

# **REMUNERATION COMMITTEE OF RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

**SHAREHOLDERS' ANNUAL GENERAL MEETING OF  
RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.  
TO BE HELD IN ITS HEAD OFFICE ON 28<sup>TH</sup> OF APRIL 2023  
AT 11:30 HOURS**

**PROPOSAL  
OF THE REMUNERATION COMMITTEE  
CONCERNING  
POINT SEVEN ON THE AGENDA**

*(translation of a document originally issued in Portuguese)*

## **THE REMUNERATION POLICY OF THE GOVERNING BODIES**

The Remuneration Committee of RAMADA INVESTIMENTOS E INDÚSTRIA, S.A., ("**RAMADA**" or "**Company**") proposes to the Shareholders' General Meeting the approval of the Remuneration and Compensation Policy of the Corporate Bodies ("**Remuneration Policy**").

### **1. LEGAL FRAMEWORK**

This policy was prepared as provided for in articles 26-A and following of the Securities Code ("CVM"), as well as the recommendations of the Corporate Governance Code of the Portuguese Institute of Corporate Governance 2018 (and revised in 2020), hereinafter referred to as the IPCG code.

### **2. PRINCIPLES OF RAMADA'S CORPORATE BODIES POLICY**

RAMADA's Corporate Bodies Remuneration Policy is based on the assumption that competence, dedication, availability and performance are the determining elements of good performance, and that only with good performance is it possible to ensure the necessary alignment with the company's interests and its shareholders.

In view of the Company's interest, culture and long-term strategy, RAMADA's Corporate Bodies Remuneration Policy aims, as established in article 26-C, no. 1, of the CVM, to "*contribute to the company's corporate strategy, its long-term interests and its sustainability*".

In particular, the Remuneration Policy aims to:

- Attract and retain the best professionals for the functions to be performed, providing the necessary conditions of stability in the exercise of functions;
- Reward performance, by means of remuneration appropriate to the mechanisms for defending the interests of Shareholders, discouraging excessive risk-taking, by providing for mechanisms for deferring variable remuneration;
- Reward the focus on continuous improvement, productivity and the creation of long-term value for shareholders;
- Reward environmental sustainability and energy efficiency of the Company.

This Policy is based on criteria aimed at the sustainability of the Company, is aligned with comparable benchmarking and, complying with legal requirements, is based on the following vectors:

## **REMUNERATION COMMITTEE OF RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

### **1. Responsibility inherent to the functions performed**

The functions performed and the responsibilities assumed by each member are, necessarily, taken into account in the definition of remuneration. Not all members are in the same position, which imposes a carefully case-by-case definition. In assessing the level of responsibility, the time of dedication, the requirement imposed by the areas under their supervision and the functions performed in the subsidiaries must be considered.

### **2. The Company's economic situation**

The definition of remuneration must be compatible with the size and economic capacity of the Company, while ensuring adequate and fair remuneration.

### **3. Market standards**

The observance of market rules, through a comparative exercise ("benchmark"), is essential to pay adequately and competitively, taking into account the practice of the reference market (nationally and internationally), the activity developed and the results obtained.

### **4. Alignment of management interests with the Company's strategic objectives**

The definition of remuneration should be based on criteria for assessing performance and objectives, of a financial and non-financial nature, in line with the Company's corporate strategy and which ensure the Company's long-term sustainability.

### **5. ESG commitment**

The objectives associated with the definition of remuneration must be associated with the performance of the Company in environmental, social and corporate governance (ESG) indicators, reflecting the commitment to sustainable development, especially in the context of environmental sustainability, of the Company, as well as the permanent fulfillment of the Company's ethical values and principles and which constitute a cornerstone in the way it is structured and related to all stakeholders.

### **6. Conditions of employment and remuneration of workers**

The defined remunerations must take into account the conditions of employment and remuneration of the Company's employees, which is achieved through a comparative exercise ("benchmark") with the reference market (nationally and internationally), with reference to functions equivalent, in order to guarantee internal equity and a high competitive level.

The RAMADA's Remuneration Committee understands that these principles are in accordance with the legislative and recommendatory framework in force, reflecting, in the same way, that which is the Company's view on this matter.

