

*(Translation from the Portuguese original)*

## **Statutory Audit Board**

### **REGULATION**

The Statutory Audit Board of Sonaecom- SGPS, S.A. is governed by the applicable Portuguese law, the Articles of Association of the Company and this Internal Regulation.

#### **Article 1**

##### **Composition**

1. The Statutory Audit Board is composed of at least three and no more than five effective members, and one or two substitute members, respectively, if the number of members is three or more. The Shareholders' General Meeting elects all members of the Statutory Audit Board.
2. The Statutory Audit Board will appoint its Chairman, if the Shareholders' General Meeting has not made such an appointment.
3. The Chairman has a casting vote if the number of members on the Statutory Audit Board is even. In the absence of the Chairman, the casting vote will be held by that member to whom that right has been formally given or, if the right has not been formally given, to whom the Statutory Audit Board assigns that right.
4. If the Chairman ceases his or her functions before the end of his or her mandate, the remaining members shall choose among themselves who should perform those duties until the end of the current mandate.
5. Substitute members(s) shall replace effective member(s) who are unable or have ceased to exercise their functions, and shall remain member(s) until the next Shareholders' General Meeting, which will appoint new members to fill any vacancy (ies). If there are no substitute members available, the Shareholders' General Meeting shall appoint new members.
6. Each Statutory Audit Board member must, within 30 days following his/her election or appointment, ensure his/her responsibilities by providing a guarantee or an insurance bond in accordance with the terms and amounts established by law. The guarantee or insurance bond provided will remain in place until the end of the year following that in which the member ceases his/her functions.

#### **Article 2**

##### **Independency and Incompatibilities**

1. The majority of the members of the Statutory Audit Board shall fulfill the requirements of independency determined by paragraph 5 of article 414 of the Portuguese Companies Act and shall not be in any situation of incompatibility as determined by article 414-A of the same Act.

2. If during the mandate, arises a circumstance that compromises the independency of determines an incompatibility, the member shall immediately inform the Chairman of the Statutory Audit Board and of the Board of Directors, as well as the Statutory Auditor of the Company.
3. If any circumstances arises that creates an incompatibility, as described in article 414-A of the Portuguese Companies Act, it shall determine the expiration of the appointment.

### **Article 3**

#### **Powers**

1. While performing its functions, statutory and legally assigned, including the ones set out in Art. 420 of the Portuguese Companies Act, the Statutory Audit Board has the following duties:

- a) To oversee the Company's management in accordance with the best corporate governance practices and with respect for its competences;
- b) To oversee compliance with the Law and Company's Articles of Association;
- c) To prepare an annual report on the supervisory work performed (to be submitted to the Company's Shareholders), which must include the description of the supervisory activity developed, any constrains detected and also give advice on the report and accounts and the proposals presented by the Board of Directors, and express an opinion on the management report, accounts and other proposals submitted by the Board of Directors, in which it should express its agreement or not, with the management report and the accounts of the year;
- d) To convene the Shareholders' General Meeting, should the Chairman of the General Meeting fail to do this in circumstances when it is necessary;
- e) To evaluate if the corporate governance report disclosed, includes the information listed in Art. 245.- A of the Portuguese Securities Code;
- f) To supervise the efficiency of the risk management, internal control and internal audit systems;
- g) To receive the communications of alleged irregularities occurring in the Company and presented by the Company's shareholders, employees or others;
- h) To appoint and hire services from experts to help one or more members in the exercise of their duties. The hiring and fees of these experts should take into consideration the complexity of the matters involved and the financial position of the Company;
- i) To oversee the process of preparation and disclosure of financial information, by the Board of Directors, including the suitability of the accounting policies, estimates, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form;
- j) To select the Statutory External Auditor, to represent the Company in its relations, to represent the Company in its relations with the Statutory Auditor and propose to the Shareholders' General Meeting its nomination and destitution, as well as to approve its remuneration, perform the evaluation of its activity, ensuring the adequate conditions for its provisions of

services in the Company, representing the Company and being the primary addressee of the reports of the Statutory Auditor, notwithstanding the duties of the Board of Directors;

