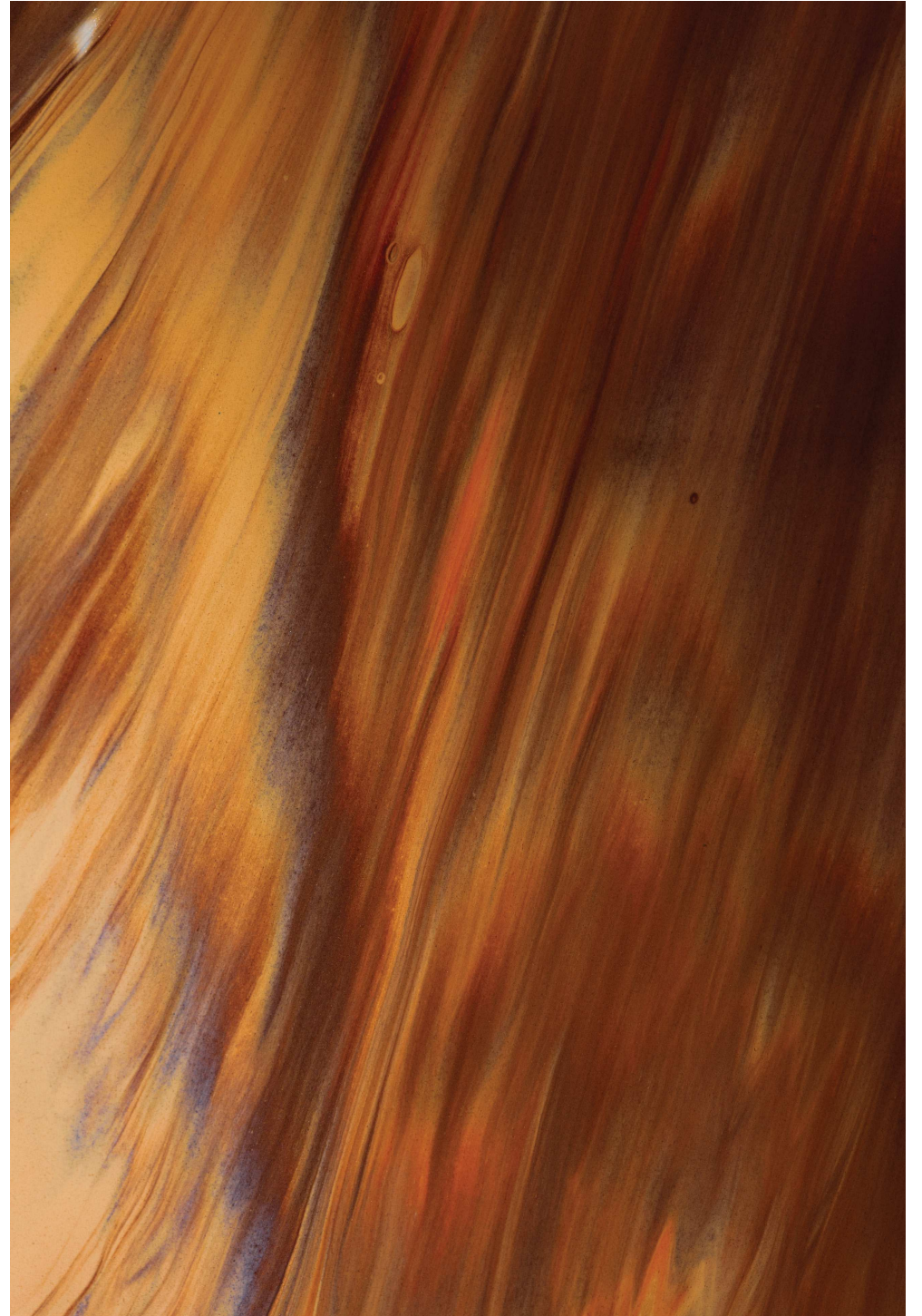


NOVABASE

CORPORATE GOVERNANCE REPORT

LISBON



CORPORATE GOVERNANCE REPORT

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PART I – INFORMATION ON SHAREHOLDER STRUCTURE,
ORGANIZATION AND CORPORATE GOVERNANCE

A. SHAREHOLDER STRUCTURE

I. Capital Structure

1. *Shareholder base (share capital, number of shares, share distribution to shareholders), including indication of shares not admitted to trading, different categories of shares, underlying rights and duties and the percentage of capital that each category represents (article 245-A, paragraph 1, sub-paragraph a).*

General Information on Capital Structure

General Information on Capital Structure	
Share capital on 31 December 2020 (€)	54,638,425.66
Total shares	31,401,394
Number of unlisted shares	0
Different categories of shares	Only ordinary shares exist

The company's share capital is fully paid up.

