the terms and conditions agreed in the service agreement entered into between it and Inapa, in accordance with market practices and the legal and recommendation framework.

## VII. Alignment of interest of members of the Board of Directors with Inapa

### a. Non-executive directors, including Remuneration Committee members

Although the remuneration practices take into account the financial condition of Inapa and its holding, no form of variable remuneration is foreseen for the non-executive members of the administrative body or for the members of the supervisory body.

In this way, non-executive directors do not have any component of their remuneration dependent on the fulfilment of objectives in order to safeguard their independence.

The remuneration of the non-executive directors was based on the actual performance and the balance in the appraisal.

### b. Executive directors

With the change in the remuneration policy approved by the General Meeting of INAPA on April 28, 2017, the remuneration of the executive members of the Board of Directors:

- a) Is now aligned with the market and with the functions effectively performed, stimulating the performance of the executive members of the Board of Directors, in individual and group terms;
- b) Allows to reward the results achieved by the executive members of the Board of Directors;
- c) Help in attracting and retaining qualified staff to INAPA.

It should also be noted that, in order to align the interests of the members of the management body with INAPA's interests, the executive members of the Board of Directors should not conclude contracts or other instruments, either with INAPA or with third parties, mitigate the risk inherent in the variability of their remunerations.

### VIII. Amounts in any capacity paid by other companies regarding domain or group or which are subject to a common domain

No amounts were paid to the members of the Board of Directors by other companies in a dominant or group relationship or which are subject to a common domain.

### IX. Stock plans or stock options

The Company has no stock plans or stock options of Inapa titles to its Governing Bodies or employees.

### X. Information regarding the enforceability or unenforceability of payments related to dismissal and dismissal of directors

There are no contractual limitations in place for any compensation to be paid to managers for dismissal without just cause.

The Remuneration Policy does not establish any express mechanisms to demand any compensation or compensation beyond that legally due.

Inapa has no agreements in place with members of its Board and/or top managers that provide for compensation in the event of dismissal, unjustified dismissal or termination of the employment relationship following a change of control of the Company.

### XI. Information on the maximum potential amount, on an individual basis, and the maximum potential amount, in aggregate terms, payable to the members of the Governing Bodies and identification of the circumstances in which those maximum amounts may be due

The maximum potential amount, in individual terms and the maximum potential amount, in aggregate terms, payable to the members of the Executive Board of the Board of Directors is as follows:

- a) Chairman of the Executive Committee: 455,000.00 €
- b) Members of the Executive Committee: 336,700.00 €
- c) Total: 1,128,400.00 €

As mentioned above, Inapa's net income will not allow, under the terms of the remuneration regulations for the members of Inapa's governing bodies, the attribution to the members of the company's Executive Committee of any amount as variable remuneration."

The remuneration committee considered that for the exercise of its functions, namely taking into account that the conditions were not met for a variable remuneration to be exercised during the year, it was not necessary to resort to contracting consultancy services.

## 70.

### Information on how remuneration is structured so as to enable the aligning of the interests of the members of the board of directors with the company's long-term interests and how it is based on the performance assessment and how it discourages excessive risk taking.

The remuneration of the non-executive members of the Board of Directors did not include any variable remuneration.

Executive members can have a variable remuneration based on the degree of achievement of quantitative and qualitative objectives that are associated with performance indicators:

1. The variable remuneration is paid in cash, taking into account the following reference values (Target) and maximum limits:
  - i) Variable remuneration target - 20% of the respective fixed remuneration of the executive member of the Board of Directors;
  - ii) Maximum value of attributable remuneration - 30% of the respective fixed remuneration of the executive member of the Board of Directors.
2. Specifically, the attribution and calculation of the amount of variable remuneration is based on the results of the performance evaluation of the executive members of the Board of Directors, carried out with reference to the entire calendar year in question, and is determined considering the following components:

- i) Quantitative component – includes the evaluation of Inapa's performance through quantitative indicators (i) reduction of the weight of debt in the balance sheet total; (ii) recurrent EBITDA annual growth; (iii) annual savings in operating costs; (iv) annual billing growth of the packaging and viscom segments; and (v) maintenance of market share), with a global weight of 80%;
  - ii) Qualitative component – covers the weighted average of the competency assessment of the executive member of Inapa's Board of Directors ((i) leadership skills and contribution to the performance of the executive members of the Board of Directors, (ii) relation with stakeholders (iii) contribution to Inapa's reputation, with an overall weight of 20% (on a scale of 1 to 5).
- II. Serious or fraudulent breach of Inapa's code of conduct or internal rules by the executive member of the Board of Directors with a significant negative impact on Inapa, or situations justifying just cause of dismissal of the executive member of the Board of Directors; and/or
  - III. False statements and/or material errors or omissions in Inapa's financial statements for which the objective conduct of the executive member of the Board of Directors has contributed decisively.

The remuneration structure of the executive directors, described on the previous point, establishes a fix and variable component, which should be aligned with market practices.

## 71.

**Reference, where applicable, to there being a variable remuneration component and information on any impact of the performance appraisal on this component.**

The concrete achievement of the mentioned quantitative objectives must be previously validated and certified by an independent external entity at an earlier time.