- k) To oversee the review of the accounts included in the Company's financial statements;
- l) To consider and oversee the existence and independence of the Statutory External Auditor;
- m) To approve beforehand the provision of services by the Statutory External Auditor and on any additional audit services provided, as well as to approve the audit services provided by any other entities held or part of the external auditor's network, and to approve their remuneration, ensuring that such provision of services is permitted by law, does not overstep reasonable limits and that it does not jeopardize the Statutory Auditor independence;
- n) To consider and oversee the existence and independence of an internal auditor, namely in what concerns any limitations to his organizational independence and any lack of the necessary resources for the development of the audit activity;
- o) To issue specific and informed report that sustains the decision of non-rotation of the external auditor, considering the fulfilment of the independency conditions of the auditor and the advantages and costs of its replacement;
- p) To supersede the activity of the internal audit;
- q) To issue a report, before any transactions in an amount higher than ten (10) million euros between the Company and any of its shareholders holding Qualified Shareholdings or with other entities related to such shareholders in the terms specified in article 20 of the Portuguese Securities Code;
- r) To comply with any other attributions defined by the applicable law or the Company's Articles of Association.

2. To carry out the attributions abovementioned, the Statutory Audit Board:

- a) Establishes, in the first meeting of each financial year, its annual work plan and a timetable for the annual activity;
- b) Obtains from the Board of Directors, in the terms defined in the following article of this Regulation, the necessary information to exercise its activity, namely regarding the strategic guidelines, the operational and financial progress of the Company, changes in the company's business portfolio, the risk policy approved by the Board of Directors, the terms of any transactions that have occurred, and the details of any decisions taken by the Board of Directors and its Committees, including, namely, the access to the meeting's notices of convening, minutes and support documentation regarding the decisions;
- c) Assesses and monitors, during the financial year, the work plans of the internal and external auditors, and issue its guidelines and recommendations, monitoring supervisory actions intended to assess the Statutory Auditor's independence;
- d) Monitors the risk management and internal control system, issues its guidelines and recommendations and prepares, if it deems necessary, an annual report containing its

- appreciations and recommendations to the Board of Directors, in order to ensure that the risks incurred by the Company are consistent with the objectives defined by the Board of Directors;
- e) Receives, at least three days before the meeting, the yearly individual and consolidated financial statements and the respective Reports of the Board of Directors, analyzing them taking into consideration, namely, the main variations, the relevant transactions and the corresponding accounting procedures and clarifications given by the Board of Directors, the Statutory Auditor, and issues its opinions and decisions;
  - f) Oversees and approves the disclosure of financial information which is of its competence, namely to the Portuguese Securities Commission and the release, in the Company's website, of the financial statement of the Company and the earnings announcement;
  - g) Records the communication of alleged irregularities that have been addressed to it, promoting, as it deems suitable, the necessary measures with the Board of Directors, the internal and/or external auditor, or with anyone else, and issue its report regarding the same, adopting the measures it deems convenient regarding its function duties; receives any communication that have been addressed to it that may be considered alleged irregularities subject to its competency accordingly to the Code of Ethic and Conduct of the company or any applicable law or regulation;
  - h) Reports to the Board of Directors about any assessments, audits and actions and the results of the same;
  - i) Attends the Shareholders' General Meetings, as well as the Board of Directors' meetings when requested to do so and, in any case, when the agenda includes the analysis of the yearly financial statements;
  - j) Performs annually a self-assessment of its activity and its performance, which may include the review of the present Regulation, aiming the development and implementation of improvements;
  - k) Ensures, to the best of its efforts, together with the Board of Directors and the Board Committees, the effective existence of a prompt flow of information that is adequate to the correct exercise of the duties and competences of the Governing Bodies;
  - l) Develops other supervisory duties imposed by law or by the Corporate Governance Code adopted by the Company.