Ordinary shares grant general rights such as the right to vote, to participate in general meetings of shareholders, to receive information, profit sharing and pre-emptive rights in capital increases, as well as the generally applicable obligations of capital contributions and loyalty.

There are no categories of shares with special rights.

Shareholdings

Holding subject to NOVABASE Shareholders' Agreement	Number of shares	% share capital and voting rights
HNB - SGPS, S.A. ¹	9,134,829	29.09%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	6.68%
Luís Paulo Cardoso Salvado ¹	1	0.00%
João Nuno da Silva Bento ¹	1,366,761	4.35%
Álvaro José da Silva Ferreira ¹	1	0.00%
José Afonso Oom Ferreira de Sousa ¹	1	0.00%
TOTAL²	12,599,206	40.12%

¹ José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira are the controlling shareholders and directors of HNB – SGPS, S.A., having signed a shareholders’ agreement for all of this company’s share capital.

² Total holding attributable to shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, João Nuno da Silva Bento and Pedro Miguel Quinteiro Marques de Carvalho, pursuant to the NOVABASE shareholders’ agreement described in point 6 of this report.

	Number of shares	% share capital and voting rights
Partbleu, Sociedade Gestora de Participações Sociais, S.A. ¹	3,180,444	10.13%

¹ At the time of receiving notice of the qualified holding, NOVABASE was informed that 72% of this company was indirectly held by Miguel Pais do Amaral, who was attributed the corresponding voting rights.

	Number of shares	% share capital and voting rights
IBIM2 Limited	3,144,217	10.01%

	Number of shares	% share capital and voting rights
Lazard Frères Gestion SAS	1,570,870	5.00%

Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliário, SA	Number of shares	% share capital and voting rights
Fundo de Investimento Mobiliário Aberto Santander Ações Portugal	1,476,905	4.70%
Fundo de Investimento Mobiliário Aberto Poupança Ações Santander PPA	34,537	0.11%
TOTAL ¹	1,511,442	4.81%

¹ At the time of receiving notice of the qualified holding, NOVABASE was informed that the above funds are managed by Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.

	Number of shares	% share capital and voting rights
Maria Manuela de Oliveira Marques	1,043,924	3.32%

The above holdings correspond to the last positions notified to the company in reference to 31 December 2020 or before.

Even so, over the course of 2021, NOVABASE received the following notifications with regard to some of the above qualified holdings, as duly disclosed to the market:

- The above-mentioned shareholder Maria Manuela de Oliveira Marques notified NOVABASE that on 13 January 2021 she sold 650,924 shares representing 2.07% of NOVABASE's share capital, and that after this transaction she no longer held any of NOVABASE's share capital or voting rights.
- On the same date, HNB - SGPS, S.A. notified NOVABASE that it had increased its position in the company's share capital and corresponding voting rights to 31.2% after acquiring 650,924 shares.
- In addition, on 4 March 2021, NOVABASE received a notification from Santander Asset Management - Sociedade Gestora de Fundos de Investimento Mobiliário, S.A. of its reductions in qualified holdings, by which it stated that, as of 2 March 2021, the Santander Acções Portugal fund will own zero shares (previously the owner of 694,649 shares), corresponding to 0% share capital and 0% voting rights. It further stated that, in total as of 2 March 2021, the securities investment funds managed by Santander Asset Management S.G.F.I.M., SA now hold 7,688 shares (previously the owner of 702,337 shares) corresponding to 0.0245% of share capital and 0.0245% of voting rights, thereby reducing its holding to a qualified holding of less than 2%.
- On the same date, NOVABASE received a notification from Santander Asset Management, S.A., S.G.I.I.C of its increase in qualified holdings, by which it stated that, as of 2 March 2021, the Santander Small Caps España FI fund will own 694,649 shares corresponding to 2.2122% of NOVABASE's share capital and 2.2122% of NOVABASE's voting rights. It further stated that, as of this date, Santander Asset Management, S.A., S.G.I.I.C now holds 694,649 shares corresponding to 2.2122% of NOVABASE's share capital and 2.2122% of NOVABASE's voting rights.
- On 12 March, NOVABASE received a notification from shareholder Walter Rey that, as of 5 March 2021, he now holds in his name 748,000 shares representing 2.382% of NOVABASE's share capital and corresponding voting rights.