The annual variable remuneration of each executive director is attributed in cash, after approval of accounts for the year to which he refers, in compliance with the minimum limits and legal conditions, and is paid as follows: (a) 50% of the remuneration variable is paid in the month following the date of the meeting of Inapa's annual shareholders' meeting, (b) the remaining 50% of the deferred variable remuneration being paid during each of the 3 years following the date of payment of the amount referred to in (a) (1/3 per year).

It is expected that the remuneration of executive directors will have a variable component dependent on a performance assessment under the terms previously addressed with a quantitative and qualitative component, as described on the previous point.

## 72.

**The deferred payment of the remuneration's variable component and specify the relevant deferral period.**

The variable remuneration is subject, in whole or in part, to mechanisms of (a) reduction of the variable remuneration prior to its attribution (malus) and (b) reversal by way of retention of part or all of the remuneration a variable attributed whose payment of any of its installments has not yet been performed (claw back), the latter being a supplementary mechanism if the reduction mechanism proves to be insufficient, in the following situations:

Half of the variable remuneration to executive directors should be deferred into the three subsequent years counting from the data of the payment in three equal installments.

- I. The executive member of Inapa's Board of Directors in question participated directly and decisively or was responsible for an action that resulted in significant losses for Inapa;

## 73.

**The criteria whereon the allocation of variable remuneration on shares is based, and also on maintaining company shares that the executive directors have had access to, on the possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value.**

The remuneration of executive Directors does not establish any component based in shares.

The shares that are hold by directors do not result of any variable remuneration scheme.

## 74.

**The criteria whereon the allocation of variable remuneration on options is based and details of the deferral period and the exercise price.**

The remuneration of executive Directors does not establish any component based in options.

## 75.

**The key factors and grounds for any annual bonus scheme and any additional non-financial benefits.**

In order to determine the remuneration to be attributed to the members of the Governing Bodies, which shall be disclosed in the Corporate Governance Report, Inapa shall be governed by the following criteria:

- Simplicity, clarity, transparency and alignment with the Company's culture, also taking into account the Group in which it operates;
- Competitiveness, taking into account market practices and fairness and the remuneration practice is based on uniform, consistent, fair and balanced criteria;
- Pursuing excellence in management through a set of benchmark business practices that enable the Company to achieve balance and sustainability; and
- Determination of the individual variable remuneration considering the respective performance evaluation, based on financial and non-financial criteria, according to the functions and level of responsibility, as well as the results of the Company.

The Remuneration Committee considers that with the change in the remuneration policy approved by the General Meeting of INAPA on April 28, 2017, the remuneration of the executive members of the Board of Directors:

- a) Is now aligned with the market and with the functions effectively performed, stimulating the performance of the executive members of the Board of Directors, in individual and group terms;
- b) Allows to reward the results achieved by the executive members of the Board of Directors;
- c) Help in attracting and retaining qualified staff to INAPA.

It should also be noted that, in order to align the interests of the members of the management body with INAPA's interests, the executive members of the Board of Directors should not conclude contracts or other instruments, either with INAPA or with third parties, which could mitigate the risk inherent in the variability of their remunerations.

No other benefits are defined, in addition to those provided for in the remuneration policy:

- a) Life insurance, whose value is measured according to the amount of basic compensation of each of the executive directors;
- b) Automobile, including the maintenance and insurance, whose total value varies among executive directors according to the responsibilities assumed;
- c) Fuel fleet card; and
- d) Mobile phone.

## 76.

**Key characteristics of the supplementary pensions or early retirement schemes for directors and state date when said schemes were approved at the general meeting, on an individual basis.**

There are no supplementary pensions or early retirement schemes for Board of Directors and Audit Committee members.



## IV. Remuneration Disclosure

### 77.

**Details on the amount relating to the annual remuneration paid as a whole and individually to members of the company's board of directors, including fixed and variable remuneration and as regards the latter, reference to the different components that gave rise to same.**

	INAPA - IPG		SUBSIDIARIES	
	FIXED REMUNERATION PAID IN 2020	VARIABLE REMUNERATION IN 2020	FIXED REMUNERATION PAID IN 2020	VARIABLE REMUNERATION IN 2020
Diogo Francisco Bastos Mendes Rezende	350,000.00 €	2,198.50*		
Frederico João de Moser Lupi	259,000.00 €	1,525.75*		
Inês Patrícia Arede Simões Louro	259,000.00 €			
Victor Maurilio Silva Barros	70,500.00 €			
Emília de Noronha Galvão Franco Frazão	16,500.00 €			
Patrícia Isabel Sousa Caldinha	16,500.00 €			
João Miguel Pacheco Sales Luís	10,500.00 €			

\* Variable remuneration paid in respect of the 2017 financial year.

The average annual remuneration of the Company's employees, in terms equivalent to the company's full-time, excluding members of the management and supervisory bodies, during the last five financial years was 65,618 €.

### 78.

**Any amounts paid, for any reason whatsoever, by other companies in a control or group relationship, or are subject to a common control.**

No payments were done by other companies in a group relationship or controlled by the group are in common control.

### 79.

**Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for said bonuses or profit sharing being awarded.**

The remuneration scheme approved at the General Meeting contemplates, in its quantitative component, indicators that influence the generation of results of the Group, but there are no mechanisms for reimbursement of results.

