ANNUAL MONITORING REPORT

CEAM

EXECUTIVE MONITORING COMMITTEE OF THE IPCG CORPORATE GOVERNANCE CODE

2021

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INDEX

INDEX OF CHARTS, IMAGES AND TABLES

1 EXECUTIVE SUMMARY

This Annual Monitoring Report (hereinafter referred to as RAM) is the fourth prepared by reference to the monitoring system introduced with the IPCG Corporate Governance Code (hereinafter referred to as CGS), initially approved in 2018.

This is the second Report regarding the CGS as revised in 2020.

Thirty-six companies were monitored, including the fifteen companies that are currently part of the PSI index (and the nineteen that were in 2021)[1], as well as one unlisted company.

Comprising 53 recommendations, which, for monitoring purposes, were broken down into 74 subrecommendations, the CGS revised in 2020 represented another significant step towards self-regulation of corporate governance in Portugal.

This document, in similar terms to the three previous years, reports on the monitoring work carried out with reference to the year of 2021.

1. It is important to note that, by decision of the managing entity of the national stock exchange (Euronext Lisbon), communicated to the market on 12 August 2021, the main index of the Portuguese stock market is no longer the PSI 20®, which had been in force since 1993, and is now simply called PSI®. This alteration, which is not merely a designation, since the change in the index rules also led to relevant changes in its composition, was only made in March 2022. Even so, and although the PSI 20® was still in force throughout the 2021 year, the monitoring of which is reported here, it was decided in this Report to refer to the index as PSI®, as it is its current designation.

The conclusion of this exercise is that the average degree of compliance with the CGS, in the total number of issuer companies monitored, with respect to the total of recommendations and subrecommendations, reached approximately 79%. In the case of issuers that were part of the PSI in 2021, the percentage rises to 88%.

These results mean, on the whole, a positive evolution as regards the average level of compliance, in comparison with the result obtained for 2020: there is a sharp increase in the PSI universe (from 83% to 88%) and a smaller increase (from 78.72% to 79.27%, thus always around 79%), in the total of the issuer companies considered.

These figures result from the operation of two opposing forces.

On the one hand, the dialogue between the monitoring and issuer companies, together with the stability of the recommendatory framework and the commitment of many issuer companies to improve their corporate governance, have been contributing to a very positive evolution regarding the average degree of compliance.

On the other hand, in 2021 the monitoring work was extended to new issuer companies. It is a very positive sign of the growing recognition of the role played by the CGS in corporate governance in Portugal. However, as a consequence of this extension, 17% of the companies now included in this exercise were in a phase of adaptation to the CGS, with the understandable difficulties in adjusting their practices to the content of certain recommendations.

Thus, considering the sustained evolution of results and the progression margin of the companies that have only now been included in the exercise, the CEAM – Executive Accompaniment and Monitoring Committee (*Comissão Executiva de Acompanhamento e Monitorização)* considers that the path of consolidation of the good governance practices already adopted is ensured, as well as the improvement of the governance solutions of the companies listed in Portugal.

This path, it is hoped, will also benefit from the results of the CGS review process underway, with the aim of continuing the effort of alignment with the evolution of best corporate governance practices.

Chart 1

Compliance with CGS recommendations

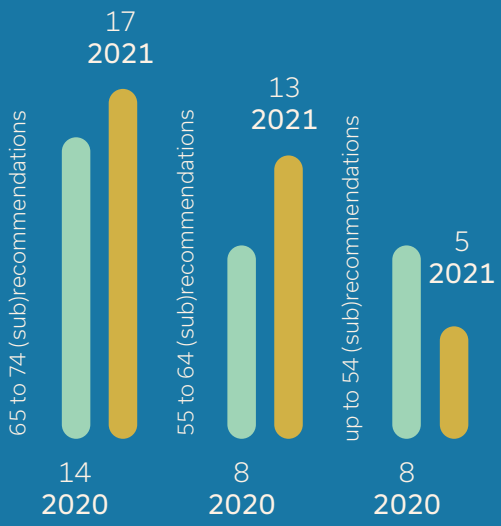
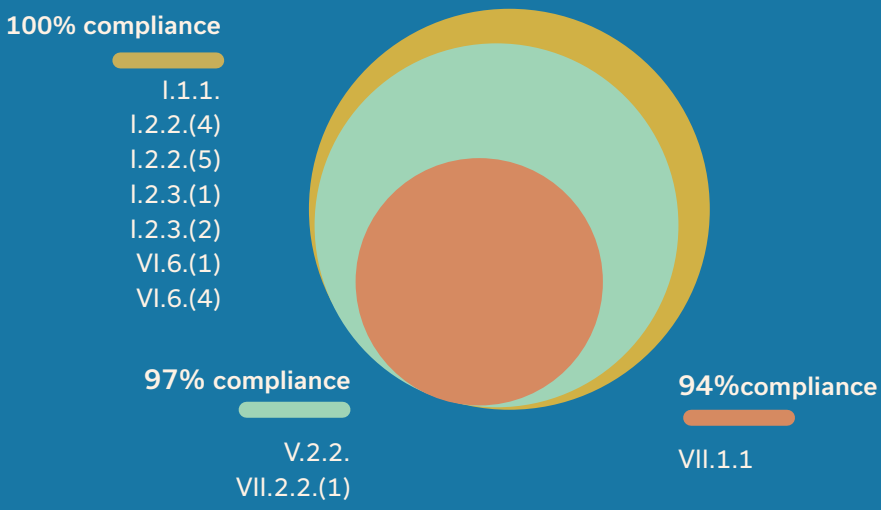


Chart 2

Recommendations with the highest compliance level



I.1.1 – establishing of mechanisms for the timely dissemination of information

I.2.2.(4) and (5) - drawing up minutes of the meetings of the management and supervisory bodies

I.2.3.(1) and (2) - disclosure, on the website, of the composition and number of annual meetings of the bodies and committees

VI.6.(1) and (4) - establishment of a risk management function, identifying (1) the main risks to which the issuer company is subjected; (4) the monitoring procedures, aiming at their accompaniment

V.2.2. – remuneration settled by a committee (or by the General Shareholders Meeting upon a committee proposal)

VII.2.2.(1) - the supervisory body as the main interlocutor of the Statutory Auditor and first addressee of his reports

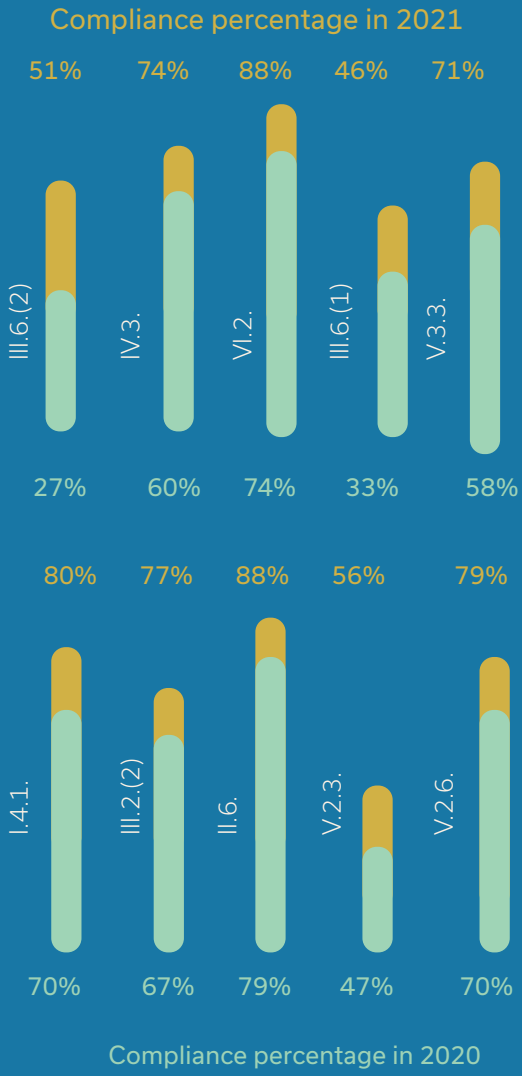
VII.1.1 - imposition, by internal regulation of the supervisory body, of this body to supervise the suitability of the process of preparation and disclosure of financial information by the management body

Note: the recommendations considered herein are those deemed applicable to at least the majority of the issuer companies, which led to the exclusion from the chart of recommendations III.2.(3) and V.2.9, fully accepted but applicable to a reduced number of issuer companies (3% and 17%, respectively).

Chart 3

Recommendations whose compliance grew most

Recommendations where the percentage of compliance has increased the most compared to the 2020 year:



III.6.(2) - the supervisory body assesses and gives an opinion on the risk policy, prior to its final approval by the management body

IV.3. - the management body explains in what terms the strategy and main policies defined seek to ensure the success of the company and how they contribute to the community as a whole

VI.2. - the supervisory body implements mechanisms and procedures for periodic control of consistency between risks incurred and objectives set by the management body

III.6.(1) - the supervisory body assesses and says on the company's strategy, prior to their final approval by the management body

V.3.3. - inclusion of a majority of independent non-executive members on the committee of appointments of senior management

I.4.1. - duty to inform in case of conflict of interest

III.2.(2) - judgement on the number of members of the supervisory body

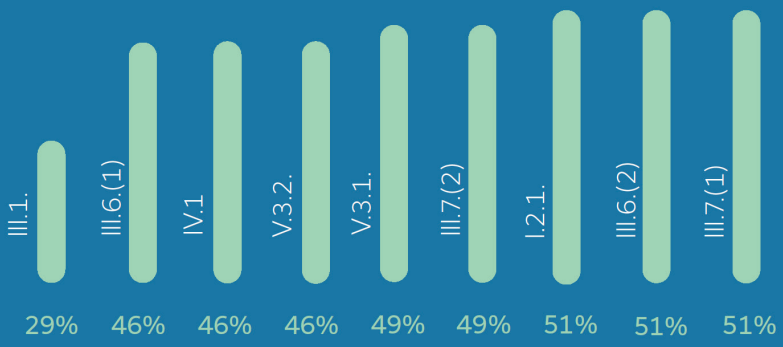
II.6. - no adoption of measures susceptible of harming the economic interest in the transfer of shares and free appraisal of the performance of the members of the board in the event of a change of control in the company or change in the composition of the management body

V.2.3. - approval of the maximum amount of compensation in the event of termination of functions

V.2.6. - the remuneration committee ensures the independence of the consultancy services and that such consultants shall not be contracted for the provision of other services without the express authorisation from the remuneration committee.