## **BOARD OF DIRECTORS:**

The RAMADA's Remuneration Committee, in line with the Company's organizational model and the principles described above, took into account the following measures:

- i. reinforcement of the need to maintain a process for setting goals and evaluating performance;
- ii. ensure consistency between quantitative and qualitative objectives;

## **REMUNERATION COMMITTEE OF RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

- iii. ensure that the quantitative objectives of the Executive Directors are in line with the quantitative objectives of the most relevant staff of the Company.

### **Non-Executive Directors**

- iv. the remuneration of non-executive directors comprises only a fixed component, corresponding to a fixed monthly remuneration, the amount of which is determined by the Remuneration Committee and reviewed, if necessary, on a periodic basis taking into account best practices and the responsibilities of each non-executive director; In line with market practices, the remuneration of non-executive directors may be differentiated (i) by the special functions of representing the Company that may be assigned to each one; (ii) by the experience and know-how in executive functions previously exercised in the Company, as well as (iii) by the business knowledge and know-how in the sector of activity in which the Company operates;
- v. the non-executive directors, in function of the experience acquired over the years in executive functions and the profound knowledge and know-how of the Company's business that they are recognized for, may also receive a differentiated remuneration as a result of the value they contribute to the company under the terms referred to in the previous paragraph.

### **Executive Directors**

- vi. the remuneration of executive directors includes two components:
  - a) fixed component, corresponding to an amount paid monthly;
  - b) variable component, which includes a short-term variable premium and a medium-term variable premium.

### **Short-Term Variable Premium**

The short term variable premium is paid annually and cannot be higher than the annual fixed remuneration.

### **Medium Term Variable Premium**

The variable component is designed to align more closely the interests of the executive directors with those of the shareholders and will be calculated covering the full period of a mandate, corresponding to the period between 2020 and 2025, based on:

- Total shareholder return (share appreciation plus dividend distributed);
- Sum of the net results of the 5 years (2020 to 2025);
- Evolution of the Group's business.

The total value of the medium-term component cannot exceed 50% of the fixed remuneration earned over the 5-year period.

## **REMUNERATION COMMITTEE OF RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

### **Variable Remuneration Allocation Criteria**

- i. the variable component (short and medium term) is determined in accordance with the individual performance of each executive director, taking into account the respective annual individual assessment, in accordance with previously defined quantitative (of a financial and non-financial nature) and qualitative objectives;
- ii. quantitative and qualitative objectives are long-term in nature and therefore have a timeframe that may extend over one or more years;
- iii. individual quantitative objectives must reflect the Company's financial performance, namely its growth and the return generated for shareholders. The financial indicators must take into account the Company's strategic objectives, in particular the evolution of the Company's turnover and results and the financial and capital strength of the Company;
- iv. individual qualitative objectives must reflect the achievement of environmental, social, corporate governance and team management capacity indicators;
- v. the individual performance assessment process for each executive director is annual and must be supported by concrete evidence, made available to the RAMADA's Remuneration Committee;
- vi. In addition to the variable component that may be attributed to the executive directors, no non-monetary benefits are attributed to the members of the management body, other than the means made available to them for the performance of their duties and a personal health and accident insurance policy in accordance with market practices.

### **Process for determining the variable remuneration:**

- (i) An internal evaluation process is observed, always based on the criteria of the Remuneration Policy;
- (ii) In this internal evaluation process, non-executive directors may be invited to participate who may contribute, due to their experience and know-how in certain areas, to the evaluation process in question;
- (iii) The Remunerations Committee analyses the internal evaluation process carried out, in light of the current Corporate Body Remuneration Policy and finally confirms, in view of the available information, the adequacy and general coherence of the process, setting the variable remuneration.

### **Special Rules Applicable to the Remuneration of Directors**

- The overall fixed remuneration of the Board of Directors, including remuneration paid by subsidiaries to members of the Board of Directors, shall not exceed 750,000 Euros per annum;
- The variable component of the remuneration, once determined, awarded and paid, cannot be refunded by the executive director who has received it, even in the event of early termination, for whatever reason, of his functions, without prejudice to the Company's general right to compensation in the event of damage caused by the actions of the executive directors, which includes the right to withhold amounts awarded, but not yet paid, as a variable component of remuneration;

## **REMUNERATION COMMITTEE OF RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

- In view of the different business areas covered by the Company, it is considered appropriate that the payment of the fixed and/or variable component of the remuneration of executive directors may be divided between the Company and subsidiary companies, or paid only by subsidiaries whose management bodies comprise them, in accordance with the terms to be defined by RAMADA's Remuneration Committee;
- If contracts are signed with members of the management or supervisory bodies for contractual regulation, such contracts shall not exceed the term of office without prejudice to the principle of contract renewal concurrently with the renewal of the term of office, and without specifically applicable notice periods.