2. Restrictions on the transferability of shares, such as consent of sale clauses or restrictions on ownership of shares (article 245-A, paragraph 1, sub-paragraph b).

The articles of association's clauses do not limit the transfer or ownership of NOVABASE shares.

3. Number of treasury shares, percentage of corresponding share capital and percentage of corresponding voting rights (article 245-A, paragraph 1, sub-paragraph a).

On 31 December 2020, NOVABASE had 676,611 treasury shares representing 2.15% of share capital and corresponding voting rights for the treasury shares held.

4. Significant agreements that the company is a party to and will come into force in the future which can be altered or terminated in the event of a change in the control of the company resulting from a tender offer, along with the respective effects, unless, by their very nature, their disclosure is seriously harmful to the company, except if the company is specifically

obliged to disclose such information as a result of legal requirements (article 245-A, paragraph 1, sub-paragraph j).

Notwithstanding the 676,611 treasury shares in question, 91,539 shares were attributed to director Paulo Jorge de Barros Trigo in 2020, following the exercising of NOVABASE stock options held by this director per the terms and conditions detailed in point 72. of this report. These shares corresponding to the options exercised will be withheld by NOVABASE for a period of three years from their exercising, and their ownership will not be transferred to this director until the end of this period, conditional upon the company's positive performance during this time.

These do not exist.

5. Applicable scheme for the renewal or revocation of defensive measures, in particular those aimed at limiting the number of votes that can be held or exercised by a single shareholder individually or in conjunction with other shareholders.

As a public company, NOVABASE has not implemented any defensive measure for unsolicited takeover bids.

6. Shareholders' agreements that are known to the company and which may lead to restrictions in terms of transferring securities or voting rights (article 245-A, paragraph 1, sub-paragraph g).

On 16 October 2017, NOVABASE announced to the market that it was notified by its shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Rogério dos Santos Carapuça, Álvaro José da Silva Ferreira and Pedro Miguel Quinteiro Marques de Carvalho with regard to a new shareholders' agreement and qualified holding.

Information on the terms and conditions of the shareholders' agreement, and on the updated qualified holding in the announcement, is shown below:

"1. New NOVABASE Shareholders' Agreement

Pursuant to and for the purposes of article 1, sub-paragraph c) and article 2 of CMVM Regulation no. 5/2008, and in compliance with articles 17 and 19 of the Securities Code and applicable Community provisions, it is now announced, on today's date, with a view to ensuring shareholder stability until the end of the next 2018-2020 term of office of NOVABASE's corporate boards, that a new NOVABASE shareholders' agreement ("Shareholders' Agreement") has been signed.

The new Shareholders' Agreement was signed between shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Pedro Miguel Quinteiro Marques de Carvalho, João Nuno da Silva Bento and Álvaro José da Silva Ferreira (hereinafter called the "Shareholders") for 10,488,068 NOVABASE shares (hereinafter called the "Restricted Shares") directly or indirectly held between them, corresponding to 33.40% of NOVABASE's share capital, and with Rogério dos Santos Carapuça having withdrawn from the Shareholders' Agreement, with no further holdings in NOVABASE.

Shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are the controlling shareholders of the company HNB - SGPS, S.A. (hereinafter called "HNB"), pursuant to the HNB shareholders' agreement signed between them.

The company HNB is an indirect vehicle for the ownership of NOVABASE shares (“Vehicle”), pursuant to the Shareholders’ Agreement.

This new Shareholders’ Agreement entered immediately into force, shall be valid until 30 April 2021, and replaces the shareholders’ agreement previously in force (as duly announced to the market on 13 May 2015), whose essential terms and conditions have been reproduced.

2. Qualified holding – changes to composition

NOVABASE was also informed of changes to the composition of the qualified holding held by shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento, due to the following:

1. Signing of the new Shareholders’ Agreement referred to above, and termination of the shareholders’ agreement previously in force;
2. Transmission, on 13 October 2017, by shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento, of shares representing HNB’s share capital directly held by them, to the following vehicles:
 - a) The company Xistroban, S.A., which is controlled by shareholder José Afonso Oom Ferreira de Sousa, and assumed direct ownership of all shares representing the share capital of HNB previously held directly by José Afonso Oom Ferreira de Sousa;
 - b) The company Turtlewalk Unipessoal Lda, which is controlled by shareholder Luís Paulo Cardoso Salvado, and assumed direct ownership of all shares representing the share capital of HNB previously held directly by Luís Paulo Cardoso Salvado;
 - c) The company Pragmatic Proton - Unipessoal Lda, which is controlled by shareholder Álvaro José da Silva Ferreira, and assumed direct ownership of all shares representing the share capital of HNB previously held directly by Álvaro José da Silva Ferreira;
 - d) The company Mediaries - Serviços de Consultoria e Gestão Lda, which is controlled by shareholder João Nuno da Silva Bento, and assumed direct ownership of all shares representing the share capital of HNB previously held directly by João Nuno da Silva Bento.

