

**BYLAWS**

**OF THE**

**SUPERVISORY BOARD**

**OF**

**CORTICEIRA AMORIM, S.G.P.S., S.A.**

## **Article I**

The Supervisory Board is a supervisory body for Corticeira Amorim, S.G.P.S., S.A. activities.

## **Article II**

- 2.1 The members of the Supervisory Board are elected by the company's shareholders in accordance with the provisions of the law.
- 2.2 Separate lists specifying the position to be held by each candidate in the Supervisory Board shall be drawn up for the election.
- 2.3 It is understood that the members of the Supervisory Board shall take office immediately upon being elected.

## **Article III**

- 3.1 The term of office of the members of the Supervisory Board shall be three calendar years.
- 3.2 The members of the Supervisory Board shall serve during all their term of office and until legally replaced. The calendar year in which they are elected, shall count as a full year for the purpose of calculating their term of office.
- 3.3 The members of the Supervisory Board may be re-elected in accordance with the provisions of the law.
- 3.4 The powers and duties vested in the members of the Supervisory Board may not be delegated.
- 3.5 The members of the Supervisory Board may be paid a fixed remuneration for a certain period of time.

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## **Article IV**

- 4.1 The Supervisory Board shall consist of three full members and one or several alternate members.
- 4.2 If a full member of the Supervisory Board is temporarily unable to discharge the powers and duties of his or her office or if he or she ceases to perform the functions of his or her office, that member shall be replaced by an alternate member.
- 4.3 If the Chairperson of the Supervisory Board ceases to hold office before the end of his or her term of office, the other members of the Supervisory Board shall appoint one of their number to be the Chairperson of the Supervisory Board; that appointed member shall hold office for the remaining term of the member being replaced.

- 4.4 An alternate member replacing a full member who has ceased to perform the functions of his or her office shall hold office until the next annual general meeting when any vacancies still existing will be filled.
- 4.5 If no elected alternate member shall be available to fill a full member vacancy on the Supervisory Board, any vacated positions of both full and alternate members shall be filled by election.
- 4.6 In case the situation described in 4.5 above arises, the Supervisory Board must promptly report in writing both to the Chairperson of the group chairing the annual general meeting and to the Board of Directors when the Supervisory Board becomes aware of the situation.

#### **Article V**

- 5.1 The Supervisory Board shall include at least one independent member holding an university degree adequate to perform the duties of the position as well as appropriate expertise in the field of auditing or accounting. The Supervisory Board members must have relevant previous experience in the industry in which the company operates.
- 5.2 The majority of the members of the Supervisory Board, including its Chairman, shall be deemed independent.
- 5.3 Members of the Supervisory Board will be deemed independent if they are neither associated with any specific interest group in the company nor in a position likely to affect their impartiality in terms of analysis or decision-making. In particular, a member of the Supervisory Board will not be deemed independent:
- (a) if he or she is a holder of or a person acting on behalf or for the benefit of a holder of a qualifying holding equal to or higher than 2 percent of the company's share capital; or
  - (b) if he or she has been re-elected for more than two terms of office, whether consecutive or not.
- 5.4 The Supervisory Board, the Chairperson of the group chairing the annual general meeting and the Board of Directors shall be immediately informed in writing by the Supervisory Board member concerned of the occurrence of any situation or event that could compromise, in any way, his or her independence as provided in Section 5.3 above.

#### **Article VI**

- 6.1 No person shall be appointed or elected to be a member of the Supervisory Board
- (a) if he or she is a beneficiary of special benefits from the company;