Chart 4

Recommendations with the lowest compliance level



III.1 - appointment, by the independent directors, of a coordinator

III.6.(1) and (2) - the supervisory body assesses and says on the company's strategy (1) and the risk policy (2), prior to their final approval by the management body

IV.1. - approval, by the management body, of the regime for the exercise by executive directors of functions outside the group

V.3.2. - existence of a committee to monitor and support the appointment of senior management

V.3.1. – the company promotes that the proposals for the appointment of members of the governing bodies are accompanied by a justification on the suitability for the functions to be performed, the profile, knowledge and curriculum vitae of each candidate

III.7.(2) - existence of a committee specialised on appointments

I.2.1. - establishment of criteria and requirements relating to the profile of new members of the corporate bodies, considering individual attributes and diversity requirements

III.7.(1) - existence of a committee specialised on corporate governance matters

Note: in this chart only recommendations that were deemed applicable to at least the majority of the issuer companies were considered, which led to the exclusion from the chart of Recommendation II.1.(2), applicable to a smaller number of issuer companies (23%).

2 INTRODUCTION

The Annual Monitoring Report presented hereby is the fourth analysis prepared with reference to the IPCG CGS, it is the second, however, regarding the CGS revised in 2020.

The implementation of the new code resulted from the efforts made by the IPCG – the Portuguese Institute for Corporate Governance (*Instituto Português de Corporate Governance,* hereinafter the IPCG), in cooperation with the CMVM – the Portuguese Securities Market Commission (*Comissão do Mercado de Valores Mobiliários*, hereinafter the CMVM) and the AEM – the Portuguese Issuers Association (*Associação de Empresas Emitentes de Valores Cotados em Mercado*, hereinafter the AEM), as witness of the Protocols entered into with both entities[2] .

2. The Protocol entered into between the CMVM and the IPCG is available at: https://cgov.pt/images/ficheiros/2018/protocolo-cmvm-ipcg.pdf.
The Protocol entered into between the AEM and the IPCG, is available at: https://cgov.pt/images/ficheiros/2018/protocolo-ipcg-aem-monitorizao-f.pdf.
In addition to the Protocol entered into, the CMVM disclosed, in January 2019, the notification regarding the new rules and procedures for 2019 with respect to the supervision of the corporate governance recommendatory regime, through the CMVM Circular, "The supervision of the corporate governance recommendatory regime - new rules and procedures for 2019", of 11/01/2019: see. https://cam.cgov.pt/pt/noticia/1339-notificacao-da-cmvm-sobre-novas-regras-e-procedimentos-para-2019-em-materia-corporate-governance.

It was within the fundamental framework outlined by these instruments that a monitoring system was designed, under which terms the CEAM has been carrying out the tasks that resulted in the production and dissemination of this Report.

Currently composed by five members, including an Executive Director responsible for the coordination of the technical work[3] , the CEAM, in addition to the interaction with the issuer companies in order to clarify interpretative doubts on the content of the recommendations, collected public information indispensable for the monitoring tasks, initiated a dialogue with the companies for the analysis of their preliminary results, responded to written comments received in that process and, finally, communicated to each of the issuer companies the final results of the respective analysis.

As such, the elements and clarifications necessary for an informed monitoring were obtained, ensuring the independence, objectivity and exemption required for such an exercise, nevertheless without disregard for the particularities of each issuer company, especially those contained in the explanations provided in the respective corporate governance reports.

Therefore, in line with the best international practices and with the regulatory framework in force in Portugal, the assessment of the compliance with each recommendation took due notice of the options explained by the companies, in order to, whenever appropriate, value such options as substantially equivalent to the direct compliance with the Code, thus

3. The CEAM is composed of Duarte Calheiros (President), Abel Sequeira Ferreira, Rui Pereira Dias (Executive Director), Renata Melo Esteves and Mariana Fontes da Costa; to carry out the monitoring work, the contribution of a technical support team was secured in 2021, consisting of four elements, including Nuno Devesa Neto (who also supported the coordination of the monitoring work), Ana Jorge Martins, Francisca Pinto Dias and Mariana Leite da Silva.

materialising the underlying philosophy of comply or explain.

The Report, after being unanimously approved by the members of the CEAM, is submitted to the CAM for final approval.

Thus, adopting the structure and sequence defined by the CAM in the exercise of its competence, in the present Report we present the principles that govern the monitoring (chapter III of this document), after which the work methodology used is reported (chapter IV).

Having established this framework, we will be able to move on to the assessment of the degree of compliance with the recommendations of the Code (chapter V), giving prior note of the treatment given to the multiple recommendations, as well as to the non-applicable ones, and the way in which the results of the monitoring activity were defined.

In this context, it is furthermore important to recall the meaning of the *comply or explain* principle, on which the Code is based, as well as report on how the *explain* was used by issuer companies and assessed during monitoring.

Based on this set of elements, the Report presents, chapter by chapter, the additional observations necessary in view of each CGS recommendation and of the contents monitored by the CEAM, after which brief final conclusions are presented (chapter VI).

3 MONITORING PRINCIPLES

The monitoring work developed by the CEAM is fundamentally based on the Protocols signed between the CMVM and the IPCG and between the IPCG and the AEM.

In particular, the latter document, which is important for understanding the terms and results of the analysis undertaken, sets out the principles on which monitoring shall be based:

a) Necessity - the monitoring of the CGS is an indispensable element of the corporate governance system, as a means of knowing the form and level of compliance with the recommendations and the most critical areas of non-compliance;

b) Independence - the monitoring of the CGS shall be assured, institutionally and personally, by entities and persons who can guarantee the necessary independence from the entities that adopt the CGS;

c) Autonomy - the monitoring of the CGS is autonomous from the exercise of any competencies of judicial or administrative authorities in their supervisory, oversight or sanctioning activities, within the framework of the respective legal powers and duties;

d) Universality - monitoring shall cover all entities that have adopted the CGS;

e) Objectivity and Exemption - monitoring shall be carried out objectively and impartially, and, in particular, must not include the formulation of value judgements on the adoption of the CGS recommendations or on the conduct of the adhering companies;

f) Completeness - monitoring shall focus on all the principles and recommendations of the CGS;

g) Collaboration - monitoring shall be based on the collaboration with the entities that adopt the CGS, either by providing them with the necessary elements and clarifications for a correct interpretation and application of the CGS, or by receiving from such entities the elements and clarifications necessary for an informed monitoring; collaboration is also extended to entities whose competences or purposes are projected or intersect with the application of the CGS;

h) Transparency - monitoring shall ensure that all mechanisms, criteria or information on which it is based are accessible, at least, to all adhering entities;

i) Publicity - the results of the monitoring, insofar as the CGS compliance level is concerned, must be publicised, globally and without individualising or detailing the results regarding each member entity;

j) Timeliness - the monitoring shall contribute to promote the updating of the criteria for interpretation and application of the CGS, as well as induce the changes that may seem necessary and/or appropriate for the evolution of the CGS;

k) Annuality - without prejudice to occasional interventions, monitoring shall be based on an annual cycle of activity;

l) *Comply or explain* - the CGS is of voluntary adhesion and its observance is based on the *comply or explain* rule, whereby the monitoring must ensure the effective valuation of the "*explain*" as equivalent to the compliance with the recommendations in question.

4 METHODOLOGY

The monitoring process leading to the preparation of the present Report, as in previous years, involved various activities that are briefly described below.

The monitoring work itself began by the gathering of information published by the issuer companies, focusing the analysis especially on the corporate governance reports of the issuer companies.

Based on that public information, accessed in particular through the CMVM information disclosure system, the reports of thirty-six companies were analysed, with reference to the year ending on 31 December 2021.

The present report is prepared on the basis of the information collected and processed in respect of thirty-five such governance reports, given that one of the issuer companies adopted the IPCG CGS 2018 in its original version[4].

The first analysis carried out by the CEAM culminated in the communication of the preliminary results of the monitoring, mirrored in individual tables containing, in addition to the evaluation of each subrecommendation – compliance, non-

[4] Nevertheless, monitoring did not cease to be carried out, and in this process the results were presented in a more complex manner, with the CEAM making correspondences between the 2018 recommendations, effectively the object of reference in this governance report and, therefore, the object of monitoring, and the current recommendations; an assessment of the practices adopted in light of the corresponding recommendations in the Code revised in 2020 was also added.

compliance, not applicable and evaluation of the explain[5] –, reasoned observations, whenever justified, and which were sent to each of the issuer companies.

In addition to the communication of individual results, the companies were invited to comment on the preliminary results of the monitoring, putting into practice the interaction with the issuer companies referred to in the Protocol entered into between the IPCG and the AEM.

After sending out the respective preliminary results, the CEAM's executive team maintained the necessary and appropriate contacts with the issuer companies.

This process resulted in useful clarifications for the monitoring work, allowing issues to be clarified and contributing to the standardisation, in general, of the criteria for measuring compliance. Such an exercise also contributes to the continued reflection on the best corporate governance practices in the Portuguese securities market.

Subsequently, the CEAM confirmed the preliminary results and sent the final assessments to each of the issuer companies: these are the definitive results for the 2021 year, and form the basis for the Annual Monitoring Report presented herein.

In constant internal articulation, it fell to the members of the CEAM, with the assistance of the technical support team for the monitoring work, to carry out the tasks described above.

[5] On this assessment, see below, V.1.3. of this Report.

5 EVALUATION OF THE DEGREE OF COMPLIANCE

V.1. Framework

V.1.1. Multiple Recommendations

Aiming at the successfully implementation of the monitoring work, the CEAM, in articulation with the CAM, previously identified the Code recommendations with multiple content and their corresponding analytical breakdown, according to the following criteria:

- all mutually independent subrecommendations were broken down;
- were not broken down the subrecommendations
  - that close a general clause with a clarification;
  - where there is a logical dependency between subrecommendations.

This exercise resulted in 74 subrecommendations, as identified in the *Table of Multiple Recommendations*[6] , which appears as an annex to Interpretative Note No. 3, prepared by the CEAM, and the first published by reference to the revised CGS in 2020.

Monitoring, both in the analysis of individual governance reports and in the subsequent global data processing, was based on all of the above subrecommendations.

V.1.2. Non-applicable Recommendations

The decision of considering some recommendations as not applicable to certain or all issuer companies is the result of the interpretative task undertaken by the CEAM when comparing the recommendatory provisions with the replies of the issuer companies.