It should be noted that the remuneration regulation of INAPA's corporate bodies (approved by the Remuneration Committee) does not allow such variable remuneration to exceed in each year the amount equivalent to 10% of net income for INAPA's year.

## 80.

### Compensation paid or owed to former executive directors concerning contract termination during the financial year.

No compensation were paid to former executive directors nor are due compensations for the cessation of their duties during the last financial year.

The remuneration policy in what regards to variable remunerations establishes:

- In the event of termination of duties of the executive member of the Board of Directors, for any reason (other than dismissal for good cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms), after the end of the variable remuneration period, but before the full payment of the respective variable remuneration, the full variable remuneration will be paid.
- The payment of the variable remuneration corresponding to the fiscal year in which the executive member of the Board of Directors ceases functions shall not be due, except in cases of termination by mutual agreement, retirement, death, invalidity or in any other case of early termination of the mandate, for reasons not attributable to the executive member of the Board of Directors (in particular, changes in the control of the Company, among others, following a takeover bid or other fact unrelated to the executive member of the Board of Directors), in which case variable remuneration will be due *pro rata temporis*.

In the event of the termination of the duties of the executive members of the Board of Directors, before the end of the term of office due to dismissal for just cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms, the last will lose the right to receive all the variable remuneration paid but not paid.

The variable remuneration is subject, in whole or in part, to mechanisms of (a) reduction of the variable remuneration prior to its attribution (malus) and (b) reversal by way of retention of part or all of the remuneration a variable attributed whose payment of any of its installments has not yet been performed (claw back), the latter being a supplementary mechanism if the reduction mechanism proves to be insufficient, in the following situations:

- i) the executive member of Inapa's Board of Directors in question participated directly and decisively or was responsible for an action that resulted in significant losses for Inapa;
- ii) serious or fraudulent breach of Inapa's code of conduct or internal rules by the executive member of the Board of Directors with a significant negative impact on Inapa, or situations justifying just cause of dismissal of the executive member of the Board of Directors; and/or
- iii) false statements and/or material errors or omissions in Inapa's financial statements for which the objective conduct of the executive member of the Board of Directors has contributed decisively.

## 81.

### Details of the annual remuneration paid, as a whole and individually, to the members of the company's supervisory board for the purposes of Law No. 28/2009 of June 19.

The Audit Committee members remunerations described under section 77.

During 2020 the audit Committee member were:

- Victor Maurílio Silva Barros
- Emília de Noronha Galvão Franco Frazão
- Patrícia Isabel Sousa Caldinha

## 82.

### **Details of the remuneration in said year of the Chairman of the Presiding Board to the General Meeting.**

The declaration sets that remuneration of the Chairman of the General Meeting of Shareholders, approved in May 23 2019, is 5.000,00 € (five thousand Euros) payable for every meeting chaired.

During the year, there was one General Meeting, for which it was paid the approved remuneration of 5,000.00 € (five thousand euros).



## V. Agreements with Remuneration Implications

### 83.

#### **The envisaged contractual restraints for compensation payable for the unfair dismissal of directors and the relevance thereof to the remunerations' variable component.**

No contractual limitations have been established to pay eventual compensations for the unfair dismissal of directors.

On the adopted remunerations policy there have not been stated any mechanisms for anyone not requiring compensation or compensation, in addition to the legally due.

In what concerns to the variable remuneration, the remuneration policy defines that:

- In the event of termination of duties of the executive member of the Board of Directors, for any reason (other than dismissal for good cause or due to the verification of another situation giving rise to the application of the malus or claw back mechanisms), after the end of the variable remuneration period, but before the full payment of the respective variable remuneration, the full variable remuneration will be paid.
- The payment of the variable remuneration corresponding to the fiscal year in which the executive member of the Board of Directors ceases functions shall not be due, except in cases of termination by mutual agreement, retirement, death, invalidity or in any other case of early termination of the mandate, for reasons not attributable to the executive member of the Board of Directors (in particular, changes in the control of the Company, among others, following a takeover bid or other fact unrelated to the executive member of the Board of Directors), in which case variable remuneration will be due *pro rata temporis*.

### 84.

#### **Reference to the existence and description, with details of the sums involved, of agreements between the company and members of the board of directors and managers, pursuant to Article 248-B/3 of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid. (Article 245-A/1/I)).**

No agreements between the Company and members of the Board of Directors and/or senior management containing provisions on the payment of compensations upon resignation, unfair dismissal or termination of employment following a change in the company's controlling shareholder are in force.



## VI. Share-allocation and/or Stock Option plans

### 85.

#### Details of the plan and the number of persons included therein.

The Company does not have any share-allocation or stock option scheme to award shares in the capital of the Company to its governing bodies or personnel.

### 86.

#### Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options).

The Company does not have any share-allocation or stock option scheme to award shares in the capital of the Company to its governing bodies or personnel.

### 87.

#### Stock option plans for the company employees and staff

The Company does not have any share-allocation or stock option scheme to award shares in the capital of the Company to its governing bodies or personnel.

### 88.

#### Control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by said employees (Article 245-A/1/e)).

The Company does not have any share-allocation or stock option scheme to award shares in the capital of the Company to its governing bodies or personnel and has no control mechanisms in case of eventual voting rights exercised by employees.

