

# **ANNUAL GENERAL MEETING OF SHAREHOLDERS**

PHAROL, SGPS S.A.

**22 March 2024**

## **PROPOSAL OF THE BOARD OF DIRECTORS**

### **ITEM 6 OF THE AGENDA**

*(To resolve on the Internal Selection Policy of the Members of the Company's Management and Supervisory Bodies)*

Considering the need for the current Policy for Selection and Assessment of the Suitability of Members of the Administration and Supervisory Bodies to be compatible with the best market practices and fully complying with the recommendatory principles, in terms of criteria and requirements relating to the profile of new members of corporate bodies, contained, among others, in Recommendation 1.2.1 of the Corporate Governance Code, published by the Corporate Governance Institute, the Company's Board of Directors approved, on November 16, 2023, the Internal Selection Policy of Members of the Administration and Supervisory Bodies of PHAROL, SGPS. SA.

As the Board of Directors understands that the internal policy for selecting and evaluating the suitability of members of corporate bodies must be approved by the Shareholders, it is proposed that it be maintained by the Company within the same general principles described in the annex of this proposal.

Lisboa, 23 February 2024

The Board of Directors

**Internal Selection Policy  
of the Members of the Management Bodies  
and Supervision**

**PHAROL, SGPS S.A.**

## **1. Framing**

The most current practices in the market and the recommendatory principles have been pointing towards companies establishing criteria and requirements regarding the profile of new members of the corporate bodies appropriate to the function to be performed, considering, in addition to individual attributes such as competence, independence, integrity, availability and experience, diversity requirements that, together, contribute to the excellence of the performance of the organs and the balance in their composition.

It is in this context that this Regulation on the Internal Policy for the Selection of Members of the Management and Supervisory Bodies ("Policy") was drawn up.

## **2. General principles**

The selection of the members of the management and supervisory bodies is based on the assumption that competence and personal characteristics are essential foundations for good performance and that it must be aligned with the medium and long-term interests of the Company, its strategy, the mechanisms for defending the interests of its shareholders and *stakeholders* in general. aiming at its sustainability.

The Policy is based on the following principles:

- a) The selection shall be objective and transparent and shall assess the suitability of the candidates to be members of PHAROL's management and supervisory bodies, from an individual and collective perspective, taking into account the legal and statutory competences of the body to be integrated and, if applicable, the executive or non-executive nature and scope of the respective functional portfolio;
- b) The selection shall, in particular, observe criteria of meritocracy and diversity, namely in terms of skills, experience and knowledge,

gender, age, culture, in order to maximise the performance capacity of the body and balance its composition.

### **3. Individual Merit Criteria**

#### **3.1. Experience**

The candidate must demonstrate experience in the exercise of positions with the level of responsibility associated with the position to be performed and whose skills may represent an excellent contribution to the definition of the Company's corporate strategy.

In assessing the suitability of the candidate's profile, consideration should be given to his/her previous experience in participating in complex decision-making processes, under constraints of time and density of themes, which demonstrate perseverance, transparency of purpose, capacity for analysis and, as well as his/her level of knowledge in matters related to the activity of the Company and the group.

#### **3.2. Competence**

The candidate must have particularly relevant knowledge and technical skills, so that, as part of a governing body, he/she has the ability to identify and assess the strategic surroundings and risk factors of the Company's activity as a whole.

The candidate must also demonstrate full knowledge of the legal, regulatory and statutory rules applicable to his/her duties and to the company.

The candidate must make a commitment to consistently keep his/her knowledge updated and adjusted to a high level of excellence, so that, at all times, he/she is qualified, according to the profile of their functions, to implement, supervise and challenge the Firm's strategy and policies.

#### **3.3. Integrity, Independence and Conflict of Interest**

The candidate must indicate a profile that ensures credibility and commitment in the fulfillment of its fiduciary duties, commitment to the provisions contained in the Codes, policies and internal regulations of the company, and alignment with good corporate governance practices. The candidate's profile must comply with the requirements of independence that are appropriate or legally required and must comply with a principle of avoidance of conflicts of interest, ability to perform functions with impartiality, critical sense, autonomy and integrity.

### **3.4. Availability**

The candidate must ensure sufficient availability to fulfil his/her legal and statutory duties.

## **4. Collective Composition Criteria**

In addition to the concern for the individual adequacy of each member, it is also sought that the composition of the governing bodies and governing bodies shows a collective adequacy, bringing together as a whole the professional and personal skills necessary for the proper performance of the functions of each governing body of PHAROL.

### **4.1. Diversity and Inclusion**

In the process of selecting candidates for the management and supervisory bodies, the diversity of its composition should be promoted, to the extent appropriate and proportionate to the particular competences of the body concerned, taking into account, inter alia, age, gender, qualifications and professional experience.

### **4.2. Complementarity**

The composition of the body must ensure complementarity between candidates to maximize their level of collective performance, in the fulfillment of their respective legal and statutory functions in all relevant areas of activity.

#### **4.3. Representativeness of independent members**

The Board of Directors shall include an adequate number of independent non-executive members, taking into account the recommendations of the corporate governance code adopted by the Company.

### **5. Monitoring the adequacy and compliance with the Policy**

**5.1.** It is incumbent upon the shareholders to approve at the General Meeting the proposals for the Internal Policy for the Selection of Members of the Company's Management and Supervisory Bodies prepared by the Board of Directors.

**5.2.** The Board of Directors is responsible for presenting Policy proposals within the criteria defined in the previous paragraphs and keeping the shareholders, or proposing shareholders of candidates for Members of the Management and Supervisory Bodies, informed about the content of the approved Policy and about the need for its application and compliance and their responsibility for assessing the suitability of candidates for membership to join the Board of Directors and

the Fiscal Council to be elected at the General Meeting. To this end, the Board of Directors shall inform that they shall substantiate its proposals, conforming them to strict compliance with the approved Policy. The Board of Directors will always be available to provide support in this matter, if requested.

**5.3.** Under the applicable legal terms, the Board of Directors is responsible for assessing and substantiating the suitability of the members to be integrated by means of co-optation, which shall be submitted for ratification at the first following General Shareholders' Meeting, pursuant to paragraph 4 of article 393 of the Commercial Companies Code.

The responsibility for assessing the suitability and independence of the Statutory Auditor, as well as the proposal of the member to be elected,

is the exclusive competence of the Supervisory Board, under the terms of the law.

## **6. Duration**

These Regulations shall enter into force immediately on the date of their approval by the Management Board.

Lisbon, November 16th, 2023