In this exercise, recommendations that the issuer companies had qualified as not applicable were considered as compliance or non-compliance and vice-versa.

In the calculations of the percentage of compliance, the recommendations considered not applicable were not considered.

Notwithstanding, in the presentation of the contents of the Code monitored by the CEAM (infra, V.3), the explanation of the hypotheses of non-applicability was occasionally considered justified, with a view to a better understanding of the results, since, in certain circumstances, the omission of the high level of non-applicability of a certain recommendation could provide a distorted image of the evaluation undertaken.

6. Available at: https://cam.cgov.pt/images/ficheiros/2018/nota-interpretativa-n.º-3.pdf .

The non-applicability of certain recommendations results from various circumstances, such as:

- the specificities of the governance model adopted by the issuer companies;
- the interdependence between some subrecommendations.

V.1.3. Results

In each subrecommendation and for each issuer company, one of four results was attributed in the respective individual tables:

- S - compliance;
- N – non-complaince;
- NA - not applicable;
- E - explain materially equivalent to the compliance pursuant to the terms explained below regarding the quality of the explain (V.2.).

The set of individual results has been treated in an integrated manner, as follows (V.3.).

Unless otherwise stated, the reference to compliance levels refers to the sum of direct compliance results ("S") and the results of explain materially equivalent to compliance ("E"), which thus make up, computed together ("S+E"), an overall compliance figure.

V.2. The quality of the explain

V.2.1. The comply or explain principle

In compliance with the *comply or explain* principle on which the Code is based, pursuant to the Protocol entered into between the IPCG and the AEM, and as clarified in the Interpretative Note no. 3, companies shall, on the one hand, reflect on the appropriateness and relevance of each recommendation in relation to their reality and circumstances and, on the other hand, present their options regarding corporate governance in light of the principles set out in the Code.

Ideally, the *explain* implies three "statements" from the issuer company: (1) a statement of non-compliance, (2) an explanation of the solution it has adopted and (3) a clarification of why it considers this solution to be an equivalent option to the Code's recommendations.

Notwithstanding, the CEAM continues to place emphasis on the need for any omissions by issuer companies to be integrated in a proper and adequate place, considering all the materially explanatory information contained in the various points of the governance reports and other publicly available information.

Thus, in line with the *comply or explain* principle, special emphasis has been placed on the quality and depth of the *"explain"*, the evaluation of which is apt to lead, taking into account the specific circumstances of the relevant issuer, to it being treated as equivalent to the *"comply"*

In these terms, for the analysis of the quality of the *explain*, it is always necessary to assess in which cases a *properly explained non-compliance* has the effects of a compliance.

In this regard, it shall be kept in mind what is contained in CMVM Regulation no. 4/2013, which remains in force and

therefore, regarding this part, subsists as a guiding document for issuer companies:

— Its preamble, regarding the comply or explain principle, states that there will be "material equivalence between the compliance with the recommendations and the explanation for the non-compliance" when such explanation "allows for a valuation of those reasons in terms that make it materially equivalent to the compliance with the recommendation".

— Annex I of the same Regulation, specifically in point 2 of Part II, establishes that "[the]information to be reported shall include, for each recommendation

> a) *Information enabling measurement of compliance with the recommendation or reference to the point in the report where the issue is dealt with in detail (chapter, title, point, page);*
>
> b) *Justification for any non-compliance or partial compliance;*
>
> c) *In the event of non-compliance or partial compliance, identification of any alternative mechanism adopted by the company for the purposes of pursuing the same objective of the recommendation*."[7]

7. Similarly, also the European Commission Recommendation on the quality of corporate governance information ("comply or explain") of 9 April 2014, in section III, contains indications on the quality of explanations in case of divergence from a code. The Recommendation is available at: https://eur-lex.europa.eu/legal-content/PT/TXT/PDF/?uri=CELEX:32014H0208&from=PL

How to make a good explain?

Reflect on the appropriateness and relevance of each recommendation in relation to the reality and circumstances of the company

When the recommendation is not complied with, explain the corporate governance option adopted, substantiating it in terms that make it possible to justify its material equivalence to the practice recommended in the Code

The Principles that frame each Chapter (and subchapter) of the Code are a relevant support in this substantion exercise

V.2.2. The evaluation of the *explain*

Based on these guidelines, the explanations provided in cases of non-compliance with recommendations were considered as materially equivalent to compliance whenever the issuer companies explained in an effective, justified and substantiated manner, the reason for not complying with the recommendations provided for in the CGS in terms that demonstrate the adequacy of the alternative solution adopted to the principles of good corporate governance and that allow a valuation of these reasons in a sense that is materially equivalent to the compliance with the recommendation: we quote, with the necessary adaptations, the provisions of Article 1(3) of CMVM Regulation no. 4/2013.

For the purposes of this assessment, the Principles that frame the different Chapters (and subchapters) of the Code

were considered, which are the guiding basis for the interpretation and application of the recommendations and, simultaneously, a qualitatively relevant basis for the assessment of the explain[8].

As an example, the justified invocation of means of promoting shareholder participation and the proportionality of the solutions adopted as an alternative to the recommendations concerning the remote participation in General Meetings and the remote exercise of voting rights continued to be relevant (see recommendations II.3. and II.4. and principles II.A to II.C). Furthermore the size and structure of the company were also considered in terms of the explain, when pertinent and duly sustained and densified (see, for example, recommendation V.3.2.).

As the evaluation of the explain is an essential pillar of the monitoring exercise of a recommendatory code, the importance of the information provided in Part II of the governance report on the non-compliance with the recommendations and the concomitant explanation is underlined.

In fact, as it is not necessary to repeat the content of the explain, and as there may be specific references to Part I of the Corporate Governance Report, for monitoring purposes it is essential that issuer companies always provide a suitable explain and reasoned justification as to why the recommendation in question was not complied

8. See the Preamble to the 1st edition of the CGS (2018), republished as an annex to the revised Code in 2020, p. 37.

with and, furthermore, identify the alternative solution of good corporate governance adopted and its adequacy in terms of material equivalence to the solution recommended by the Code.

V.3. Contents of the Code monitored by the CEAM

Chapter I. General Part

OVERALL ASSESSMENT OF THE CHAPTER

The first chapter of the CGS contains ten recommendations, divided into five subchapters, presenting itself as a General Part dedicated to a varied set of topics: the relationship between the company and the investors and information, diversity in composition and functioning of the corporate bodies, the relationship between these bodies, conflicts of interest and transactions with related parties.

The subdivision resulted in sixteen subrecommendations subject to monitoring[9] .

The average of compliance in Chapter I was 87.8%, stabilising the progress achieved in previous years (from 84% in 2018 to 85% in 2019 and 88.9% in 2020).

9. In this count (ten recommendations / sixteen subrecommendations), recommendation I.5.2. was not included. In fact, as informed in the Interpretative Note no. 3, the wording of recommendation I.5.2., at the time of approval of the new text of the CGS by the CAM, in July 2020, was based on the proposal for transposition of Directive (EU) no. 2017/828, then pending in the Portuguese Parliament as Draft Law 12/XIV. In view of the changes introduced in the meantime during the legislative process, culminating in the current Article 29-S of the Securities Code (which essentially corresponds to Article 249-A, paragraph 1, as added by Law no. 50/2020, of 25 August), Recommendation I.5.2 has lost useful meaning, and shall be considered as not applicable, as it is up to the supervisory body itself (and no longer the management body, as stated in the Draft Law) to periodically verify transactions with related parties.

The average also rises to 94% in the PSI context, which represents a growth compared to the previous year, in which there was an average of compliance of 91.6%.

The percentage of compliance with the various recommendations and subrecommendations varied between 100% and 51.4% (which, at the very least, compares unfavourably with 60% in the previous year).

The slight decrease in the overall compliance percentage of the chapter may be justified by an enlargement of the universe of issuers that adopted the revised 2020 version of the CGS 2018 in this monitoring exercise. In addition, the adaptation phase to this new version, adopted for the first time by some issuer companies, generated understandable difficulties in adjusting their practices to the content of certain recommendations, in particular recommendation I.2.1. In any case, the dialogue initiated with the companies opens perspectives for improvement in the next exercise.

RECOMMENDATIONS

I.1.1.

The first recommendation establishes the fundamental terms of the relationship of the company with shareholders and other investors, to be treated equitably, also referring to the institution of mechanisms that ensure, adequately and rigorously, the timely disclosure of information - a requirement that, pursuant to the information made available and as in previous years, issuer companies have fully complied with.

I.2.1.

With regard to the profile of new members of the corporate bodies, the Code recommends that the company establishes, in advance and in abstract, criteria and requirements relating to such profile, including individual attributes and diversity requirements, in terms that do not necessarily depend on whether or not elections have been held during the period in question - which is why a mere reference to the specific profile of each member, simply as reflected in curricula vitae, or a statement that, in practice, such criteria and requirements would have been taken into consideration do not appear to be sufficient to comply with the recommendation.

This understanding was explained to the issuer companies during the previous monitoring and was echoed in the previous RAMs as well as in point 3 of Interpretative Note no. 3[10].

Thus, the compliance with recommendation I.2.1, without any materially equivalent case of explain, was 51.4% in the total of issuer companies and 68.5% in the PSI companies (which compares with 60% and 72% in the previous year, respectively).

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10. See page 30 of the 2018 RAM; page 23 of the 2019 RAM; pages 27-28 of the 2020 RAM. It shall be added that the previous subdivision of this recommendation - dividing it into individual attributes, on the one hand, and diversity requirements, on the other - was eventually reversed in the Table of Multiple Recommendations that currently serves as reference. This was motivated by the fact that monitoring experience had revealed the great difficulty in making a real division between "profile" and "diversity" criteria, especially when diversity is not just gender-related, but may include qualifications, experience, etc., i.e. elements that also concern the "profile".