## E. Transactions with Related Parties

### I. Control mechanisms and Procedures

### 89.

#### Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (For said purpose, reference is made to the concept resulting from IAS 24).

At the meeting of December 23, 2020, the Board of Directors of Inapa - Investimentos, Participações e Gestão, S.A. approved, with the prior opinion of the Audit Committee, a new regulation on transactions of the company with related parties.

Related entities, for the purposes of the aforementioned regulation, are understood to be those considered as such in the international standards adopted pursuant to Regulation (EC) No. 1 606/2002, of the European Parliament and of the Council, of 19 July and in particular:

- a) The entities that directly or indirectly control, are controlled or are under common control of the company;
- b) The entities that have an interest in the company that gives it significant influence over it or have joint control over it;
- c) Associates or joint ventures in which the entity is an entrepreneur;
- d) The key elements of the company's management or the people closely related to them, being considered as such:
  - The members of the Company's management bodies and those responsible, who, not being members of those bodies, directly or indirectly have authority and responsibility for planning, directing and controlling the entity's activities;
  - The spouse of the key management member or person living with him or her in de facto union, dependent descendants and other dependents;

- Any entity that is directly or indirectly dominated by the key management element, constituted for its benefit or that this is also a key management element.
- e) The entity over which a key management element or person closely related to it exercises control, joint control or significant influence or over which they have, directly or indirectly, significant voting power;
- f) The entity that is a post-employment benefit plan for the benefit of employees of the company or company in a controlling or group relationship.

According to this regulation, that require prior approval by the Board of Directors, with prior opinion from the Audit Committee, all transaction between the Company or its subsidiaries with related entities that are not carried out within the current scope of the Company's activity and under market conditions, transactions of significant relevance as well as those that, due to the combination of their nature, amount and/or conditions of realization may give rise to particular relevance in terms of transparency and or conflicts of interest.

In view of the concrete reality of the Company and its subsidiaries, the following levels of materiality were established, for transactions alone or in conjunction with other transactions with the same related party during the same financial year, from which the transactions are considered to be of significant relevance, which delimit the delegation of powers of the Executive Committee:

TYPE OF TRANSACTION	LIMIT
Purchasing and selling of goods and services	750,000 €
Financial investments	5,000,000 €
Loans and other type of funding, excluding simple renewals	10,000,000 €
Other transactions	500,000 €

All other transactions with related parties are obligatorily notified to the Audit Committee until the end of the month following the end of each quarter, to confirm that they were carried out within the scope of the activity under market conditions.

The regulation in question establishes that in the assessment of transactions with related parties, the respective reasonableness and transparency must be ensured, namely with regard to the pursuit of the interests of the company and its subsidiaries, taking into account the normal conditions under which such transactions are practiced in the market and that the same does not result, directly or indirectly, in a more favourable treatment than the one likely to be obtained by a third party under equal circumstances.

The regulation also provides that transactions between the Company and/or its subsidiaries with related parties that are not carried out within the scope of the company's current activity and under market conditions and whose individual or aggregate value in the same year in relation to the same related party is equal to or greater than 2.5% of the Company's consolidated assets, according to its most recent audited accounts, must be publicly disclosed, at the latest at the time they are realized.

## 90.

### **Details of transactions that were subject to control in the referred year.**

There were no transactions with related parties that needed the specific control from the Audit Committee, besides extensions of existing financing facilities.

## 91.

### **A description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the holders of qualifying holdings or entity-relationships with the former, as envisaged in Article 20 of the Securities Code.**

The procedures and criteria are described in section 89.

## II. Data on Business Deals

### 92.

**Details of the place where the financial statements including information on business dealings with related parties are available, in accordance with IAS 24, or alternatively a copy of said data.**

The information about business deals with related parties is described on note 33 to the consolidated financial statements of the company.

## III. Other Elements

### 93.

**Means for prevention and management of conflicts of interest.**

In December 2017, the Board of Directors approved the new Code of Conduct, which covers all employees and administrators of the Inapa Group (including members of the Board of Directors).

The Code of Conduct indicates that there is a conflict of interest when your personal activities interfere, or seem to interfere, with your judgment in acting in the best interest of Inapa.

It is defined that employees and directors should refrain from doing business with family members or with others with whom they have relevant relationships. Members should not use their position in Inapa to get special treatment for themselves or their family or someone with meaning that is relevant to them. It applies to the purchase of products, sales, investments, contracting selection of contractors or suppliers or any other business relationships.

All external professional activities, whether paid or not, must be communicated and can not raise any conflicts of interest with Inapa. No assets of the company may be used during the exercise of any external professional activity.

If any director is in a situation of possible conflict of interests, he or she must notify the Chairman of the Board of Directors, or if the potential conflict affects him, to the Chairman of the Audit Committee, and exclude himself from the decision-making process.

It is further envisaged that no employee, manager or director should participate in the decision-making related to a company where it may have a direct or indirect financial interest.

Finally, the Code of Conduct further stipulates that gifts, meals, entertainment or any favour from suppliers, service providers or customers should not be accepted that could compromise or appear to compromise their judgment when making objective decisions in the best interests of the INAPA.