Thus, and based on the measures listed above, and the RAMADA's Remuneration Committee's understanding, the remuneration of executive directors (and, well, non-executive directors) is adequate and, as established in article 26.- C, no. 1, of the CVM, "contributes to the company's corporate strategy, to its long-term interests and to its sustainability."

### **SUPERVISORY BOARD**

The remuneration of the members of the Supervisory Board shall be based on fixed annual amounts considered appropriate for the function.

### **GENERAL SHAREHOLDERS' MEETING**

The remuneration of the members of the Board of the Shareholders' General Meeting shall be exclusively fixed and shall respect market practices.

### **STATUTORY AUDITOR**

The Statutory Auditor shall receive a fixed remuneration that is appropriate for the function benchmarked against the market, under the supervision of the Supervisory Board.

The remuneration will be established in the respective service agreement to be entered into for this purpose, under the supervision of the Supervisory Board.

### **SUPPLEMENTARY PENSION OR EARLY RETIREMENT SCHEMES:**

There are no supplementary pension or early retirement schemes in place at the present date.

### **CONFLICTS OF INTEREST:**

The Remuneration Committee shall be responsible for identifying and resolving any situations of conflict of interest that may be related to the Remuneration Policy and any of the persons or entities covered by it. A conflict of interest is considered to exist whenever: (i) the applicable law and regulations so determine, as well as when the private interest of any member of a corporate body interferes, in any way, with this Remuneration Policy and/or when (ii) the performance of the duties of any member of a corporate body may contradict or negatively impact the criteria for setting the remuneration of such member or of the other members of this corporate body.

Any situation of conflict of interest that is identified by the Remuneration Committee and that it cannot resolve within a reasonable time considering the circumstances, shall be submitted to the appreciation and decision of the General Meeting of the Company.

# **REMUNERATION COMMITTEE OF RAMADA INVESTIMENTOS E INDÚSTRIA, S.A.**

## **SCOPE OF APPLICATION:**

This policy applies not only to remuneration paid directly by RAMADA, but also to all remuneration that is paid by companies directly or indirectly controlled by RAMADA, pursuant to Article 21 of the Securities Code, to members of RAMADA's Governing Bodies.

## **POLICY APPROVAL, AMENDMENT AND REVISION:**

Approval: The Company's Remuneration Policy is prepared by the Remuneration Committee and submitted to the General Meeting for approval.

Amendment: Any amendment to the Remuneration Policy must always be proposed by the Remuneration Committee to the General Meeting of the Company for approval. Any corporate body may request to the Remuneration Committee an amendment to the Remuneration Policy, and should submit a written request, duly substantiated. The Remuneration Committee will assess the relevance and adequacy of such request, and shall submit a written response, also duly substantiated, on the conclusions of its analysis and on the procedures to be adopted.

Review: The Remuneration Committee reviews the Remuneration Policy on a three-yearly basis at the end of each term of office, making any changes it deems appropriate in the light of best governance practices, the objectives underlying the remuneration of the members of the Company's governing bodies, the recommendations of the entities with powers in this area, with a view to adapting the policy to best market practices and the sustainable development objectives of the Company.

Procedure: Amendments and revisions to the Remuneration Policy should always be contained in a proposal prepared by the Remuneration Committee and submitted to the General Meeting, in which the reasons for such proposal should be explained and the proposed changes clearly identified. The amended or revised Remuneration Policy will come into force on the first working day following its approval by the General Meeting, and the consolidated version of the Remuneration Policy should be published as required by law.

## **POLICY DURATION**

The Remuneration Policy is in force for periods of three years, coinciding with the Company's mandates, and comes into force on the first working day following its approval by the General Meeting.

Oporto, 6<sup>th</sup> of April 2023

The Remuneration Committee