I.2.1 - Establishing criteria and requirements regarding the profile of new members of the governing bodies, considering individual attributes and diversity requirements

Good practices

An example of good practice with regard to I.2.1. is the definition of an internal policy for the appointment and assessment of the suitability of members of the management and supervisory bodies. From this policy shall result, in particular, that members of these bodies "shall be appointed through transparent selection processes that objectively assess their suitability, individually and collectively, taking into account the legal and statutory powers of the body they will form part of and, if applicable, the executive or non-executive nature and scope of their respective are of functions.
In the selection processes, meritocracy and diversity of composition criteria must be observed, including gender, to maximise the performance capacity of the body and balance its composition, in accordance with the best market practices and the applicable legal and recommendatory framework. " Within the scope of this policy, individual assessment criteria may be identified (in which experience, competence, independence, integrity, and availability are identified) and collective criteria for the composition of the body (where complementarity, diversity, conflicts of interest, representativeness of independent members and particular rules of the issuer are taken into account).

I.2.2 and I.2.3

The recommendations under analysis relate to the existence and disclosure of internal regulations, minutes of meetings and other general information (including the composition and number of annual meetings) concerning the management and supervisory bodies, as well as internal committees. The

recommendatory content was simplified, by reference to the 2018 version of the CGS (I.2.2. and I.2.3., with their respective subrecommendations, cover the matters previously listed in I.2.2. to I.2.4.), presenting in all cases compliance levels equal to or greater than 79%, (which compares with 83% verified in the previous year).

I.2.4.

The Code initially recommended in this regard not only the adoption of a whistleblowing policy vested with the appropriate resources, but also the existence and appropriate functioning of mechanisms for detecting and preventing irregularities. In view of the difficulty in distinguishing between the latter and those associated with the functioning of internal control systems, as referred to and monitored in recommendation VI.3., the recommendation now refers exclusively to the aforementioned whistleblowing policy.

The compliance with I.2.4, without cases of materially equivalent explain, was 89% for all the issuer companies, which compares with the full compliance registered in the previous year; among the PSI companies, it remains at 100%.

I.3.1. and I.3.2.

With compliance levels of 89% (I.3.1) and 91% (I.3.2) in all issuer companies (below the 97% registered in the last monitoring exercise), but in both cases of 100% in the PSI companies, recommendations I.3.1. and I.3.2. refer to the relations between the corporate bodies, striving for the disclosure of information, both in terms of documents and access to the relevant company employees, and

for the existence of an information flow that ensures that pondered and efficient measures are taken, within the framework of an articulated and harmonious interorganic relationship.

In I.3.2, continuing to follow the criterion adopted before, now set out in point 4 of Interpretative Note no. 3, "the indications of the issuer companies regarding the (not intra-organic but) interorganic flow, that is, to and from the different bodies and internal committees of the company, in accordance with the law and the articles of association, were taken into consideration".

I.4.1. and I.4.2.

While in the previous year we reported a decrease, which was predictably associated with a new wording, introduced in 2020, of the recommendations regarding conflicts of interest present in I.4.1. and I.4.2, in this year the significant improvement predicted at the time was registered.

With a compliance of 80% in relation to all issuer companies and 84% in relation to the PSI companies, the percentages of compliance with recommendation I.4.1 compare with 70% and 67%, respectively, verified in 2020, which represents a significant improvement. Regarding recommendation I.4.2, the trend is also positive, with 77% compliance in relation to all issuer companies and 89%, in the PSI companies (compared to 73% and 83% in the previous year, respectively).

I.5.1. and I.5.2.

The growing compliance with recommendation I.5.1. continued.

Recommendation I.5.1. is aimed at requiring an additional duty to disclose the internal verification procedure for transactions with related parties, without advocating a specific design for such procedure. There, we find a 91% compliance (close to the 90% of 2020), rising to a full compliance in the PSI universe.

In turn, I.5.2 was not subject to monitoring, as communicated to issuer companies through Interpretative Note no. 3, under the terms described above in the global assessment of this Chapter I.

Chapter II. Shareholders and General Meeting

OVERALL ASSESSMENT OF THE CHAPTER

The chapter contains six recommendations, with only one subrecommendation in the first, all of which are dedicated to issues related to shareholder participation in general meetings.

The average compliance was 78.5%, rising to 85% in the PSI context.

The percentage of compliance varied between 64% and 88%, which compares with an oscillation between 66% and 93% in the previous year. Notwithstanding this slight decrease, we continue to verify the full compliance with some recommendations by the issuer companies that are part of the PSI, where there is even an improvement in relation to the previous year (from 82% to 85%).

RECOMMENDATIONS

II.1. and II.2.

By taking a position on the adequate involvement of shareholders in corporate governance, the CGS begins by recommending that companies do not set a high disproportion between the number of shares and the number of votes that correspond hereto, at the same time as it recommends not setting deliberative quorums greater than those provided by law, precisely to avoid making it difficult to pass resolutions at the meeting.

The first recommendation mentioned above was complied with by 88% of issuer companies, either through the adoption of the principle that each share corresponds to one vote, or through deviation from this principle which, however, does not make the number of shares necessary to confer the right to one vote excessively high. This circumstance rendered the following subrecommendation (II.1.(2)) largely inapplicable (80%), which requested issuer companies to explain the option, in a governance report, whenever there is a deviation from the abovementioned principle. Of the eight issuer companies to whom it was applicable, four accepted it (50%).

With regard to deliberative quorums, the recommendation is complied with by 82% of the issuer companies, of which approximately 67% (23 issuers) correspond to direct compliance and 15% (5 issuers) to materially equivalent solutions which were fully explained. In the PSI universe, the value rises to 95%.

II.3. and II.4.

The Code recommends the implementation of adequate means for shareholders to participate remotely in the general meeting, in proportion to its size (II.3.), as well as for the remote exercise of voting rights, including by correspondence and electronically (II.4.).

The issuer companies continued to largely comply with the recommendation, with 65% of compliance with recommendation II.3 and 76% with recommendation II.4.

In the first case, while it is true that there is a decrease in relation to the level of compliance with the corresponding recommendation in the 2018 version of the CGS[11] , from 78% to 66% in 2020 and 65% in 2021, it shall be noted that the previous level of compliance was due almost exclusively (75% out of 78%) to an assessment of the explain of the issuer companies that, justifiably, stated that they did not implement telematic means, namely due to the associated high costs, the size of the company or the concentration of the capital structure, under the terms currently set out in point 8 of Interpretative Note no. 3. In the current exercise, although there are still relevant cases of explain (15%), it is mainly through direct compliance (50%) that such a result is obtained, which appears to be positive.

In any case, the evolution of the reality, marked by the COVID-19 pandemic, continues to make it advisable to reflect on the increased usefulness that the recent experience allows to recognize of telematic means, a reflection that the CEAM has continued to promote with issuer companies throughout the contacts established during the monitoring[12] .

11. I.e. recommendation II.4. whereby there has been a change in the order of the recommendations under review.

12. See also the CMVM, IPCG and AEM Recommendations within the scope of General Meetings, of 20/03/2020, available at:

II.3. - Means for shareholders to participate remotely in GMs

Good practices

When issuer companies, despite stating their intention not to adopt telematic means in the future, have adopted them this year: despite not expressing their intention to do so under normal conditions, such issuer companies end up "implementing adequate means for shareholders to participate in the GM remotely" in the year that was the object of monitoring. Such practice corresponds, materially, to something equivalent to compliance with the recommendation; which, naturally, will not be followed up in future years if, in a situation of a return to "normality", the issuer company decides to go back on this effective implementation of telematics means.

II.5. and II.6.

The recommendation that, in cases where there are statutory limitations on the number of votes held or exercised by a shareholder, there should also be a mechanism that subject such limitations to voting on their maintenance or amendment, at least every five years (II.5.) remains largely non-applicable (89%), as the vast majority of cases do not foresee such limitations. In the cases of applicability, corresponding to 4 issuer companies, the compliance was of 75%.

In turn, the recommendation (II.6.) that no measures be adopted that lead to social costs in the case of change of

https://www.cmvm.pt/pt/Legislacao/Legislacaonacional/Recomendacoes/Pages/rec_ag_2020.aspx?v=.

control or change in the composition of the management body was accepted by 88% of the issuer companies, an increase from 79% in the previous year.

While it is true that the existence of these measures does not, in itself, prevent compliance, the cases of non-compliance refer to situations in which the issuer company, when stating the existence, in particular, of contractual measures, does not provide a reasoned justification that these do not seem "likely to prejudice the economic interest in the transfer of shares and the free assessment by the shareholders of the performance of the members of the board"[13].

Chapter III. Non-Executive Management and Supervision

OVERALL ASSESSMENT OF THE CHAPTER

Chapter III, dedicated to non-executive management and supervision, contains seven recommendations, divided into twelve subrecommendations. Amongst these, recommendation III.5., establishing a cooling-off period in abstract relevant to the evaluation of the criteria of independence of the members of the board, was not applicable to any of the issuer companies that are part of the universe of companies analysed.

The average level of compliance was 58% across all issuer companies, rising to 74% in the PSI universe. Compared to the previous year, this represents an increase of 1% in the first broadest set and 11% in the second.

13. See point 10 of Interpretative Note No 3.

III.1.

According to recommendation III.1, independent members of the board of directors shall appoint a coordinator among themselves, unless the chairman of the board of directors is himself independent. If there are no independent members of the board of directors, either in total or in a sufficient number, so that it would not be possible to appoint a coordinator, the company shall, in order to ensure compliance, appoint a coordinator of the non-executive members of the board, as explained in point 11 of Interpretative Note no. 3[14]. There is, however, no record of the implementation of this last possibility, qua tale, by the issuer companies.

If the company has no (or only one) non-executive member of the board of directors, the possibility of appointing a coordinator for the non-executive members of the board would also be prejudiced, which is why the recommendation was considered not applicable in such cases. This same result of non-applicability was considered in the case of adoption of the German governance model, as well as in cases in which the chairman of the management body is independent.

14. Its content: "In cases in which the company does not comply with recommendation III.4 – it does not appoint independent non-executive members of the board of directors or does not appoint a sufficient number -, whereby the possibility of appointing a coordinator of the independent members of the board as literally recommended is logically harmed, a coordinator may be appointed by the non-executive members of the board from among themselves, and such appointment shall be considered equivalent to compliance with the recommendation if, as a whole, the option of the company is shown to be duly substantiated."

The combination of these three reasons resulted in the non-applicability of the recommendation to seven companies (20%), and in four of these companies the chairman of the management body is independent (57%).

Of the companies to which this recommendation is applicable, six (21%) have appointed a coordinator, while two issuer companies (7%) presented an explain that was assessed as equivalent to compliance. For this result materially equivalent to compliance, the institutionalisation of regular coordination mechanisms between the chairman of the management body and the non-executive members of the board has contributed decisively.