In the wake of these changes, shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Pedro Miguel Quinteiro Marques de Carvalho, Álvaro José da Silva Ferreira and João Nuno da Silva Bento continue to have a qualified holding, which currently totals 12,550,467 shares representing 39.97% of NOVABASE’s share capital and voting rights, as follows:

Restricted Shares

Shareholders	Number of Restricted Shares	% of Shareholders’ Agreement	% Voting Rights
Held through HNB			

	José Afonso Oom Ferreira de Sousa	2,180,558	20.79%	6.94%
	Luís Paulo Cardoso Salvado	2,180,558	20.79%	6.94%
	Álvaro José da Silva Ferreira	2,180,558	20.79%	6.94%
	João Nuno da Silva Bento	1,848,781	17.63%	5.89%
	HNB Total	8,390,455	80.00%	26.72%
José Afonso Oom Ferreira de Sousa		1	-	-
Luís Paulo Cardoso Salvado		1	-	-
Álvaro José da Silva Ferreira		1	-	-
João Nuno da Silva Bento		1	-	-
Pedro Miguel Quinteiro Marques de Carvalho		2,097,613	20.00%	6.68%
Total		10,488,072	100%	33.40%

Non-Restricted Shares

Shareholders		Number of Non-Restricted Shares	% Voting Rights Totals
Held through HNB			
	José Afonso Oom Ferreira de Sousa	1,023,591	3.26%
	Luís Paulo Cardoso Salvado	631,932	2.01%
	Álvaro José da Silva Ferreira	215,417	0.69%
	João Nuno da Silva Bento	0	0.00%

	Total HNB	1,870,940		5.96%
	José Afonso Oom Ferreira de Sousa	0		-
	Luís Paulo Cardoso Salvado	0		-
	Álvaro José da Silva Ferreira	0		-
	João Nuno da Silva Bento	0		-
	Pedro Miguel Quinteiro Marques de Carvalho	191,455		0.61%
	Total	2,062,395		6.57%

Total (Restricted Shares + Non-Restricted Shares)

Shareholders		Total Number of Shares (Restricted + Non-Restricted)		% Voting Rights Totals
Held through HNB				
	José Afonso Oom Ferreira de Sousa	3,204,149		10.20%
	Luís Paulo Cardoso Salvado	2,812,490		8.96%
	Álvaro José da Silva Ferreira	2,395,975		7.63%
	João Nuno da Silva Bento	1,848,781		5.89%
	Total HNB	10,261,395		32.68%
	José Afonso Oom Ferreira de Sousa	1		-
	Luís Paulo Cardoso Salvado	1		-
	Álvaro José da Silva Ferreira	1		-

João Nuno da Silva Bento	1		-
Pedro Miguel Quinteiro Marques de Carvalho	2,289,068		7.29%
Total	12,550,467		39.97%

In view of the number of treasury shares currently held in the portfolio by NOVABASE, the total holding in question would correspond to 40.45% of NOVABASE's voting rights.

3. Terms and conditions of the Shareholders' Agreement

The following content of NOVABASE's shareholders' agreement is noteworthy:

- A) The need for agreement by a majority equal to or greater than two thirds of votes corresponding to Restricted Shares to establish terms by which these shares may be bought and sold, with shareholders agreeing not to initiate sales or purchases of any kind outside of this agreement;
- B) Need for unanimity of all shareholders to acquire NOVABASE shares or sign agreements giving these shareholders or a Vehicle qualified holdings exceeding one-third or 50% of NOVABASE's voting rights, pursuant to article 20 of the Securities Code, according to whether the shareholders' immediately prior shareholdings are less or more than one-third of these voting rights;
- C) Notwithstanding the above, each shareholder is authorized to acquire NOVABASE shares not considered Restricted Shares up to a maximum of 1.90% of all voting rights, per shareholder, provided that such acquisitions do not give the shareholders or a Vehicle more than 50% of the voting rights corresponding to NOVABASE's share capital. NOVABASE shares acquired in this manner will not be considered Restricted Shares, unless agreed so by unanimous decision;
- D) The shareholders undertake to ensure that their descendants in the first degree (who have not yet reached legal age) will not acquire any NOVABASE shares in return for payment;
- E) If, due to a breach of the Shareholders' Agreement, a qualified shareholding exceeding one third or 50% of NOVABASE's voting rights is allocated to the shareholders or a Vehicle, pursuant to article 20 of the Securities Code, the procedure to suspend the tender offer obligation, as provided for in article 190 of the Securities Code, must be immediately initiated. Any shareholder responsible for allocating such voting rights, and who fails to execute the proper procedures to suspend and terminate the obligation for a tender offer, will be obliged to launch the tender offer individually;
- F) In all of the following matters, the shareholders must exercise, directly or through a Vehicle, if applicable, their voting rights at NOVABASE's General Meetings of Shareholders by a strict majority equal to or greater than two-thirds of votes corresponding to Restricted Shares: dividend policy to be adopted, management compensation and bonus policy for corporate board members, increases and decreases in share capital, elimination of the right of preference in increases in capital, composition of corporate boards, NOVABASE mergers and spin-offs, and changes to the articles of association;

- G) Commitment, subject to market conditions and applicable law, to propose a dividend policy for the 2017-2020 financial years with an annual dividend payment of at least 30% of the consolidated net profit for the year;
- H) Obligation to draw up, together with all shareholders before the elections at the General Meeting of Shareholders, proposals to appoint members to NOVABASE's corporate boards;
- I) Obligation of shareholders to vote, or to make a Vehicle vote, at General Meetings of Shareholders exclusively in favour of decisions previously passed by a two-thirds or greater majority of shareholders having voting rights corresponding to Restricted Shares;
- J) Any shareholder who is dismissed without just cause from his/her management duties at NOVABASE, or at a company directly or indirectly held by NOVABASE, as applicable, while the Shareholders' Agreement is in force may opt to terminate his/her participation in the agreement. In the remaining cases, and except in specific situations of death, interdiction, incapacity or disability governed by the Agreement, shareholders may only terminate their participation in the Shareholders' Agreement with approval by a majority at least equal to or greater than two-thirds of votes corresponding to Restricted Shares;
- K) Any party in breach of its obligations arising from the Shareholders' Agreement shall be subject to the respective provisions concerning penalties for the non-performance of this agreement.

Under the terms of new Shareholders' Agreement, the rights and obligations described above must be exercised and fulfilled directly by the shareholders or, when applicable, through the actions of a Vehicle."

[end of transcription of announcement]

The NOVABASE Shareholders' Agreement is valid until 30 April 2021.

In addition, on 12 November 2018, NOVABASE announced to the market that it had received, from its shareholder HNB - SGPS, S.A. ("HNB"), a notice of changes to the composition of its qualified holding, whose relevant content is reproduced below:

"Re: Notice of changes to the composition of a qualified holding in NOVABASE - Sociedade Gestora de Participações Sociais, S.A.

To whom it may concern,

Pursuant to and for the purposes of article 16 of the Securities Code and article 2 of CMVM Regulation no. 5/2008, the company HNB, SGPS, S.A., with its registered office at Rua Sarmiento de Beires, n.º 45, 13B, 1900-411 Lisbon, parish of Areeiro, municipality of Lisbon, with share capital of €50,000.00, sole legal entity/Lisbon Commercial Registry number 510697127, whose share capital is fully paid up in the amount of €5,000.00 ("**HNB**"), already having a qualified holding of 39.36% of the share capital of NOVABASE, Sociedade Gestora de Participações Sociais, S.A. ("**NOVABASE**") corresponding to the ownership, directly or through its controlling shareholders and other signatories to the shareholders' agreement currently in force at NOVABASE, of 12,359,012 shares of this company, hereby announces

that, due to the acquisition of 240,194 shares representing NOVABASE's share capital and voting rights, on 5 November 2018, it now holds 10,501,589 shares representing 33.44% of the company's share capital.

Note that this qualified holding is attributable to HNB due to its direct ownership of shares, in addition to the voting rights held by the respective directors who are also its controlling shareholders, and the voting rights attributable to them under the NOVABASE shareholders' agreement to which they are signatories, pursuant to and for the purposes of article 20, paragraph 1 of the Securities Code and, specifically, sub- paragraphs d), h) and j) of this provision.

