
Corticeira Amorim

Remuneration Policy

2022-2024 Triennium

(Approved at the General Meeting of 28 April 2022, at the proposal of the Board of Directors, which submitted to the Shareholders the independent proposal of the Remuneration Policy formulated by the Appointments, Evaluation and Remuneration Committee)

This Remuneration Policy is submitted in compliance with Articles 26-A and following of the Portuguese Securities' Code:

1. General principles

This Remuneration Policy is based on principles of simplicity, clarity and transparency and is in line with the best practices and trends in the market, seeking to strengthen the values, skills and conduct of the governing bodies and employees, in favour of developing the sustainable growth strategy of the Corticeira Amorim Group.

The Remuneration Policy of the Corticeira Amorim Group is based on the following general principles to:

- a) Attract, motivate and retain the most qualified and competent professionals to carry out their duties in the Company;
- b) Also ensure that the total remuneration and the respective structure (fixed and variable components) are competitive in relation to global market practices and promote high levels of performance and professionalism;
- c) Encourage increased efficiency and productivity and the creation of long-term value for shareholders, in view of the alignment with the company's appetite for risk and the sustainable growth of results;
- d) Stimulate the social and environmental responsibility and sustainable performance of the Corticeira Amorim Group.

This policy will contribute to achieving the Company's strategy through defining the evaluation criteria (indicators proposed by the Appointments, Evaluation and Remuneration Committee) aligned with the strategic objectives of the Company itself, its long-term interests and its sustainability.

The Members of the Presiding Board of the General Meeting, the Board of Directors and the Statutory Auditor of Corticeira Amorim are appointed and re-elected for a statutory period of three calendar years. Notwithstanding this, the Annual General Meeting, when voting on the management report, the financial statements and the proposal for appropriation of profit, may decide to remove the members of the Board of Directors, with the exception of the directors comprising the Audit Committee, who may only be removed from office on justifiable grounds.

Payments arising from the termination of office of members of any of the Company's bodies or committees are those stipulated in the general law, and the Company is forbidden from establishing specific agreements that may allow the payment of other compensation.

It is not the Company's policy to pay the following to the members of its corporate bodies:

- share allotment plans and/or options to acquire shares of the Company or based on variations in the price of its shares; or
- complementary pension systems or plans.

The members of the governing bodies of the Corticeira Amorim Group do not receive, by way of remuneration, any pecuniary benefit.

2. Sustainability

The variable component of the remuneration of executive members shall be consistent with the maximisation of the long-term results of the Company (annual and multi-annual (for a period of three years) variable remuneration, ensuring the alignment of the performance of the management body with the interests of the shareholders, also taking into consideration the interests of other *stakeholders* relevant to the sustainability of the Company.

These interests include those of Corticeira Amorim's male and female employees, who, along with the shareholders and directors, form the base of the economic activity of the Company. The interests of male and female employees to be considered will mainly be those concerning (i) decent and fair remuneration, (ii) working conditions that are decent, safe, healthy and balanced from a physical, social and psychological point of view and (iii) the preservation of the respective jobs.

The multi-annual variable remuneration defers, for a period of three years, a significant part of the variable remuneration which is thus linked to the performance of the Company over this long-term period, further contributing to the performance of the executive members of the Board of Directors aligned with the long-term interests and the sustainability of the Company.

3. Male and Female Employees

In establishing this Remuneration Policy, the employment and remuneration conditions of the male and female employees were also considered through analysing the different in remuneration between these and the members of the management and supervisory bodies and their respective responsibility and level of risk that the specific duties of each one of them represents.

Corticeira Amorim's business is governed by collective bargaining agreements for the cork industry (relating to factory and office workers), entered into by the Portuguese Cork Association (APCOR) and by the sector's trade unions.

With regard to professional groups concerning industrial positions that require direct, indirect and administrative types of labour, the basic (fixed) remuneration benchmarks function as minimum fixed remuneration limits. At Corticeira Amorim, nowadays, these remunerations are complemented with variable bonuses linked to the degree of achievement of certain (individual and team) objectives, such as: allowances indexed to working time (shift, night work); bonuses associated with attendances (monthly and annual attendance) as well as bonuses related to productivity, quality, accident reduction and attendance targets (results, goals and attendance bonus). The objective is to increasingly differentiate and expand this practice, aligning male and female employees in this segment with a logic of objectives and teamwork.