#### **Article 4**

##### **Interaction with the Board of Directors**

1. The Statutory Audit Board may participate in the Board of Directors' meetings, whenever it deems convenient, and when given notice to be present, always being present when the agenda includes the analysis of the yearly financial statements.
2. The Board of Directors informs the Statutory Audit Board about its reports regarding the efficiency of the audit structure of the Company, namely regarding:

- i. The quality and independence of the internal audit role;
- ii. The scope of the attributions of the internal audit role and its interaction with the external auditor;
- iii. The periodical reports of the internal and external auditor activity;
- iv. Any facts of its knowledge that might affect the independence of the external auditor.

3. The Board of Directors (or the Executive Committee, when designated) will notify the Statutory Audit Board regarding any transaction in an amount above ten (10) million euros between the Company and any of its shareholders holding Qualified Shareholdings or with any related entities,

4. Together with the notification, the Board of Directors (or the Executive Committee, when designated) shall present to the Statutory Audit Board the adopted procedures aiming to ensure that the transaction is executed in arms' length conditions and avoids any potential conflict of interests. The Statutory Audit Board shall have an eight-day period (which may be longer depending on the complexity of the transaction) to request the necessary additional information to issue their reports and, if deemed necessary, to exchange their opinions as to the terms of the transactions under scrutiny.

5. Additionally, all the transactions between the Company and its reference shareholders holding Qualified Shareholdings or with related parties that exceed one million euro are reported to the Statutory Audit Board on a quarterly basis. The report shall also cover all the transactions completed, even if recurrent, as well as the transactions not yet concluded if, regarding the latter, the proper information is already available.

## **Article 5**

### **Interaction with the Statutory External Auditor**

1. The process for the election of the Statutory External Auditor shall be carried on in compliance with the set forth in subparagraph f) paragraph 3, of article 3 of the Legal Framework of Auditing Supervision approved by Law no. 148/2015 and in article 16 of (EU) Regulation no. 537/2014, throughout the organization of an enlarged selection bid, independent of any external influence and free of any contractual clause of the type mentioned in no. 6 of the aforementioned Regulation, and shall abide by the following requirements:

- a) There shall be invited to participate several External Audit Companies with national and international competence and reputation, that have been present in the market for several years;

- b) The criteria for the selection and its respective weighing shall be previously determined, namely the following:
- i. The resources and coordination capacity;
  - ii. The quality and availability for the work field
  - iii. The type, quantity and lead-time of reports issued;
  - iv. The tools of communication and
  - v. The cost of services.
2. The conclusions of the selection performed with such criteria shall be connected with the weighting results and complemented with the analysis imposed by the NEOROC (New Statute of the Statutory Auditors Association), regarding the existence of independence conditions of the Statutory External Auditor and the advantages and costs of its replacement in light of such criteria.
3. The Statutory Audit Board shall maintain a permanent and regular contact with the External Auditor, with whom it shall meet whenever deemed necessary.
4. The Statutory Audit Board will be the privileged interlocutor of the Statutory Auditor and the primary addressee of its reports. The Statutory Audit Board shall propose the Statutory External Auditor remuneration and ensure that it has the proper conditions to execute its duties and supersede its activity, namely in what concerns the following Statutory External Auditor responsibilities’:
- a) To verify that the books of account, accounting records and supporting documentation are correctly maintained and kept up to date;
  - b) To verify, as considered necessary, and in the manner considered to be appropriate, the extent of cash and stocks of any kind of goods or other values belonging to the Company or received as a guarantee or deposit;
  - c) To verify the accuracy of the documents used in the presentation of the accounts;
  - d) To verify if the accounting policies and accounting criteria used by the Company are suitable to showing a true and fair view of the financial position and the results of its operations.
5. The Statutory Audit Board shall assess annually the work carried out by the Statutory Auditor, its independence and suitability for the exercise of its duties and proposes to the Shareholders General Meeting and the Board of Directors its dismissal or the termination of the contract for the provision of its services whenever there is just cause for the effect.
6. The Statutory Audit Board shall, accordingly with the applicable legal terms (including article 6 of Regulation (EU) No. 537/2014, of the European Parliament and of the Council, of April 16, 2014), verify and monitor the independency of the Statutory Auditor or the company of statutory auditors, and, in particular, verify the adequacy and approval for the provision of other services, in addition to the audit services, pursuant to article 5 of said Regulation.