# Part II

## Corporate Governance Assessment

### 1.

#### Details of the corporate governance code implemented

This Corporate Governance report was prepared in accordance with the recommendations contained in the IPCG Corporate Governance Code (2018) and reviewed in 2020.

The text of the governance reports referring to this company is available at:

- The Company's Head Office, at Rua Braamcamp, n.º 40 - 9.º D, Lisbon - Portugal;
- The company's corporate website: [www.inapa.pt](http://www.inapa.pt);
- The website of Comissão do Mercado de Valores Mobiliários (CMVM): [www.cmvm.pt](http://www.cmvm.pt).

The company hereby informs that this Report will be available for consultation at all of the aforementioned locations and may be obtained separately or as an Addendum to the Annual Report and Accounts of the Company, of which it is an integral part.

### 2.

#### Compliance analysis of the implemented corporate governance code

The structure followed in the evaluation of corporate governance follows, in its structure, the scheme recommended in the IPCG Corporate Governance Code (2018) and reviewed in 2020.

For each of the recommendations, it is stated whether or not it is adhered to. An explanation is provided through the references to the articles in Part I - mandatory information on the shareholder structure, organization and governance of the company and complemented. In the case of non-follow-up, partial follow-up or when the recommendation was considered not applicable, further information is presented after the table, in point 3 - Other Information.



PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>CHAPTER I – GENERAL</b>		

**General principle:**

Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.

**I.1. Company’s relationship with investors and disclosure**

**Principle:**

Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information.

**Recommendations:**

<b>I.1.1.</b> 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.	Yes	22 34 56 to 65
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**I.2. Diversity in the composition and functioning of the company’s governing bodies**

**Principles:**

**I.2.A.** Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders.

**I.2.B.** Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions.

**I.2.C.** Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>Recommendations:</b>		
<p><b>I.2.1.</b> 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, which may contribute to a better performance of the governing body and to the balance of its composition.</p>	No	15 to 19
<p><b>I.2.2.</b> 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.</p>	Yes	15 to 19 21 23 34
<p><b>I.2.3.</b> 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.</p>	Yes	23 35
<p><b>I.2.4.</b> 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.</p>	Yes	49 50 52 54 55
<b>I.3. Relationships between the company bodies</b>		
<b>Principle:</b>		
<p>Members of the company's Board, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in a possession of the suitable amount of information in order to carry out their respective duties.</p>		
<b>Recommendations:</b>		
<p><b>I.3.1.</b> 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 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.</p>	Yes	15 21

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<p><b>I.3.2.</b> 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.</p>	Yes	15 21
<p><b>I.4. Conflicts of interest</b></p>		
<p><b>Principle:</b></p>		
<p>The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.</p>		
<p><b>Recommendations:</b></p>		
<p><b>I.4.1.</b> 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.</p>	Yes	93
<p><b>I.4.2.</b> 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.</p>	Yes	93
<p><b>I.5. Related party transactions</b></p>		
<p><b>Principle:</b></p>		
<p>Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.</p>		
<p><b>Recommendations:</b></p>		
<p><b>I.5.1.</b> 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.</p>	Yes	89
<p><b>I.5.2.</b> 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.</p>	Yes	15 21 89 90

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>CHAPTER II – SHAREHOLDERS AND GENERAL MEETING</b>		
<b>Principles:</b>		
<p><b>II.A.</b> As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance.</p>		
<p><b>II.B.</b> The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees, and for reflection about the company itself.</p>		
<p><b>II.C.</b> The company should implement adequate means for the participation and remote voting by shareholders in meetings.</p>		
<b>Recommendations:</b>		
<p><b>II.1.</b> 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.</p>	Yes	1 12 13
<p><b>II.2.</b> The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.</p>	Yes	14
<p><b>II.3.</b> The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.</p>	Yes	12
<p><b>II.4.</b> The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.</p>	Yes	12
<p><b>II.5.</b> 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>	Yes	13
<p><b>II.6.</b> 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>	Yes	16 69 80 83 84

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>CHAPTER III – NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION</b>		
<b>Principles:</b>		
<p><b>III.A.</b> The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance.</p> <p><b>III.B.</b> The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.</p> <p><b>III.C.</b> The supervisory body should carry out a permanent oversight of the company’s managing body, also in a preventive perspective, following the company’s activity and, in particular, the decisions of fundamental importance.</p>		
<b>Recommendations:</b>		
<p><b>III.1.</b> 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>	Yes	18
<p><b>III.2.</b> 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>	Yes	17 18 27
<p><b>III.3.</b> In any case, the number of non-executive directors should be higher than the number of executive directors.</p>	Yes	18

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<p><b>III.4.</b> 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> <ul style="list-style-type: none"> <li>i. Having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;</li> <li>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;</li> <li>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;</li> <li>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;</li> <li>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 having been a qualified holder or representative of a shareholder of qualifying holding.</li> </ul>	Yes	18
<p><b>III.5.</b> 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's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).</p>	Not applicable	18
<p><b>III.6.</b> 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>	Yes	21
<p><b>III.7.</b> 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>	Yes  (the company has a Remuneration Committee)	24  66

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>CHAPTER IV – EXECUTIVE MANAGEMENT</b>		
<b>Principles:</b>		
<p><b>IV.A.</b> As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development.</p>		
<p><b>IV.B.</b> In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.</p>		
<b>Recommendations:</b>		
<p><b>IV.1.</b> 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>	Yes	93
<p><b>IV.2.</b> 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>	Yes	21 89
<p><b>IV.3.</b> 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>	Yes	21 50 52 to 55 89

**PRINCIPLE / RECOMMENDATION****COMPLIANCE**   **REMISSION  
PART I****CHAPTER V – EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT****V.1. Annual evaluation of performance****Principle:**

The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.