For middle and senior management positions, the Company values a fixed component, in harmony with market values, and a system of variable remuneration linked to goals for one year and three-year cycles, privileging the attainment of individual and team goals, but with a greater weighting in the achievement of Company results.

The aim of this policy and this alignment of incentives is to guarantee to attract and retain professionals with the required skills, thereby reinforcing a company culture in which individual performance is placed at the service of a greater collective good: the sustainability of the company.

Depending on the overall results each year, and whenever possible, the company seeks to award a global and equal bonus to all its Employees as a share in company profits.

4. Presiding Board of the General Meeting

The Members of the Presiding Board of the General Meeting shall exclusively receive a fixed remuneration, paid twelve times a year, determined based on a proposal from the Appointments, Evaluation and Remuneration Committee, which shall be in line with the Remuneration Policy, with the situation of the Company, with market practice, with the responsibilities inherent to the positions held and the technical and professional credentials shown.

5. Statutory Auditor

The remuneration of the **Statutory Auditor** is in the form of a provision of services. This is established annually, considering the characteristics of the Company and market practices. It is the Audit Committee's responsibility to select the Statutory Auditor to propose to the General Meeting, as well as to propose the respective remuneration.

The remuneration of the Statutory Auditor will correspond to the amounts stated in the contract for the provision of statutory auditing services, entered into with the Company, which covers almost all of its subsidiaries.

6. Board of Directors

The Members of the Board of Directors, including an Audit Committee, shall be paid adequate remuneration taking into account:

- the individual remuneration package agreed upon between the Company and each Director;
- observance of the principles of internal equity and external competitiveness, taking into account relevant information disclosed by the main Portuguese economic groups on their remuneration policies and practices.

6.1. Non-executive Directors

Non-executive members of the Board of Directors may be remunerated or not, when considering the availability required and the duties actually carried out both within and without the Corticeira Amorim Group.

In the event of being remunerated, the remuneration of Non-executive directors will exclusively consist of a fixed component payable in twelve instalments per year following a proposal from the Appointments, Evaluation and Remuneration Committee in accordance with this Remuneration Policy, along with best international practices and considering their specific responsibilities and the availability required for their specific duties.

The non-executive members of the Board of Directors who form part of the Audit Committee shall exclusively be paid a fixed remuneration payable in twelve instalments per year, in line with market practice and the responsibilities inherent to the position held and the technical and professional knowledge and skills they have demonstrated. In line with market practices, the remuneration of the members of the Audit Committee may be differentiated, namely with regard to its Chairperson, due to the particular functions which are undertaken.

The remuneration of non-executive members of the management body shall not include any component, the value of which depends on the performance of the Company or its value, nor any additional benefits.

No contracts with the non-executive directors have been entered into.

6.2. Executive Directors

Whenever appropriate and feasible, the remuneration of the Executive members of the Board of Directors should consist of a fixed remuneration, to which is added a variable remuneration, by way of a share in the company's profits, in the form of: (i) an annual bonus based on the performance of the companies of the Corticeira Amorim Group, and (ii) a multi-year bonus (deferred for a period of three years) for achieving the Company's long-term goals.

6.2.1. Fixed Remuneration

The fixed component of the remuneration corresponds to a monthly payment, paid 14 times a year, following a proposal by the Appointments, Evaluation and Remuneration Committee, considering this Remuneration Policy, the nature of the functions and responsibilities assigned and the practices observed in the market in relation to equivalent positions in large national and international companies operating in the same sectors.

6.2.2 Variable Remuneration

The attribution of the variable component of the remuneration is aimed at creating a competitive remuneration framework and implementing an incentive scheme that ensures the alignment of the interests of executive directors with the interests of the Company and its stakeholders, within a perspective of medium and long-term economic, social and environmental sustainability.

The actual amount of the variable pay shall depend on the appraisal to be carried out every year by the Appointments, Evaluation and Remuneration Committee (made up mainly of independent non-executive directors) on the performance of the Board members, examining the contribution of each individual executive director to both the Company's profit in the relevant financial year and compliance with the Company's targets and implementation of the medium/long-term strategies adopted by the Company.