Although the final result of overall compliance with the recommendation stands at 29% - which represents a decrease compared to the previous year (36%) - it shall be noted that, in absolute terms, no company that was compliant (or an explain valued as equivalent to compliance) in the previous year changed to a situation of non-compliance in the current year, explaining this percentage difference, to a large extent, by the expansion of the universe of issuer companies that adopted the CGS in the year 2021. In the universe of PSI companies, there was an increase in the percentage of compliance, from 33% to 36%.

In respect for the commitment assumed by the CEAM in the previous exercise, this recommendation has been the object of reflection, especially within the CGS review process underway, taking into consideration all the contributions received from the issuer companies.

III.2. and III.3.

In recommendation III.2, the Code recommends that the number of non-executive members of the management body, of members of the supervisory body and of members of the financial matters committee[15] is appropriate to the dimension and complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the functions entrusted to it.

While recommendation III.2.(3), which refers to the members of the committee for financial matters, is only applicable to the German model, recommendation III.2.(1) was considered not applicable to this same governance model as it refers to non-executive members of the management body.

As it is not the responsibility of the monitoring entity to formulate a judgement on the adequacy of the specific composition of the corporate bodies, the compliance with abovementioned recommendation depends on the inclusion, in the governance report, of such a judgement, even if succinct, on the adequacy of the number of members referred, as results from the final part of the text of the recommendation itself.

The reasons presented in all three subrecommendations were accepted, with levels of compliance of 74%, 77% and 100%, respectively, highlighting the notable improvement in relation to the previous year regarding recommendation III.2.(2) (67%). In the PSI companies, the first two figures rise to 94% and 84%.

15. Subrecommendations III.2.(1), III.2.(2) and III.2.(3) respectively.

In cases where the management body of the issuing company has no non-executive members, this total absence can only be evaluated as non-compliance, with regard to recommendation III.2.(1), without prejudice to the possibility, inherent to the monitoring system of the Corporate Governance Code, of an explain on how it is materially equivalent to compliance.

Recommendation III.3. states that the number of non-executive directors shall be higher than the number of executive ones, which occurs in 71% of cases, a percentage wich represents an improvement of 2% in relation to the previous year. In the PSI companies, this percentage rises to 94%, representing a high increase of 18% in relation to the previous year.

III.4. and III.5.

Recommendations III.4. and III.5. deal with the independence of non-executive directors.

53% of issuer companies include at least one third of independent directors in the management body, a percentage that rises to 67% in the PSI companies.

It shall be reminded that, similarly to what was already stated in the 2020 RAM (pages 41 and 42), considering the content of point 12, a) of Interpretative Note no. 3[16], this proportion is being computed in relation to the number of non-executive members of the board and not in relation to all the members of the management body as a whole.

16. "In view of the lack of clarity of the wording of the Recommendation, it is accepted that the expression "no less than one third" shall be computed solely by reference to the number of non-executive members of the board of directors- and not in relation to all members of the management body as a whole. Compliance with the Recommendation requires that the number of independent non-executive members of the board of directors must necessarily be plural."

With regard to independence criteria, we recall that, in view of the maintenance in force of Annex I of CMVM Regulation no. 4/2013, the CMVM made it known, by means of a Circular, that:

"*listed companies must: (i) in Part I, identify the non-executive members of the board of directors who may qualify as independent, in light of the criteria in point 18.1 of Annex I of CMVM Regulation no. 4/2013; and (ii) in Part II, state whether they comply with recommendation III.4 of the IPCG code, which includes criteria not entirely coincident with those of the said regulation*"[17] .

No company raised the issue of the cooling-off period for the purposes of independence of its members of the board, and therefore recommendation III.5. once again did not apply.

III. 6.

Recommendation III.6. establishes that the supervisory body, abiding by the competences conferred to it by law, shall evaluate and issue its opinion on the strategic guidelines (III.6.(1)) and the risk policy (III.6.(2)), prior to its final approval by the management body. It shall be noted that the CGS also addresses the approval of the strategic plan and risk policy, by the management body, in recommendation VI.1. in the context of the chapter on risk management (Chapter VI), to which it also refers.

17. CMVM Circular, "The supervision of the recommendatory regime of Corporate Governance - new rules and procedures for 2019", of 11/01/2019: see https://www.cmvm.pt/pt/Legislacao/Legislacaonacional/Circulares/Documents/Circular%2015.01.2019.pdf

The final part of the recommendation was amended in 2020, rendering it unequivocal that the recommendation requires, for its compliance, an assessment and opinion by the supervisory body prior to the final approval of the strategic guidelines and risk policy by the management body.

With advantages for the effective interorganic dialogue between administration and supervisory bodies, there is in the present year an accentuated increase in the degree of compliance with both subrecommendations compared to the previous year, with the percentage of compliance with recommendation III.6.(1) standing at 46% (as opposed to 33% in 2020) and recommendation III.6.(2) at 51% (as opposed to 27% in 2020). These figures rise to 68%, in both subrecommendations, in the PSI companies.

The recommendation is applicable to all governance models. In the case of companies adopting the Anglo-Saxon model, there may be a prior opinion by the audit committee, in an autonomous space and moment, in which the members of this committee act in their capacity as members of such body, and not also, concomitantly, as members of the management body.

In cases where the assessment and opinion of the supervisory body concerns multi-annual strategies and policies, the recommendation is considered complied with when, for the year being monitored, information is included in the governance report concerning the adoption of the recommended practice in the year in which they were subject to final approval by the management body, thus extending the compliance for the period of time during which such strategies and policies may be considered to be in force.

III.6.(1) and (2) - the supervisory body assesses and issues an opinion on the strategic guidelines (1) and the risk policy (2), prior to their final approval by the management body

Good practices

The management body, in the exercise of its powers, defines the strategic guidelines and the risk policy for the company

The supervisory body evaluates, within the limits of its powers, and issues an opinion on the strategic guidelines and risk policy, as prepared by the management body

Finally, the management body approves the company's strategic guidelines and risk policy

III.7.

Pursuant to this recommendation, internal committees shall be the ones "composed mostly by members of company's governance bodies to whom duties within the company are ascribed", in accordance with the definition contained in the Glossary of the Code. In the event that the remuneration committee foreseen in Article 399 of the Companies Code has been created, and such is not prohibited by law, this recommendation can be complied with by attributing to this committee powers in the matters to which it concerns, that is: corporate governance, appointments and performance assessment.

The Interpretative Note no. 3 also clarifies, in its point 13, b), that in terms of appointments, the issue under discussion is only the constitution of a committee with

competences regarding the members of the corporate bodies. The committee responsible for the appointment of member of senior management is, differently, the specific object of recommendation V.3.2.

The percentage of compliance, either direct or by way of an explain, present in all the subrecommendations is as follows: 51% with regard to corporate governance, rising to 63% in the PSI; 49% with regard to appointments, rising to 68% in the PSI; 74% with regard to performance evaluation, with 89% in the PSI.

As already mentioned, for the full compliance with this recommendation, in its three dimensions, the competence in matters of corporate governance, appointments and performance evaluation shall be attributed to a committee or committees mainly composed of members of the corporate bodies of the company. As such, the attribution of competences in any of these matters to senior management is not sufficient – without prejudice, in any case, to the possibility, inherent in the CGS regime, of evaluating an explain as materially equivalent to compliance[18] .

It shall also be noted that subrecommendation III.7.(3) does not restrict its scope of application to the performance assessment of executive members of the board of directors, but also applies to all other members of corporate bodies.

18. See again supra, V.2.

III.7. - specialised committees

Good practices

There shall be specialised committees on

Corporate governance

Appointments

Performance evaluation

This good governance practice can be adopted by assigning several functions to the same committee (this is why it is said: "separately or cumulatively").

Chapter IV. Executive Administration

OVERALL ASSESSMENT OF THE CHAPTER

This chapter contains three recommendations, one of which is broken down into three subrecommendations, all concerning executive administration. In no case was the existence of an explain considered equivalent to compliance.

The average rate of compliance is 79%, 1% higher than in the previous year. Regarding the PSI 83% compliance was reached.

RECOMMENDATIONS

IV.1

The approval, through internal regulations or by equivalent means, of a regime for the exercise of executive functions

by executive directors in entities outside the group occurs in 46% of the companies assessed, rising to 47% in the PSI companies. The significant decrease in the percentage of compliance in relation to the previous year (63% and 67% respectively) was mainly due to the extension of the monitoring exercise to new issuer companies and to the application, in the monitoring for the year 2021, of the criterion that was explained in previous Annual Monitoring Reports[19] :

IV.1. - approval, by the management body, of the regime for executive members of the board of directors to exercise executive functions outside the group

Good practices

When executive directors do not exercise executive functions in entities outside the group, the full compliance with the recommendation will be favoured by the adoption by the company of a regime that is designed to cater for the eventuality of such a situation [i.e. the existence of executive directors exercising executive functions in entities outside the group].

For this reason, in future years, the existence of such a regime will be indispensable for this recommendation to be considered complied with.

The cases in which the company has established a prohibition on exercising executive functions outside the group were considered as compliance.

19. In the 2020 RAM, see page 47.

IV.2.

The subrecommendations concerning the delegation of powers – in strict terms, the non-delegation of powers in the matters listed in Recommendation IV.2. – are largely complied with by issuer companies: in 94% of the cases (percentage that remains in the PSI companies), the management body does not delegate powers regarding the definition of the strategy and main policies of the company; the same is true in 91% of the issuer companies (94% in the PSI companies) regarding the organisation and coordination of the corporate structure; and in 94% (percentage that remains in the PSI companies) regarding matters that shall be considered strategic due to the amount, risk or special characteristics involved. This is an improvement in all these cases, compared to the previous year.

The recommendation was considered not to be applicable in the German model, as well as in cases where the management body has no non-executive directors, circumstances in which there is no delegation of powers.

IV.3.

Recommendation IV.3 establishes that the management body shall explain, in the annual report, the terms in which the strategy and main policies defined seek to ensure the long-term success of the company and the main contributions resulting therefrom to the community at large. This is a recommendation that has underlying concerns regarding the evolution of the CGS towards taking sustainability into account, within the framework of good governance practices of issuer companies. In the 2021 year, there was a significant increase in the degree of compliance with this recommendation, which rose from

60% to 74% in the overall universe of companies and from 67% to 84% in the set of PSI companies.