**Recommendations:**

<b>V.1.1.</b> 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.	Yes	18 24 25 27
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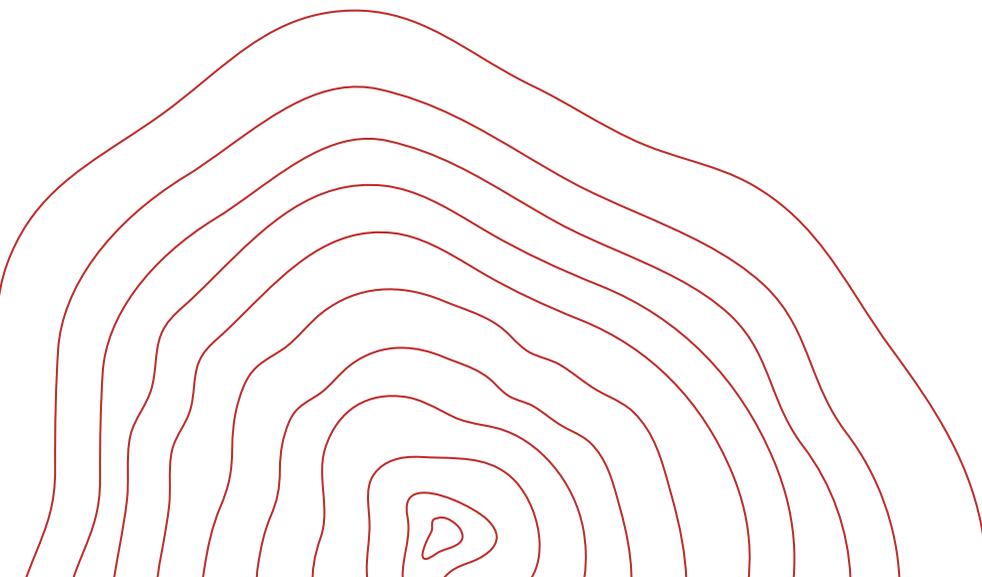
**V.2. Remuneration****Principle:**

**V.2.A.** The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders – taking into account the wealth effectively created by the company, its financial situation and the market's – and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the company.

**V.2.B.** Directors should receive compensation:

- i) That suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company;
- ii) That guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and
- iii) That rewards performance.

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>Recommendations:</b>		
<b>V.2.1.</b> 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.	Yes	66 to 68
<b>V.2.2.</b> The remuneration should be set by the remuneration committee or the general meeting, on a proposal from that committee.	Yes	66 to 68
<b>V.2.3.</b> 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.	No	8 69 to 72 78 83 85 to 88
<b>V.2.4.</b> 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.	Yes	69
<b>V.2.5.</b> 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.	Yes	69