- (b) if he or she performs managerial functions in the company;
- (c) if he or she is a member of a governing body of a company which controls or forms part of the same group of companies as the company being supervised;
- (d) if he or she is a member of a partnership which controls the company being supervised;
- (e) if he or she provides, either directly or indirectly, services or has significant business relationships with the company being supervised or with a company which controls or forms part of the same group of companies as the company being supervised;
- (f) if he or she holds office in a competing company and acts for or on behalf of that competing company or in any way is bound to protect the interests of that competing company;
- (g) if he or she is a spouse, a relative or a lineal ancestor/descendant up to and including the third degree of kinship of a person who by virtue of the provisions of Sections 6.1 (a), 6.1 (b), 6.1 (c) 6.1 (d) and 6.1 (f) is barred from being appointed or elected to the Supervisory Board as well as if he or she is a spouse of a person covered by the provisions of Section 6.1 (e) above;
- (h) if he or she performs managerial and supervisory functions in five companies, except law firms, companies of chartered accountants and statutory auditors;
- (i) if he or she is a statutory auditor who is barred from being appointed or elected to the Supervisory Board by virtue of the rules governing his or her profession;
- (j) if he or she becomes a bankrupt or insolvent or becomes of unsound mind, or is convicted of any indictable offence and barred from holding public office (even if for a temporary period of time).

6.2 The members of the Supervisory Board are required to report forthwith in writing to the Supervisory Board, the Chairperson of the group chairing the annual general meeting and the Board of Directors the occurrence of any circumstances as specified under Sections 6.1(a) to 6.1(j) above, the occurrence of which will cause the appointment to be vacated.

6.3 The appointment of a person affected by any of the limitations or exclusions set forth in Sections 6.1(a) to 6.1(j) above or in the company's Articles of Association or who does not have full legal capacity shall be null and void.

## **Article VII**

- 7.1 Every member of the Supervisory Board shall be protected against liability; to this end, a security in the amount of at least EUR 250,000 shall be deposited or a liability insurance policy in that same amount shall be issued.
- 7.2 Every member appointed or elected to the Supervisory Board shall begin benefitting from liability insurance coverage within 30 days of his or her appointment or election. That liability insurance coverage will remain in effect until the end of the calendar year following the calendar year in which the Supervisory Board member will cease to hold office for whatever reason whatsoever, under penalty of his or her immediate removal from office.

## **Article VIII**

- 8.1 It is the responsibility of the Supervisory Board to:
- (a) supervise the activities of management;
  - (b) oversee the observance of the law and of the company's Articles of Association;
  - (c) examine the accuracy of general ledger, accounting records and supporting documents;
  - (d) control – as often and in such manner as the Supervisory Board shall think fit – cash assets and any type of assets belonging to the company or in its possession as a result of any guarantees and deposits received by the company;
  - (e) examine the accuracy of financial statements and reports;
  - (f) examine if the accounting policies and valuation criteria used by the company are leading to accurate asset valuation results;
  - (g) prepare every year a report on the Supervisory Board's activities and issue an opinion on the report, the financial statements and the motions submitted by the Board of Directors;
  - (h) call the annual general meeting if the Chairperson of the group chairing the annual general meeting will not do it;
  - (i) assess the effectiveness of the risk management system, the internal audit system and the internal control system, if applicable;
  - (j) receive and deal with any claims regarding anomalous situations reported by shareholders, company's employees or other persons;

- (k) examine claims regarding anomalous situations and request the required explanations about such situations from members of the other company's governing bodies;
- (l) based on the examination carried out under Section 8.1 (k) above, suggest measures for preventing the reoccurrence of any such anomalous situations and inform the Board of Directors as well as the relevant internal or external bodies (as the case may be) of such measures; the identity of the whistleblower must be safeguarded and his or her personal information must not be disclosed except as otherwise expressly authorized by the person concerned;
- (m) hire services of experts and consultants to assist members of the Supervisory Board in better performing their duties; the importance of the matters to be dealt with by such experts and the financial situation of the company shall be taken into account before engaging such experts and agreeing on the remuneration to be paid to each of them; the Board of Directors has to be previously informed about the scope and conditions of any such provision of services;
- (n) examine and issue a prior opinion on transactions with qualified shareholders according to the Supervisory Board bylaws;
- o) dispense with the services of a director:
  - (o.1) if his or her state of health will prevent a director from performing temporarily his or her duties as a member of the Board;
  - (o.2) if any other personal circumstances will prevent a director from performing the duties of his or her office for a period of more than 60 days and the director concerned shall request the Supervisory Board his or her temporary suspension from office or the Supervisory Board shall feel this temporary suspension appropriate in order to protect the interests of the company;
- (p) fix the termination of a director's employment if, after his or her appointment to the office of director, a circumstance will occur and will negatively affect the duly performance of a director's duties and the director concerned will not be willing to leave office or he or she will not commence to remedy such situation within a 30 days' period;
- (q) perform all the other duties and obligations laid down in law and in the company's Articles of Association.