Among the practices adopted by the issuer companies that complied with the recommendation are, namely, the adoption of social responsibility policies in the areas where the companies operate and in the community in which they are inserted, the creation of innovative projects for the promotion of good environmental, social and governance practices and the creation of departments with competencies in the definition and implementation of strategies for the promotion of sustainability and creation of long-term social value.

Chapter V. Performance Evaluation, Remuneration and Appointments

OVERALL ASSESSMENT OF THE CHAPTER

Chapter V, with seventeen subrecommendations, is divided into three subchapters: annual performance evaluation; remuneration; and appointments.

The average level of compliance was 78%, rising to 85% in the PSI universe, which represents a drop of 2% in the total number of issuer companies in comparison with the previous year, while the PSI universe saw an increase of 6%.

RECOMMENDATIONS

V.1.1.

Subchapter V.1. addresses the issue of the annual performance assessment and, as such, recommendation V.1.1. determines that the management body shall undertake its own annual self-assessment (V.1.1.(1)), the assessment of its committees

(V.1.1.(2)) and of the executive directores (V.1.1.(3))[20], taking into account the compliance with the company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to the same, as well as the relationship between the bodies and committees of the company.

As identified, this recommendation is subdivided according to the subjects that are the object of the assessment. If, on the one hand, the first subrecommendation is applicable to all companies, on the other hand, subrecommendations V.1.1.(2) and V.1.1.(3) will or will not be applicable depending on the existence of committees of the management body and executive directors/executive committee, respectively. The non-applicability rates found for these subrecommendations were 43% and 14%, respectively.

From the analysis carried out, an overall compliance rate of 80% results regarding V.1.1.(1), 80% regarding V.1.1.(2) and 77% regarding V.1.1.(3). These percentages increase, respectively, to 89%, 93% and 89% in the universe of PSI companies.

With a view to fully complying with this recommendation, it would be appropriate that – in addition to the reference in the governance report that the management body carries out the due evaluations based on the reference factors listed at the end of the recommendation – the duty to evaluate performance on an annual basis is foreseen in internal regulations or by other equivalent means.

20. This last subrecommendation included the evaluation of the executive committee, whenever it exists, given the unequivocal parallel with the functions exercised by executive directors.

V.2.1.

Recommendation V.2.1. is included in the subchapter on remuneration and establishes the duty of the company to create a remuneration committee, which "may be the remuneration committee appointed pursuant to Article 399 of the Companies Code".

In accordance with point 15 of Interpretative Note no. 3, the independence of the remuneration committee is not affected by the presence of directors, provided they are a minority. Furthermore, it shall be noted that, for monitoring purposes, it is understood that the independence criterion may be measured in relation to the executive management. Finally, again in accordance with the point of the Interpretative Note referred to above, the recommendation will not apply whenever the company, by virtue of a special legal regime, is obliged to set up a remuneration committee composed entirely or partially of directors.

This recommendation obtained a level of compliance of 91%, rising to 95% in the PSI companies. This represents an increase of 4% in relation to the previous year in the total number of issuer companies and 6% in PSI context companies.

V.2.2.

The fixing of remunerations shall be the responsibility of the remuneration committee, in accordance with recommendation V.2.2, or the general meeting, upon proposal of such committee. As clarified in point 16 of Interpretative Note no. 3, the competence of the remuneration committee referred to herein covers members of the management and supervisory bodies and their internal committees, not including senior management.

The recommendation obtained a 97% compliance rate, rising to 100% in the PSI companies.

V.2.3.

This recommendation provides that, for each mandate, the maximum amount of all compensation to be paid to a member of any corporate body or committee for termination of the respective office shall be approved. This approval will be given by the remuneration committee or by the general meeting, upon proposal of such committee. Also, a disclosure duty, including amounts, is established in the governance report or remuneration report, whenever such a situation arises during the year under analysis.

In order for this recommendation to be complied with, it is not sufficient to merely state the compliance with the legal rules applicable to cases of dismissal, without any further reference to other forms of termination of functions, and without indicating the remuneration committee's competence in this area.

The degree of compliance in this year is 56%, which represents an increase of 9% in relation to the result of the previous year. For the PSI companies universe, this figure falls to 53%, which nevertheless represents a significant increase of 14% in comparison with the result of the previous year.

V.2.4.

85% of the companies welcomed the recommendation that a member of the remuneration committee shall attend the annual general meeting, or any other meeting where the agenda includes matters relating to remuneration. The percentage of compliance reaches 95% in the PSI companies.

V.2.5.

It was found that 94% of the issuer companies comply with the recommendation that, within the budget constraints of the company, the remuneration committee shall be free to decide on the contracting, by the company, of consultancy services. This percentage is 89% in the PSI companies.

As clarified in the RAM for 2020 (page 53), in order for the recommendation to be complied with, it is not sufficient to state in the governance report that no consultancy services to support the remuneration committee were requested or contracted.

V.2.6.

79% of the companies (89% in the companies of the PSI universe) state that their remuneration committee ensures that the services mentioned in V.2.5. are provided independently and that the respective providers shall not be contracted to provide any other services to the company itself or to other companies that are in a controlling or group relationship with the issuer company, without the express authorisation of the Commission.

In these terms, the percentage increase in the level of compliance with this recommendation that is constantly being verified was consolidated, this time with an increase of 9% in relation to the previous year (17% in the case of PSI companies).

Similarly to the understanding mentioned above as to compliance with recommendation V.2.5., also in relation to this recommendation it has been understood that it is not sufficient to state in the governance report that no consultancy services to support the remuneration committee

have been requested or contracted. For full compliance with the recommendation it is considered necessary to state explicitly that, shall such consultancy services be provided, the remuneration committee is responsible for ensuring that they are provided independently and that the respective providers shall not be contracted to provide other services to the company itself or other companies that are in a controlling or group relationship with the issuer company, without its express authorisation.

V.2.7.

The recommendation relates to the directors' remuneration, striving for the existence of variable remuneration encouraging to the alignment of interests between the company and the executive directors.

Thus, the imposition that the variable component reflects the sustained performance of the company and does not encourage excessive risk-taking continued to be assessed on the basis of the overall calculation of the information that the issuer companies provided on variable remuneration.

With regard to this assessment, the level of compliance stood at 94%, reflecting the fact that almost all the issuer companies (and indeed all, in the PSI universe) explained the criteria for determining the variable component of remuneration.

V.2.8.

66% of the companies (a percentage that rises to 72% in the PSI universe) have a significant part of the variable component partially deferred over time, for a period of

no less than three years, thus representing an increase of 7% in relation to the previous year (13% in the case of the PSI companies). Similarly to the criterion adopted in the previous year, the omission of internal regulations did not necessarily lead to the assessment of non-compliance, as the definition of the association of the deferred variable component to the confirmation of sustainability in other elements of public access, namely in the governance report or in the remuneration policy statement, was valued.

V.2.9.

In the present monitoring, recommendation V.2.9., related to the inclusion of options (or other instruments directly or indirectly dependent on the value of the shares) in variable remuneration, was applicable to only six issuer companies and was fully complied with, with five complying directly and one other providing an explanation accepted as materially equivalent to compliance.

V.2.10.

The recommendation does not apply to companies that, due to their governance model or internal structure, do not have non-executive directors, which occurred in 17% of cases.

Moreover, in 86% of the issuer companies the remuneration of non-executive directors does not include any component whose value depends on the performance of the company or its value. This percentage rises to 89% in the PSI companies.

V.3.1.

In subchapter V.3., regarding appointments, the applicability of recommendation V.3.1. continued to be considered from the

first year in which there is a general meeting electing new members of corporate bodies[21].

In the current year, the level of compliance was 49%, which corresponds to an increase of 2% in relation to the previous year. This percentage rises to 68% in the PSI universe, with an increase of 7 % in relation to the previous year.

Notwithstanding the fact that the proposals for appointment of the members of the corporate bodies come from the shareholders, it is the responsibility of the company "in the terms it considers adequate, but in a manner susceptible of demonstration", to promote that such proposals are accompanied by substantion regarding the stipulated points. It is for this reason that the mere compliance with the provisions of the law or the mere reference to the curricula vitae of the proposed members is deemed insufficient for the purposes of compliance with the recommendation, as stated in point 18, subparagraph b) of Interpretative Note no. 3.

As already identified in the 2020 RAM (page 57), among the practices adopted by issuer companies that comply with the recommendation are, notably, the instruction of the proposals submitted to the elective general meeting with the documentation that allows the demonstration required herein, with this documentation remaining available online for several years; the preparation, in the corporate governance report itself, of a description of the functions, qualifications and skills required to hold positions; or even the adoption of a "selection policy" for members

21. As expressly stated on page 52 of the 2018 RAM, page 52 of the 2019 RAM, page 56 of the 2020 RAM and point 18(a) of Interpretative Note No. 3.

of the corporate bodies, of broader applicability than that corresponding to a particular elective moment, with the aim of encouraging best practices regarding the selection processes of such members.

V.3.1. - the company shall ensure that proposals for the election of members to the governing bodies are accompanied by a substantiation on the suitability of the profile, knowledge and curriculum vitae of each candidate for the position to be held

Good practices

E.g,

instruction of the proposals submitted to the elective general meeting with the documentation demonstrating the promotion of the existence of the substantiation recommended herein, with such documentation remaining available online;

description in the corporate governance report of the functions, qualifications and skills required to hold the positions;

adoption of a "selection policy" for members of the corporate bodies, with a broader applicability than that corresponding to a particular elective moment

V.3.2.

Under the terms of the Glossary of the Code, senior management are "persons who are members of the senior level management as defined (under the name "managers") by European and national legislation regarding listed companies, excluding members of the company bodies".

Notwithstanding, in the cases in which the issuer companies explicitly state in the governance report that they adopt, in the specific context of their structure, another definition of persons comprising the senior level management, and attribute competences for the respective appointments to a specialised committee, this is considered to be in line with the teleology of the recommendation, and therefore corresponds to compliance.

From the analysis carried out, in nine cases (26%) the corporate governance report stated that there were no senior managers, and therefore the recommendation was considered not applicable to such issuer companies.

Within the group of companies to which the recommendation applies, 27% have a nominations committee with the function of monitoring and supporting the appointments of senior management.

In accordance with point 19 of Interpretative Note no. 3, the recommendation "also applies to companies with a family nature or with a highly concentrated capital structure, as the only justifying criterion for non-compliance, foreseen in the recommendation, is the size of the company. Notwithstanding, the family nature of the company or the concentration in the capital structure may, among others, be invoked in the context of an explain and its relevance assessed".