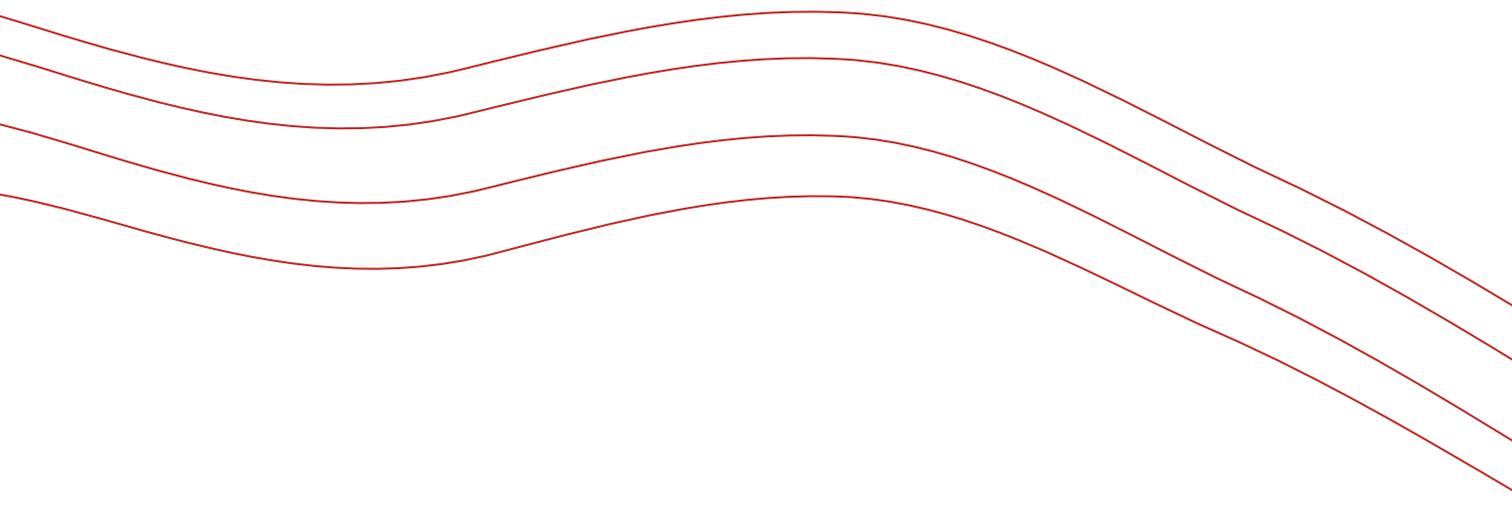


PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<p><b>V.2.6.</b> The remuneration committee should ensure that those services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.</p>	Yes	69
<p><b>V.2.7.</b> 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.</p>	Yes	69 70
<p><b>V.2.8.</b> 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.</p>	Yes	69 to 72
<p><b>V.2.9.</b> 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.</p>	Not applicable	74
<p><b>V.2.10.</b> The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.</p>	Yes	69
<p><b>V.3. Appointments</b></p>		
<p><b>Principle:</b></p>		
<p>Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.</p>		
<p><b>Recommendations:</b></p>		
<p><b>V.3.1.</b> 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.</p>	No	19
<p><b>V.3.2.</b> 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.</p>	<p>Not applicable  (due to its size, the Company considers that it does not justify to create a nomination committee)</p>	27

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<p><b>V.3.3.</b> This nomination committee includes a majority of non-executive, independent members.</p>	<p>Not applicable  (company has no nomination committee)</p>	<p>27</p>
<p><b>V.3.4.</b> 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.</p>	<p>Not applicable  (company has no nomination committee)</p>	<p>27</p>
<p><b>CHAPTER VI – INTERNAL CONTROL</b></p>		
<p><b>Principle:</b></p>		
<p>Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company’s activity.</p>		
<p><b>Recommendations:</b></p>		
<p><b>VI.1.</b> 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.</p>	<p>Yes</p>	<p>21</p>
<p><b>VI.2.</b> 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.</p>	<p>Yes</p>	<p>50 54 55</p>
<p><b>VI.3.</b> 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>	<p>Yes</p>	<p>50 to 55</p>
<p><b>VI.4.</b> 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>	<p>Yes</p>	<p>21 50 to 55</p>

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<p><b>VI.5.</b> 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>	Yes	21 49
<p><b>VI.6.</b> 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>	Yes	50 to 55
<p><b>VI.7.</b> 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.</p>	Yes	21 54 55
<b>CHAPTER VII – FINANCIAL INFORMATION</b>		
<b>VII.1. Financial information</b>		
<b>Principles:</b>		
<p><b>VII.A.</b> The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit.</p>		
<p><b>VII.B.</b> The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.</p>		
<b>Recommendations:</b>		
<p><b>VII.1.1.</b> 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.</p>	Yes	21

PRINCIPLE / RECOMMENDATION	COMPLIANCE	REMISSION PART I
<b>VII.2. Statutory audit of accounts and supervision</b>		
<b>Principle:</b>		
<p>The supervisory body should establish and monitor clear and transparent formal procedures on the relationship of the company with the statutory auditor and on the supervision of compliance, by the auditor, with rules regarding independence imposed by law and professional regulations.</p>		
<b>Recommendations:</b>		
<p><b>VII.2.1.</b> 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.</p>	Yes	21 37 41 44 to 47
<p><b>VII.2.2.</b> 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.</p>	Yes	21
<p><b>VII.2.3.</b> 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.</p>	Yes	21 38 45



### 3.

#### **Additional clarifications in the recommendations in which there was no adhesion, partial adherence or was considered not applicable**

**I.2.1** - The Company considered not to establish criteria and requirements for the profile of new members of corporate bodies, since past selection processes duly guarded such attributes as competence, independence, integrity, availability and experience. Gender equality, in the current mandate, had the legal framework of gender parity as a guiding rule, having been fully complied with by the corporate bodies, namely the Board of Directors and the Audit Committee.

**I.3.1** - The Company, through the regulations of the Board of Directors and the Audit Committee, establishes mechanisms to comply with the recommendation.

**I.3.2** - The Company, through the regulations of the Board of Directors and Audit Committee, establishes mechanisms for complying with the recommendation.

**I.5.2** - There were no transactions with related entities that lacked specific control.

**II.3 and II.4** - Shareholders can exercise the right to vote by correspondence by sending a ballot paper by email, which is available on the website or is sent to them by email. It is defined in the notice that the ballot should be sent by registered mail to the Company's headquarters. The Company considered it to be in the best interest of its shareholders not to implement a method of participation or voting via telematics, since, in addition to having so far not received any expression of interest from shareholders or potential investors in participating in their meetings using telematic voting, (i) in past general meetings there was always a small number of participants and (ii) the implementation of a system that would allow the exercise of voting by telematic means in a secure manner would bring significant costs to the Company.

**III.7** - The Company, in its governance model, has a remuneration committee elected by the General Meeting and independent from the Board of Directors. In view of the small size of the company, measured in light of the provisions of paragraph 2 of Article 413 of the CSC, and the functions performed by the Audit Committee, the Company believes that the creation of specialized committees is not justified.