The variable remuneration of the executive directors includes two components:

- Annual variable remuneration. Each year, the objectives and goals for the Corticeira Amorim Group are established and cascade down to the different areas of responsibility, with the respective performance assessment of the Corticeira Amorim Group carried out based on the consolidated net income achieved for each year. The payment of the annual variable remuneration component, if any, may only be made after the accounts for the corresponding financial year have been determined.
- Three-yearly variable remuneration. Goals for each three-year cycle for the Corticeira Amorim Group are established for this component. The three-yearly performance assessment is based on achieving consistent results over three years combining the evolution of the consolidated net income and the results obtained in the ESG aspects measured by the Sustainability Index, the indicator made up of the main objectives and goals of the ESG dimensions. Payment of the tri-annual variable remuneration component, if any, may only be made after determining the accounts for the last year of the applicable three-year period, with its payment deferred into two instalments, the amounts and dates of which are determined as follows:
 - 1/2 immediately after determining the accounts for the financial year corresponding to the last year of the applicable three-year period ("Initial Payment");
 - 1/2 in the twelve-month period after the date of the "Initial Payment".

The value of the annual variable remuneration to be awarded shall not exceed the maximum potential limit of 60% of the annual fixed remuneration and the value of the three-yearly variable remuneration shall not exceed the maximum potential limit of 60% of the fixed remunerations in the respective three-year period, which is understood to be a reasonable proportion between the variable remuneration and the fixed remuneration, and is in line with generally recognised practices

in the national and international market. Considering the current organizational model and the special duties assigned to him/her, the annual variable remuneration of the Chairperson of the Board of Directors shall not exceed the maximum potential limit of 80% of annual fixed remuneration and the value of the three-yearly variable remuneration shall not exceed the maximum potential limit of 80% of the sum of the fixed remunerations in the respective three-year period.

Since the payment of variable remuneration depends on achieving medium and long-term goals, its value is automatically adjusted if results show a significant deterioration in the Company's performance in some of the financial years assessed. In this situation, the three-yearly (deferred) variable remuneration will not be paid to the executive director. If the variable remuneration, in whole or in part, has been unduly awarded, even though it has been paid its reimbursement may be demanded, whether or not the beneficiary is still employed by the Company.

The determination of the annual and/or triannual variable remuneration may consider reasonable adjustments regarding exogenous factors and unforeseen economic decisions, as well as those necessary to ensure comparability, which are appropriate to encourage the objectives of the management, following a duly substantiated proposal from the Appointments, Evaluation and Remuneration Committee.

In the event of the departure of an executive director of the Corticeira Amorim Group: (i) before the end of a financial year it shall determine the loss of the annual variable remuneration for that year, (ii) before the end of the three-year period, it shall determine the attribution only in proportion (*pro rata*) of the three-year variable remuneration for that period if this were to be the case, in relation to the financial years which he or she completed in office during the three-year period of the current three-year period.

The remuneration of the executive directors of the Corticeira Amorim Group includes all the remunerations due for undertaking positions in governing bodies in other companies of the aforementioned group.

The members of the Board of Directors are prohibited from concluding contracts with the Company or with its subsidiaries and/or companies in which it holds an interest, which may mitigate the risk inherent to the variability of the remuneration as determined by the Company.

No contracts with the executive directors were entered into.

7. Decision-making process

The Appointments, Evaluation and Remuneration Committee, nominated by the Board of Directors and composed mainly of independent Directors, is responsible for formulating the proposal on the Remuneration Policy for the members of the governing bodies. This is subsequently sent to the Board of Directors so that it may be considered and submitted to the General Meeting of Shareholders for approval as an independent proposal.

Whenever this Remuneration Policy is revised, the respective proposal shall be accompanied by documentation describing and explaining all the relevant amendments introduced and how such changes reflect the votes and opinions expressed by the shareholders regarding the Remuneration Policy, as well as the reports provided for in Article 26-G of the Portuguese Securities' Code issued on the said policy since the last vote on this at the General Meeting.

8. Final Provisions

As stated in the respective minutes of the General Meeting of Shareholders held on 28 April 2022, the present Remuneration Policy of the Corticeira Amorim Group received a favourable vote of 107,623,767 shares, representing 80.920% of the share capital of the company with 109,766,905 shares having participated in the decision-taking procedure, such that the percentage of those who voted favourably with regard to the aforementioned Policy was 98.036%, with this having immediately entered into force for the 2022-2024 three-year period.