Furthermore, on 5 November 2018, the NOVABASE shareholders who are signatories to the Shareholders' Agreement in force at NOVABASE (including HNB and its directors and controlling shareholders) now hold a total of 12,599,206 NOVABASE shares, representing 40.12% of NOVABASE's share capital and corresponding voting rights, as follows:

Shareholders	Number of shares		% Voting Rights
Held through HNB ¹	10,501,589		33.44%
José Afonso Oom Ferreira de Sousa ¹	1		-
Luís Paulo Cardoso Salvado ¹	1		-
Álvaro José da Silva Ferreira ¹	1		-
João Nuno da Silva Bento ¹	1		-
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613		6.68%
Total ²	12,599,206		40.12%

¹ José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are the controlling shareholders and directors of HNB - SGPS, S.A., having signed a shareholders' agreement for all of this company's share capital.

² Total holding attributable to shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, João Nuno da Silva Bento and Pedro Miguel Quinteiro Marques de Carvalho, pursuant to the NOVABASE Shareholders' Agreement.

[end of transcription of announcement]

In this regard, NOVABASE also announced to the market that, pursuant to this notice of changes to the composition of the qualified holding of HNB, on 5 November 2018, the NOVABASE shareholders who were signatories to the Shareholders' Agreement in force at this company (including HNB and its directors and controlling shareholders) now held a total

of 12,599,206 NOVABASE shares, representing 40.12% of NOVABASE’s share capital and corresponding voting rights, as follows:

Shareholders	Number of shares		% Voting Rights
Held through HNB ¹	10,501,589		33.44%
José Afonso Oom Ferreira de Sousa ¹	1		0.00%
Luís Paulo Cardoso Salvado ¹	1		0.00%
Álvaro José da Silva Ferreira ¹	1		0.00%
João Nuno da Silva Bento ¹	1		0.00%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613		6.68%
Total ²	12,599,206		40.12%

¹ José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and João Nuno da Silva Bento are the controlling shareholders and directors of HNB – SGPS, S.A., having signed a shareholders’ agreement for all of this company’s share capital.

² Total holding attributable to shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, João Nuno da Silva Bento and Pedro Miguel Quinteiro Marques de Carvalho, pursuant to the NOVABASE Shareholders’ Agreement.

Finally and more recently, on 28 October 2020, NOVABASE announced to the market that it had received from HNB and from João Nuno da Silva Bento a notice of changes to the composition of a qualified holding, and of a qualified holding, whose relevant content is reproduced below:

“To whom it may concern,

Pursuant to and for the purposes of article 16 of the Securities Code and article 2 of CMVM Regulation no. 5/2008, the company HNB, SGPS, S.A., with its registered office at Rua Sarmento de Beires, n.º 45, 13B, 1900-411 Lisbon, parish of Alto do Pina, municipality of Lisbon, with share capital of €50,000.00, sole legal entity/Lisbon Commercial Registry number 510697127 (“HNB”), already having a qualified holding of 40.12% of the share capital of NOVABASE, Sociedade Gestora de Participações Sociais, S.A. (“NOVABASE”) corresponding to the ownership, directly or through its controlling shareholders and other

signatories to the shareholders' agreement currently in force at NOVABASE, of 12,599,206 shares of this company, and its controlling shareholder through the present date João Nuno da Silva Bento, consequently to whom this qualified holding was already attributable as well, now wish to announce the following:

In view of HNB's acquisition of the 9,008 shares representing the share capital of that company held by João Nuno da Silva Bento, directly or indirectly through controlled companies, involving payment in kind via transmission of 1,366,760 NOVABASE shares held by HNB on 28 October 2020, HNB now has direct ownership of 9,134,829 shares representing 29.09% of the company's share capital, with João Nuno da Silva Bento in turn now owning, directly or indirectly through controlled companies, 1,366,761 shares representing 4.35% of NOVABASE's share capital.

Furthermore, on 28 October 2020, the NOVABASE shareholders who are signatories to the Shareholders' Agreement in force at NOVABASE (including HNB and its controlling shareholders) now hold a total of 12,599,206 NOVABASE shares, representing 40.12% of NOVABASE's share capital and corresponding voting rights, as follows:

Shareholders	Number of shares		% Voting Rights
Held through HNB ¹	9,134,829		29.09%
José Afonso Oom Ferreira de Sousa ¹	1		0.00%
Luís Paulo Cardoso Salvado ¹	1		0.00%
Álvaro José da Silva Ferreira ¹	1		0.00%
João Nuno da Silva Bento ²	1,366,761		4.35%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613		6.68%
Total ³	12,599,206		40.12%

¹ José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira have ownership, directly or indirectly through controlled companies, of all of the shares of HNB - SGPS, S.A., having signed a shareholders' agreement for all of this company's share capital.