As in the previous year, the mere invocation of the size of the company did not immediately determine the non-applicability of the recommendation. However, this was evaluated during the explain process, as suggested by the Interpretative Note, in terms that are substantiated, invoking the particular characteristics of the company and identifying the equivalent option adopted by the company.

In these terms, 19% of the companies presented an explain deemed as materially equivalent to the compliance with recommendation V.3.2., which thus obtained an overall compliance figure of 46%, a percentage that rises to 69% in the universe of PSI companies.

V.3.2. - existence of a committee to monitor and support the appointment of senior management

Good practices

establishment of a committee to monitor and support the appointments of senior management

the size of the company shall not be the only reason for the lack of creating it: it shall also be justified in substantive terms, in particular:

by pointing out the relevant particular characteristics of the company;

identifying a materially equivalent option that the company adopts

V.3.3. and V.3.4.

Recommendations V.3.3. and V.3.4. assume the existence of a nomination committee, whereby V.3.3. applies to both the corporate body nomination committee (III.7.(2)) and the senior management nomination committee (V.3.2.). Accordingly, in the event that the latter is not complied with or applicable, V.3.3. also becomes non-applicable, which is also the case with regard to the German model. Thus, we find a volume of 60% of

issuer companies to which recommendation V.3.3. was not applicable, the same percentage as in the previous year.

Within this framework, the compliance with V.3.3. represented 71% of applicable cases, with an increase of 13% compared to 2020. This percentage is 70% in the case of PSI companies.

With regard to recommendation V.3.4., it shall be noted that, in accordance with point 20 of Interpretative Note no. 3, it is understood that this recommendation only refers to the committee envisaged in recommendation V.3.2.

Thus, V.3.4., although not applicable in 77% of cases, obtained a degree of compliance of 75%, rising to 83% in the PSI companies.

Chapter VI. Internal Control

OVERALL ASSESSMENT OF THE CHAPTER

Chapter VI, dedicated to internal control, contains seven recommendations, divided into eleven subrecommendations. There were no cases of explain equivalent to compliance. The average degree of compliance was 88% (with an increase to 96% among the PSI companies) with each subrecommendation varying between 100% and 77%.

RECOMMENDATIONS

VI.1.

VI.1 provides that the management body shall discuss and approve the strategic plan and risk policy of the company, including the establishment of limits on risk-taking.

In this context, 89% of the issuer companies declare that their management body discusses and approves the strategic plan, revealing a decrease of 1% in relation to the previous year, and 83% of the issuer companies declare that they approve a risk policy, an improvement of 3% in relation to the same period. The compliance value of VI.1.(1) rises to 95% and VI.1.(2) to 89% in the PSI context.

With regard to the risk policy (VI.1.(2)), although an express statement by the issuer companies on the effective establishment of limits on risk-taking was not demanded in all cases of compliance, during the monitoring process the fundamental importance of the disclosure, of the topics defined in the risk policy, in terms of the establishment of limits or objectives or others deemed relevant, was once again reinforced.

VI.1.(2) - Establishment of limits regarding risk-taking

Good practices

Even if the specific "establishment of limits regarding risk assumption" is not disclosed, it will still be relevant that, even if in general terms, the topics defined in the risk policy are disclosed, in terms of setting limits or objectives or others that are deemed relevant.

VI.2.

With regard to VI.2, another positive evolution is noted, given the 88% compliance, which indicates an increase of 14 % compared to the 74% obtained in 2020. In the PSI context, the level of compliance rises to 95%.

In the present monitoring, we registered a significant improvement in the publicly available data, which allowed us to gather public information that the respective supervisory bodies are organised internally, implementing mechanisms and procedures for periodic control, in order to ensure consistency between the risks effectively incurred and the objectives previously established, as recommended herein by the CGS.

Nevertheless, issuer companies were informed of the importance of such information being provided in a complete manner so that it may be possible to conclude that these procedures are part of the periodic control referred to in the recommendatory text, as well as the need to specify the terms under which it is carried out, particularly with regard to its periodicity.

There are also some cases of non-applicability of the recommendation, which does not result per se from a generic non-applicability to the issuer companies in question, but rather from the lack of compliance with recommendation VI.1.(2). In other words: the non-existence of public information regarding the definition of a risk policy, upstream, by the management body, renders the recommendatory content here in question meaningless.

In any case, with its current profile, the monitoring of the recommendation recorded a compliance of 88%, which is a significant increase from the 74% obtained in 2020.

VI.2 - Implementation of periodic control mechanisms and procedures, by the supervisory body, to check the consistency of the risks incurred with the objectives established by the administration

Good practices

Notwithstanding the fact that, in this monitoring exercise, information on the establishment of the competence of the supervisory body in this matter was given prominence, evidence of the implementation of these same mechanisms and periodic control procedures will have to be taken into consideration in assessing whether the recommendation has been fully complied with in future exercises.

We will therefore consider it indispensable, in the coming years, to provide information not only on the implementation of the said mechanisms and procedures of periodic control, but also on how these procedures translate into periodic control.

The terms under which this is done still need to be clarified, particularly with regard to the frequency with which it takes place, so that this recommendation can be deemed complied with.

VI.3., VI.4. and VI.5.

91% of the issuer companies have structured their internal control system in terms that they consider adequate for the size of the company and the complexity of the risks inherent to its activity, with the supervisory body being competent to

assess it and propose the necessary adjustments[22]. The compliance value of VI.3. rises to 95% in the PSI context, thus registering an increase of 1% in relation to 2020 for both cases.

As recommended in VI.4., the same supervisory body issues an opinion on the work plans and resources allocated to internal control services, including risk management, compliance and internal audit functions (when existing), in 80% of cases, which shows a continuous improvement from 2019 (64%) and 2020 (77%). This increases to 95% in the PSI context.

The supervisory body is also the addressee, under the terms recommended in VI.5., of reports made by the internal control services in 77% of the issuer companies and in 95% of the issuer companies that are part of the PSI, once again increasing with respect to the 70% and 83% of 2020, respectively.

VI.6.

With regard to subrecommendations VI.6.(1) to (4), all companies continue to establish mechanisms to identify the main risks to which they are subject when carrying out their activities. 83% expressly indicate that they identify the probability of occurrence of these risks and their impact, 91% establish mitigation instruments and measures. All issuer companies define and identify procedures to monitor their risks.

22. The "adequacy" referred to is taken as a guideline, as such not subject to autonomous monitoring – similarly to the cases of recommendations I.1.1., IV.2. and VII.2.2. On the guidelines, see point 2 of Interpretative Note No. 3.

We thus note a decrease in the compliance with subrecommendations VI.6.(2) and VI.6.(3), compared to the compliance set at 90% and 97% in 2020, respectively, which contrasts with an almost total compliance within the PSI scope - with the exception of subrecommendation VI.6.(2), complied with by 95% of the issuer companies, which, nevertheless, represents an increase of 1 percentage point.

In relation to the identification of the probability of occurrence of the identified risks and respective impact (VI.6.(2)), issuer companies were also advised that, for the purposes of compliance, although the indication in public information of the concrete probability of occurrence and respective impact is not required, an unequivocal indication that the company carries out these calculations is essential.

VI.6.(2) - Identification of the probability of occurrence of identified risks and their impact

Good practices

Even if the concrete "probability of occurrence of the identified risks" is not disclosed, it is essential that the issuing company makes an unequivocal indication that it makes these calculations and assesses the impact of their occurrence.

VI.7.

Recommendation VI.7. concerning the supervision procedures, periodic assessment and adjustment of the internal control system presents a degree of compliance of 89%, and is fully complied with in the PSI universe.

Chapter VII. Financial Information

OVERALL ASSESSMENT OF THE CHAPTER

Chapter VII, concerning financial information, contains, after subdividing it, five subrecommendations.

The average level of compliance was 84%. In the PSI context, the compliance rate rises to 93%.

The percentages of compliance vary between 97% and 54%, with no cases of non-applicability.

RECOMMENDATIONS

VII.1.1.

It is foreseen that the regulations of the supervisory body shall include a set of competences listed therein, such was verified in 94% of cases, with only two issuer companies not complying with the recommendation. In the PSI universe, the recommendation was fully complied with.

VII.1.1 - Supervision of the financial information preparation and disclosure process

Good practices

The internal regulations of the supervisory body shall require that it oversees the adequacy of the process of preparation and disclosure of financial information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures, and their consistent application from year to year, in a properly documented and reported manner.

There will only be compliance when the internal regulations of the supervisory body impose the aforementioned duty.

VII.2.1.

In accordance with the reading adopted since the first monitoring[23] , reflected today in point 21 of Interpretative Note no. 3, what is at stake is not merely the generic establishment of the competence of the supervisory body to define the supervisory procedures aimed at ensuring the independence of the statutory auditor, but also the prior, abstract definition of those same procedures.

This occurred in 54% of issuer companies, which represents an increase of 1 percentage point in comparison with last year. In the PSI context, the compliance increased from 67% to 74% of the issuer companies.

23. See page 56 of the 2018 RAM and page 58 of the 2019 RAM.

VII.2.2.

With regard to VII.2.2.(1), in 97% of the companies there are indications that the supervisory body is the main interlocutor of the statutory auditor within the company. This is fully complied with in the PSI universe.

In this regard, it is to be noted that the supervisory body, although it may not be the exclusive interlocutor, as results from point 22, a) of Interpretative Note no. 3, shall be, even if not the only one, the first addressee of the respective reports.

It was also observed, now in relation to VII.2.2.(2), that in 83% of the issuer companies it is the supervisory board that is responsible for proposing the remuneration of the statutory auditor, therefore there was a decrease of 7 % in the degree of compliance. In the PSI context, on the other hand, there is an increase of 1 percentage point, now standing at 95%.

VII.2.3.

In 91% of the issuer companies (less than 97% in the previous year), the supervisory body has the duty to annually assess the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions, whereby it may propose to the competent body the dismissal or termination of the contract for the provision of services whenever there is just cause to do so. In the PSI universe, compliance, which was full in the previous year, now stands at 95%.