**IV.1** - There is no internal regulation that defines the performance regime of executives or executive functions outside the group, however the Code of Conduct provides that all external professional activities, whether paid or not, must be communicated and cannot raise conflicts of interest with Inapa.

**V.2.3** - No formal mechanisms are foreseen to demand any indemnity or compensation, beyond what is legally due. Inapa does not have agreements in force with members of its board of directors and/or managers that provide for compensation in the event of just cause dismissal, unfair dismissal or termination of the employment relationship following a change in the Company's control. The remuneration policy, in point V, establishes the situations in which executive directors may or may not be entitled to variable remuneration for the current year when the termination occurs. Since there are no agreements and mechanisms for variable remuneration are foreseen, the Company understands that what is provided for by law.

**V.2.8** - In the remuneration policy it is established a 50% deferral of the variable remuneration to executive directors. It is also foreseen that all or part of the variable remuneration is subject to malus or claw back clauses.

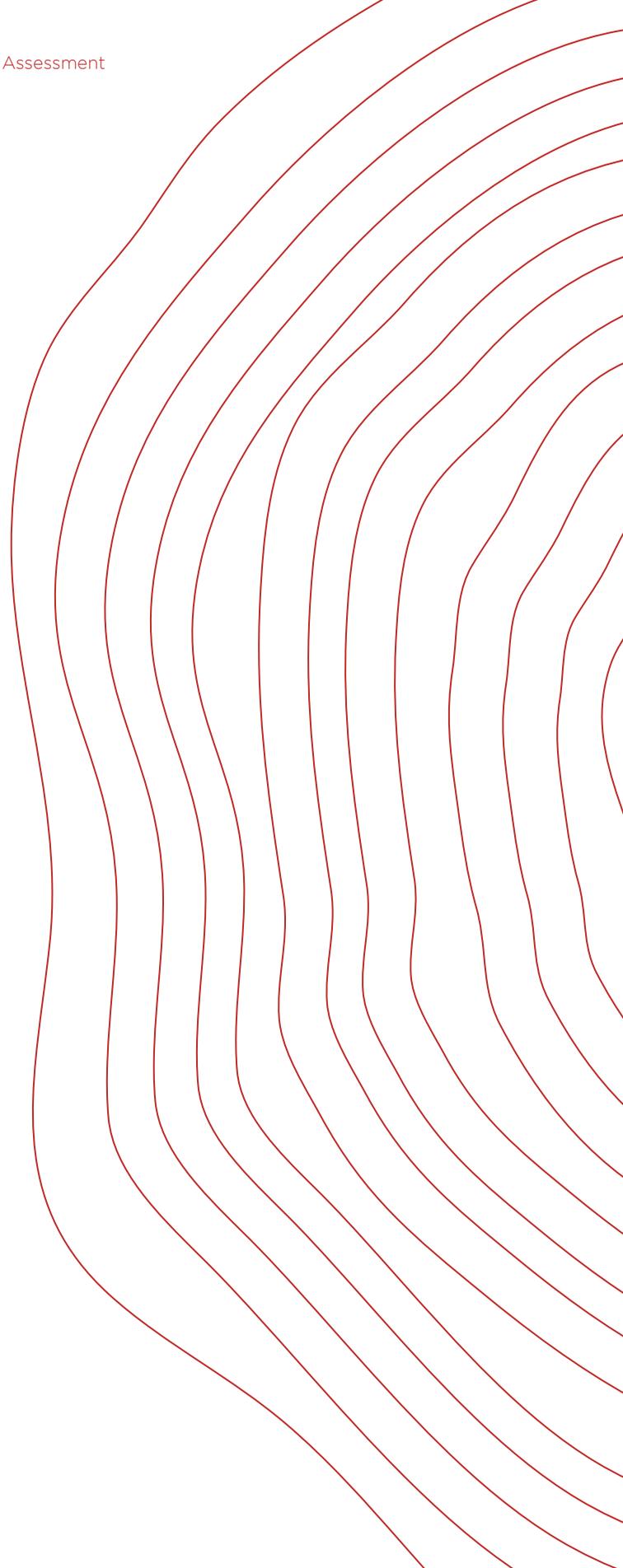
**V.3.1** - Proposals for the election of members of the governing bodies submitted for approval by the General Meeting are accompanied by a description containing the academic qualifications and professional experience of each member. The description is not accompanied by a statement of reasons for each profile. The Company does not have its own regulations that require the definition of profiles since there has always been an adaptation of profiles proposed to the functions to be performed in each profile of the Board of Directors.

**V.3.2** - In view of the small size of the Company, assessed in the light of the provisions of paragraph 2 of Article 413 of the CSC, and the limited number of members of the Board of Directors (seven), the appointment of a nominating committee is not justified.

**V.3.3** - The Company does not have a nomination committee.

**V.3.4** - The Company does not have a nomination committee.

**VI.1** - The Board of Directors makes an annual assessment of the adequacy of the risk mitigation measures present in the Company, jointly defining a work program that monitors the maintenance of the adequacy of the measures in progress and allows adjustments to be made whenever necessary.



# inapa

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