## **Article 6**

### **Duties**

1. The Statutory Audit Board and each of its members shall comply with the duties imposed by law in their capacity as members of a supervisory board of a listed company.
2. In addition to the general and specific duties arising from its supervisory functions, the members of the Statutory Audit Board have:
  - a) The duty of carrying out their investigations in an independent and conscientious manner, without taking any personal benefit from the information that they have access to in the course of their duties;
  - b) The duty to keep professional secrecy about facts and information that they gain knowledge of, while carrying out their supervisory duties, notwithstanding the legal duty to report to the competent authorities any criminal activities, and to report at the first Shareholders' General Meeting that takes place, all irregularities and inaccuracies found and explanations asked for and received concerning them;
  - c) Monitor, evaluate and comment on the strategic lines, and on the risk policy defined by the Board of Directors;
  - d) The duty to inform promptly the competent body or committee about the facts that create for the member of the Statutory Audit Board a conflict of interest.
3. The members of the Statutory Audit Board shall report to the Company:
  - a) Within a reasonable prior notice, or if unforeseeable, immediately, about any circumstances that affect their independence and impartiality or that determines a legal incompatibility for the exercise of their role;
  - b) Within three days, any acquisition or sale of shares or bonds issued by the Company or any of its subsidiaries, made by themselves or by any person or entity as determined by law, in particular Art. 248-B and Art. 20º of the Portuguese Securities Code and Art. 447 of the Commercial Companies Code.

## **Article 7**

### **Operation**

1. The Statutory Audit Board meets, at least, quarterly and, additionally, whenever its Chairman (or two of its members) convenes it, by its own initiative or by request of the Chairman of the Board of Directors or the Executive Committee (when applicable) or the Statutory External Auditor.
2. At the first meeting of each year, the SAB establishes its annual plan of activities and work schedule.
3. The meetings of the Statutory Audit Board may be held using telecommunications technology, under the applicable legal terms.
4. The notice for these meetings shall be sent to all the members of the Statutory Audit Board with at least five working days prior notice.
5. The agenda and all the support documentation for each meeting shall be sent by the Chairman at least three business days before the meeting is held.

6. In case of an emergency, the Statutory Audit Board can meet without fulfillment of any preliminary formalities, provided that its members express their wish to meet and deliberate on a given matter.
7. The resolutions of the Statutory Audit Board will be taken by the majority of its members and the motivation for the votes against shall be recorded.
8. At the Statutory Audit Board's meetings, depending on the agenda, will be present the internal and external auditor and the Statutory External Auditor as well as, whenever the agenda includes the analysis of the financial and operational progress of the Company, a representative of the Board of Directors.
9. Minutes of each meeting shall be written in the minute book signed by all participating members.
10. The non-justified absence of a member of the Statutory Audit Board, in the same financial year, from two meetings of the Statutory Audit Board, either when such member is convened to be present or when the financial statements are analyzed, or, as well as, from any of the Shareholders' General Meetings, shall determine the loss of position as a member of the Statutory Audit Board.
11. In the exercise of its duties, the Statutory External Auditor will be assisted by the administrative and financial department, and whenever deemed necessary, may request to the Board of Directors the timely collaboration of one or more of its members, with experience in the requires areas of competence, to provide information and carry out work aiming to substantiate the respective analyzes and conclusions.

#### **Article 8**

##### **Final**

Any amendment to the present regulation is of the exclusive competence of the Statutory Audit Board.

***(Approved at the Statutory Audit Board meeting of 20 March 2008, with the amendments introduced at the meeting of 22 December 2010 and the meeting of 2 November 2015, and the meeting of 10 December 2019)***