8.2 It is the responsibility of the Supervisory Board to:

- (a) consider the report of the directors, the financial statements and either the statutory certification of accounts or the explanatory statement regarding their non-certification as well as the additional report to be

prepared by the Statutory Auditors pursuant to Article 24 of Law no. 148/2015;

- (b) if the Supervisory Board adopts the statutory certification of accounts or the explanatory statement regarding their non-certification, this fact has to be expressly stated in the report of the Supervisory Board;
- (c) if the Supervisory Board does not adopt the statutory certification of accounts or the explanatory statement regarding their non-certification, the reasons for such a decision must be clearly stated in the report of the Supervisory Board;
- (d) send the report and the recommendation prepared by the Supervisory Board to the Board of Directors within a 15-days' period counted from the date of actual receipt of the above financial data;
- (e) state in the report and in the recommendation to be prepared by the Supervisory Board that as far as the report of the directors, the financial statements and any other annual financial statements required by law or by the Portuguese Securities Market Commission is concerned and to the best of the Supervisory Board's knowledge, all these documents are found to be in conformity with the applicable accounting principles and truly and appropriately reflect the financial position of the company, of its assets and liabilities, and of the companies included in the consolidation; it must be also stated that the report of the directors gives an accurate picture of the company's business performance and its financial position and of the companies included in the consolidation as well as a description of the principal risks and uncertainties facing the company.

8.3 It is also the responsibility of the Supervisory Board to:

- (a) monitor the financial reporting process and submit recommendations and proposals to ensure its integrity;
- (b) select the statutory auditors to be proposed at the annual general meeting and the justified preference for one of them;
- (c) monitor the statutory audit of the financial statements, both in individual and consolidated basis, in particular, its preparation, taking into account any findings and conclusions by the Portuguese Securities Market Commission;
- (d) review and monitor the independence of the Statutory Auditors under the law, including obtaining formal written confirmation from the statutory auditors pursuant to Articles 63 and 78 of the Bylaws of the Portuguese Institute of Statutory Auditors that they are independent and, in particular, the appropriateness and approval of the provision of services other than the audit services;
- (e) certify whether the disclosed report on corporate governance structure and practices contains the information required to be disclosed under Article 245-A of the Portuguese Securities Market Act.

- 8.4 The members of the Supervisory Board shall, jointly or severally, at any time supervise and monitor the procedures relating to the supervision which the members shall think fit in order to duly discharge the supervisory powers and duties vested in them.
- 8.5 If the members of the Supervisory Board shall learn of any circumstance that may adversely affect the company's ordinary course of business, they must inform forthwith the statutory auditor of that circumstance by registered letter.

#### **Article IX**

- 9.1 In order to carry out the duties and responsibilities of the role, the Supervisory Board or any of its members may:
- (a) require the Board of Directors to produce or make available for inspection and examination the company's general ledger, records and documents as well as check the inventory of any type of assets such as cash, securities and commodities;
  - (b) seek information and explanations from the Board of Directors or any director on the development of the company's transactions or business or any part thereof;
  - (c) obtain the required information from third parties in order to have an adequate explanation for any transactions carried out by any such third parties on behalf of the company;
  - (d) attend board meetings whenever he or she deems it convenient.

#### **Article X**

- 10.1 The members of the Supervisory Board shall act with due skill, care and diligence in the best interests of the company. The members of the Supervisory Board have also a duty to:
- (a) attend Supervisory Board meetings, annual general meetings as well as Board meetings convened at the request of the Chairperson of the Board of Directors or at which meetings the annual financial statements of the company shall be considered;
  - (b) conduct supervision in an impartial and scrupulous manner;
  - (c) without prejudice to the provisions of Section 10.3 below, treat in confidence and not to disclose to third parties material information (including actual, existing or easily predictable facts, irrespective of their degree of formalization, which facts and information may influence the price formation process of securities or financial instruments and might be used by any investor who might have access to such material information to base, in whole or in part, his or her investment decisions) obtained by them by reason of their position as members of the Supervisory Board;