² The holding of João Nuno da Silva Bento is held directly or indirectly through controlled companies.

³ Total holding attributable to shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, João Nuno da Silva Bento and Pedro Miguel Quinteiro Marques de Carvalho, pursuant to the NOVABASE Shareholders' Agreement.

[end of transcription of announcement]

In this regard, NOVABASE also announced to the market that, pursuant to this notice, on 28 October 2020 the NOVABASE shareholders who were signatories to the Shareholders' Agreement in force at this company (including HNB and its controlling shareholders, which no longer included João Nuno da Silva Bento) continue to hold a total of 12,599,206 NOVABASE shares, representing 40.12% of NOVABASE's share capital and corresponding voting rights, as follows:

Shareholders	Number of shares		% Voting Rights
Held through HNB ¹	9,134,829		29.09%
José Afonso Oom Ferreira de Sousa ¹	1		0.00%
Luís Paulo Cardoso Salvado ¹	1		0.00%
Álvaro José da Silva Ferreira ¹	1		0.00%
João Nuno da Silva Bento ²	1,366,761		4.35%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613		6.68%
Total ³	12,599,206		40.12%

¹ José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado and Álvaro José da Silva Ferreira have ownership, directly or indirectly through controlled companies, of all of the shares of HNB - SGPS, S.A., having signed a shareholders' agreement for all of this company's share capital.

² The holding of João Nuno da Silva Bento is held directly or indirectly through controlled companies.

³ Total holding attributable to shareholders José Afonso Oom Ferreira de Sousa, Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira, João Nuno da Silva Bento and Pedro Miguel Quinteiro Marques de Carvalho, pursuant to the NOVABASE Shareholders' Agreement.

II. Shareholdings and Bonds

7. Identification of legal or natural persons who directly or indirectly own qualified holdings (article 245-A, paragraph 1, sub-paragraphs c) and d) and article 16), with specific percentages of capital and votes attributed, and the source and causes of the attribution.

Shareholdings

Holding subject to NOVABASE Shareholders' Agreement	Number of shares	% share capital and voting rights
HNB - SGPS, S.A. ¹	9,134,829	29.09%
Pedro Miguel Quinteiro Marques de Carvalho	2,097,613	6.68%
Luís Paulo Cardoso Salvado ¹	1	0.00%
João Nuno da Silva Bento ¹	1,366,761	4.35%
Álvaro José da Silva Ferreira ¹	1	0.00%
José Afonso Oom Ferreira de Sousa ¹	1	0.00%
TOTAL ²	12,599,206	40.12%

¹ Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and José Afonso Oom Ferreira de Sousa are the controlling shareholders and directors of HNB - SGPS, S.A., having signed a shareholders' agreement for all of this company's share capital.

² Total holding attributable to shareholders Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Álvaro José da Silva Ferreira, José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques de Carvalho, pursuant to the NOVABASE shareholders' agreement described in point 6 of this report.

	Number of shares	% share capital and voting rights
Partbleu, Sociedade Gestora de Participações Sociais, S.A. ¹	3,180,444	10.13%

¹ At the time of receiving notice of the qualified holding, NOVABASE was informed that 72% of this company was indirectly held by Miguel Pais do Amaral, who was attributed the corresponding voting rights.

	Number of shares	% share capital and voting rights
IBIM2 Limited	3,144,217	10.01%

	Number of shares	% share capital and voting rights
Lazard Frères Gestion SAS	1,570,870	5.00%

Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliário, SA	Number of shares	% share capital and voting rights
Fundo de Investimento Mobiliário Aberto Santander Ações Portugal	1,476,905	4.70%
Fundo de Investimento Mobiliário Aberto Poupança Ações Santander PPA	34,537	0.11%
TOTAL ¹	1,511,442	4.81%

¹ At the time of receiving notice of the qualified holding, NOVABASE was informed that the above funds are managed by Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliário, S.A.

	Number of shares	% share capital and voting rights
Maria Manuela de Oliveira Marques	1,043,924	3.32%

The above holdings correspond to the last positions notified to the company in reference to 31 December 2020 or before.