VII.2.3. - Annual assessment, by the supervisory body, of the work of the statutory auditor

Good practices

The supervisory body shall:

annually assess the work carried out by the statutory auditor

the independence and suitability of the latter for the exercise of the functions

propose to the competent body the dismissal or termination of the contract for the provision of services whenever there is just cause to do so

Compliance with the recommendation requires the explicitness of all the duties listed

6 CONCLUSIONS

- We can thus conclude the following:

> In the monitoring regarding 2021, the average degree of compliance with the 53 recommendations of the IPCG CGS 2018 revised in 2020 - broken down into 74 subrecommendations - is 79%.

> This average degree of compliance rises to 88% in the universe of issuer companies that are part of the PSI.

> In comparison with the previous year, there was a slight improvement of 0.55 percentage points (from 78.72% to 79.27%, i.e. always around 79%), an improvement that was more accentuated in the PSI universe (from 83% to 88%).

- These figures result from the operation of two opposing forces:

> on the one hand, the fact that the universe of issuer companies that adopted the revised 2020 version of the 2018 CGS has been extended. In fact, the phase of adaptation to this new version, adopted for the first time by 17% of the companies included in this exercise (among new companies in the market and companies that adopted the 2020 version

> of the Code for the first time), generated understandable difficulties in adjusting their practices to the content of certain recommendations;

> on the other hand, the dialogue between the monitoring team and the issuer companies, together with the stability of the recommendatory framework and the commitment of many issuer companies to improving their corporate governance, have contributed to a positive evolution with regard to the average degree of compliance.

- As in previous years, we have observed qualitative progress in terms of the information provided in the governance reports regarding the practices adopted, attesting to a healthy concern of the issuer companies to meet the recommendatory requirements, and to explain them so that an external observer may verify their compliance. The Executive Accompaniment and Monitoring Committee has continued to play its role in this area, seeking, within the scope of its competences and through the interactions that this exercise allows, to promote the improvement of governance practices and the improvement of their reporting.
- Among the recommendations that were most accepted, the following deserve special mention: establishment of mechanisms for the timely disclosure of information; preparation of minutes of the meetings of the administration and supervisory bodies; disclosure, on the website, of the composition and number of annual meetings of the bodies and committees; establishment of a risk management function, identifying the main

risks to which the issuing company is subject, as well as the monitoring procedures, with a view to their accompaniment; setting of remunerations by committee (or by the general meeting, upon the proposal of the committee); the supervisory body as the main interlocutor of the statutory auditor and first addressee of its reports; imposition, by internal regulation of the supervisory body, of this body to oversee the adequacy of the process of preparation and disclosure of financial information by the management body.

- Amongst the recommendations whose compliance grew most, those which concern, in particular, the following shall be highlighted: assessment and issuance of an opinion by the supervisory body on the risk policy and strategic guidelines, prior to their final approval by the management body; explicitness of the terms under which the strategy and main policies defined by the company seek to ensure its success and contribute to the community at large; implementation, by the supervisory body, of periodic control mechanisms and procedures to ensure consistency between the risks incurred and the goals set by the management body; inclusion of a majority of independent non-executive members on the nominations committee for senior management; the duty to provide information in the event of a conflict of interests; the formulation of a judgement on the appropriateness of the number of members of the supervisory body; not adopting measures that may harm the economic interest in the transfer of shares and the free appraisal of the performance of members of the board of directors in the event of a

transfer of control or change in the composition of the management body; approval of the maximum amount of compensation to be paid by the company in the event of termination of duties by a member of any company body or committee; the guarantee, by the remuneration committee, of the independence of the consultancy services hired.

- Among the recommendations that were *least accepted were* the following: appointment of a coordinator for independent members of the board of directors; assessment and say, by the supervisory body, on the strategic guidelines and risk policy defined by the management body, prior to its final approval by this body; approval, by the management body, of the rules on the performance by executive members of the board of directors of executive duties outside the group; existence of a committee to monitor and support the appointment of senior management; promotion, by the company, that the proposals for election of members of the governing bodies are accompanied by substantiations on the suitability of the profile, knowledge and curriculum of each candidate for the function to be performed; existence of specialised committees on nominations and corporate governance; establishment of criteria and requirements relating to the profile of new members of the governing bodies, considering individual attributes and diversity requirements.
- The results obtained, as reported in this Annual Report, clearly demonstrate the commitment of all those involved in the monitoring process to continue to consolidate the good governance practices already adopted, as well as to improve the governance solutions of the companies listed on the Portuguese market.

ANNEX I Comparative table (2020-2021) of individual results of the 74 subrecommendations

GLOBAL COMPLIANCE (S+E)

Recommendation	All issuer companies		PSI Issuer companies (20)	
	2020	2021	2020	2021
I.1.1.	100%	100%	100%	100%
I.2.1.	60%	51%	72%	68%
I.2.2.(1)	83%	86%	89%	95%
I.2.2.(2)	87%	86%	94%	95%
I.2.2.(3)	80%	79%	76%	82%
I.2.2.(4)	100%	100%	100%	100%
I.2.2.(5)	100%	100%	100%	100%
I.2.2.(6)	88%	83%	88%	88%
I.2.3.(1)	97%	100%	94%	100%
I.2.3.(2)	100%	100%	100%	100%
I.2.4.	100%	89%	100%	100%
I.3.1.	97%	89%	100%	100%
I.3.2.	97%	91%	100%	100%
I.4.1.	70%	80%	67%	84%
I.4.2.	73%	77%	83%	89%
I.5.1.	90%	91%	100%	100%
I.5.2.	-	-	-	-
II.1.(1)	93%	88%	100%	100%
II.1.(2)	67%	50%	100%	100%
II.2.	86%	82%	94%	95%
II.3.	66%	65%	67%	68%
II.4.	76%	76%	78%	79%
II.5.	75%	75%	67%	68%
II.6.	79%	88%	72%	84%
III.1.	36%	29%	33%	36%
III.2.(1)	79%	74%	94%	94%
III.2.(2)	67%	77%	78%	84%
III.2.(3)	100%	100%	100%	100%
III.3.	69%	71%	76%	94%
III.4.	55%	53%	59%	67%

III.5	-	-	-	-
III.6.(1)	33%	46%	39%	68%
III.6.(2)	27%	51%	33%	68%
III.7.(1)	57%	51%	56%	63%
III.7.(2)	53%	49%	67%	68%
III.7.(3)	87%	74%	89%	89%
IV.1.	63%	46%	67%	47%
IV.2.(1)	89%	94%	82%	94%
IV.2.(2)	89%	91%	88%	94%
IV.2.(3)	93%	94%	88%	94%
IV.3.	60%	74%	67%	84%
V.1.1.(1)	83%	80%	89%	89%
V.1.1.(2)	83%	80%	92%	93%
V.1.1.(3)	85%	77%	88%	89%
V.2.1.	87%	91%	89%	95%
V.2.2.	100%	97%	100%	100%
V.2.3.	47%	56%	39%	53%
V.2.4	93%	85%	94%	95%
V.2.5.	90%	94%	89%	89%
V.2.6.	70%	79%	72%	89%
V.2.7.	97%	94%	100%	100%
V.2.8.	59%	66%	59%	72%
V.2.9.	100%	100%	100%	100%
V.2.10.	85%	86%	88%	89%
V.3.1.	47%	49%	61%	68%
V.3.2.	44%	46%	57%	69%
V.3.3.	58%	71%	44%	70%
V.3.4.	80%	75%	83%	83%
VI.1.(1)	90%	89%	94%	95%
VI.1.(2)	80%	83%	89%	89%
VI.2.	74%	88%	83%	95%
VI.3.	90%	91%	94%	95%
VI.4.	77%	80%	89%	95%
VI.5.	70%	77%	83%	95%
VI.6.(1)	100%	100%	100%	100%
VI.6.(2)	90%	83%	94%	95%

VI.6.(3)	93%	100%	100%	100%
VI.6.(4)	93%	100%	100%	100%
VI.7.	87%	89%	100%	100%
VII.1.1	90%	94%	94%	100%
VII.2.1.	53%	54%	67%	74%
VII.2.2.(1)	97%	97%	94%	100%
VII.2.2.(2)	90%	83%	94%	95%
VII.2.3.	97%	91%	100%	95%

ANNEX II List of monitored issuer companies that adopted the revised IPCG CGS 2018 as revised in 2020 (year of 2021)*

Altri, S.G.P.S., S.A.

Banco Comercial Português, S.A.

Caixa Geral de Depósitos, S.A.

Cofina, S.G.P.S., S.A.

Corticeira Amorim, S.G.P.S., S.A.

CTT - Correios de Portugal, S.A.

EDP - Energias de Portugal, S.A.

EDP Renováveis, S.A.

Estoril-Sol, S.G.P.S., S.A.

Flexdeal SIMFE, S.A.

Futebol Clube do Porto - Futebol, SAD

Galp Energia, S.G.P.S., S.A.

Glintt - Global Intelligent Technologies, S.G.P.S., S.A.

Greenvolt - Energias Renováveis, S.A.

Grupo MEDIA CAPITAL, S.G.P.S., S.A

Ibersol, S.G.P.S., S.A.

* The universe of companies listed here includes the 35 entities that timely adhered to the IPCG CGS 2018 in its 2020 revised version. It does not include, therefore, an issuer company that has still adopted the 2013 CMVM Code; an issuer company that has adopted the IPCG CGS in its original 2018 version; nor another issuer company that, as at the date of the present IPCG Report, had not yet published the approval of its governance report for 2021.

Impresa, S.G.P.S., S.A.
Inapa - Investimentos, Participações e Gestão, S.A.
JERÓNIMO MARTINS, S.G.P.S., S.A.
Martifer, S.G.P.S., S.A.
Mota-Engil, Engenharia e Construção, S.A.
NOS, S.G.P.S., S.A.
NOVABASE, S.G.P.S., S.A.
Pharol, S.G.P.S., S.A
Ramada Investimentos e Indústria, S.A.
REN - Redes Energéticas Nacionais, S.G.P.S., S.A.
Semapa - Sociedade Investimento e Gestão, S.G.P.S., S.A.
SONAE, S.G.P.S., S.A.
SONAECOM, S.G.P.S., S.A.
Sport Lisboa e Benfica - Futebol, SAD
Sporting Clube de Portugal - Futebol, SAD
TEIXEIRA DUARTE - Engenharia e Construções, S.A.
Toyota Caetano Portugal, S.A.
THE NAVIGATOR COMPANY, S.A.
VAA - Vista Alegre Atlantis, S.G.P.S., S.A.

Issuer companies included in the PSI index in 2021

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