- (d) inform the Board of Directors of any supervisory and control procedures conducted by the Supervisory Board and the result of such procedures as well as inform the Board of the outcome of the statutory audit and explain how the statutory audit contributed to the integrity of financial reporting (preparation and dissemination) and what the role of the supervisory body was in that process;
  - (e) inform the forthcoming annual general meeting of any anomalous situations that the Supervisory Board might have learnt of and whether the Supervisory Board members have obtained all explanatory information requested;
  - (f) lay down in writing any claims received and measures implemented as well as any supervisory and control procedures that the Supervisory Board has conducted and the result of such measures and procedures.
- 10.2 The members of the Supervisory Board shall refrain from using trade secrets or proprietary information obtained by them by reason of their position as members of the Supervisory Board, except as otherwise expressly authorized by the annual general meeting;
- 10.3 The members of the Supervisory Board shall inform the Public Prosecutor's Office of any offence that they might have learnt of and which offence is considered to be a crime.
- 10.4 The office of a Supervisory Board member shall be vacated if, during a financial year, he or she shall have been absent twice without good reason from meetings of the Supervisory Board or absent once from an annual general meeting or absent twice from meetings of the Directors as set forth in Section 10.1(a) above.

#### **Article XI**

- 11.1 The Supervisory Board shall meet whenever the Chairperson of the Supervisory Board so decides or upon request of two members of the Supervisory Board.
- 11.2 The Supervisory Board shall meet at least every quarter.
- 11.3 At least 8 days' written notice of a meeting shall be given to every member of the Supervisory Board. The agenda for the meeting and the supporting documents shall be distributed to every member of the Supervisory Board not later than the end of the third business day prior to the meeting.
- 11.4 In case of urgent matters, the Supervisory Board may meet without complying with notice and posting requirements, provided that its members express their wish to meet and transact business with respect to a particular matter.
- 11.5 No business shall be transacted at a Supervisory Board meeting unless a majority of members is present.
- 11.6 A Supervisory Board member attending a Supervisory Board meeting through the use of telematics means duly guaranteeing the simultaneous transmission

and reception in real time of images and voice is deemed to be present at such meeting provided that such telematics means ensure the security and authenticity of information exchanged. The use of telematics means shall be approved by a majority of attendants immediately before the beginning of the meeting.

- 11.7 In addition to the members of the Supervisory Board, the Supervisory Board meetings may be attended by Directors, company's officers and officers of member companies, the Statutory Auditor and even third parties, provided that the Supervisory Board deems it appropriate in view of the matters to be discussed or transacted at the meeting.
- 11.8 The Chairperson of the Supervisory Board shall determine the agenda for the meetings. Any member of the Supervisory Board may request that additional items be added to the agenda. Such requests must be made as soon as possible to the Chairperson of the Supervisory Board and must be accompanied by supporting documents.
- 11.9 Resolutions shall be adopted by a simple majority of the members present. If a Supervisory Board member shall not agree with a certain resolution adopted by the other members, the reasons for such disagreement shall be recorded in the meeting minutes.
- 11.10 Voting methods shall be determined by the Chairperson of the Supervisory Board, unless otherwise required by mandatory law.
- 11.11 The Chairperson of the Supervisory Board has a casting vote in Board decisions.
- 11.12 The minutes of every meeting shall be drawn up and signed by all Supervisory Board members attending the meeting.
- 11.13 The minutes shall include the identification of the Supervisory Board members attending the meeting, a summary of the most important supervisory activities carried out by any Supervisory Board member and the resolutions adopted.
- 11.14 Draft minutes by e-mail shall be circulated to all members of the Supervisory Board for their approval. The minutes will only be subject to formal resolution at a next meeting if consensus cannot be reached that way.

## **Article XII**

The invalidity of any provision hereof by virtue of any amendment made to the law or to the company's Articles of Association shall not affect the validity of the remainder of these bylaws. At the forthcoming Supervisory Board meeting, the Supervisory Board shall amend any invalid provision as may be requisite to give full effect to the terms of these bylaws.

**Mozelos, Portugal, 21<sup>st</sup> July 2016**