Even so, over the course of 2021, NOVABASE received the following notifications with regard to some of the above qualified holdings, as duly disclosed to the market:

- The e above-mentioned shareholder Maria Manuela de Oliveira Marques notified NOVABASE that on 13 January 2021 she sold 650,924 shares representing 2.07% of NOVABASE’s share capital, and that after this transaction she no longer held any of NOVABASE’s share capital or voting rights.
- On the same date, HNB – SGPS, S.A. notified NOVABASE that it had increased its position in the company’s share capital and corresponding voting rights to 31.2% after acquiring 650,924 shares.
- In addition, on 4 March 2021, NOVABASE received a notification from Santander Asset Management – Sociedade Gestora de Fundos de Investimento Mobiliário, S.A. of its reductions in qualified holdings, by which it stated that, as of 2 March 2021, the Santander Ações Portugal fund will own zero shares (previously the owner of 694,649 shares), corresponding to 0% share capital and 0% voting rights. It further stated that, in total as of 2 March 2021, the securities investment funds managed by Santander Asset Management S.G.F.I.M., SA now hold 7,688 shares (previously the owner of 702,337 shares) corresponding to 0.0245% of share capital and 0.0245% of voting rights, thereby reducing its holding to a qualified holding of less than 2%.

- On the same date, NOVABASE received a notification from Santander Asset Management, S.A., S.G.I.I.C of its increase in qualified holdings, by which it stated that, as of 2 March 2021, the Santander Small Caps España FI fund will own 694,649 shares corresponding to 2.2122% of NOVABASE's share capital and 2.2122% of NOVABASE's voting rights. It further stated that, as of this date, Santander Asset Management, S.A., S.G.I.I.C now holds 694,649 shares corresponding to 2.2122% of NOVABASE's share capital and 2.2122% of NOVABASE's voting rights.
- On 12 March, NOVABASE received a notification from shareholder Walter Rey that, as of 5 March 2021, he now holds in his name 748,000 shares representing 2.382% of NOVABASE's share capital and corresponding voting rights.

As stated in point 1, there are no categories of shares with special rights.

8. Number of shares and bonds held by members of managing and supervisory boards.
 [NOTE: the information should be presented in accordance with the provisions of article 447, paragraph 5 of the Commercial Companies Code]

Holdings of Members of the Managing and Supervisory Boards
 (article 447, paragraph 5 of the Commercial Companies Code)¹

Owner	#	%
	Shares ¹	Capital and Voting Rights
Pedro Miguel Quinteiro Marques de Carvalho (non-executive member of the Board of Directors)	2,097,613	6.68
João Nuno da Silva Bento (Chairperson of the Executive Committee - CEO) ²	1,366,761	4.35
Manuel Saldanha Tavares Festas (substitute member of the Audit Board)	74,986	0.24
Francisco Paulo de Figueiredo Morais Antunes (executive member of the Board of Directors - CFO)	30,335	0.10
María del Carmen Gil Marín (executive member of the Board of Directors)	23,001	0.07
Luís Paulo Cardoso Salvado ³ (Chairperson of the Board of Directors)	1	0.00
Álvaro José da Silva Ferreira ³ (executive member of the Board of Directors)	1	0.00
José Afonso Oom Ferreira de Sousa ³ (non-executive member of the Board of Directors)	1	0.00
Paulo Jorge de Barros Pires Trigo (executive member of the Board of Directors) ⁴	0	0.00

Marta Isabel dos Reis Graça Rodrigues do Nascimento (non-executive member of the Board of Directors)	0	0.00
Álvaro José Barrigas do Nascimento (Chairperson of the Audit Board)	0	0.00
Fátima do Rosário Piteira Patinha Farinha (full member of the Audit Board)	0	0.00
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira (full member of the Audit Board)	0	0.00
KPMG & Associados - SROC, S.A. represented by Paulo Alexandre Martins Quintas Paixão (acting statutory auditor and representative)	0	0.00
Maria Cristina Santos Ferreira (substitute statutory auditor)	0	0.00

¹ The shareholding of each of these corporate board members corresponds to the last position notified to the company in reference to 31 December 2020 or before.

² João Nuno da Silva Bento is a controlling partner of Mediaries – Serviços de Consultoria e Gestão Lda., while his spouse Paulina Cecília Carriço Leite da Cunha Bentois also a controlling partner and manager of this company. On 30 December 2020, the company Mediaries held 1,366,760 shares representing 4.35% of NOVABASE’s share capital and respective voting rights.

³ Luís Paulo Cardoso Salvado, Álvaro José da Silva Ferreira and José Afonso Oom Ferreira de Sousa are shareholders of HNB – SGPS, S.A., where they hold management positions. On 30 December 2020, HNB – SGPS, S.A. held 9,134,829 shares representing 29.09% of NOVABASE’s share capital and respective voting rights.

⁴ In 2020, director Paulo Jorge de Barros Pires Trigo exercised options on NOVABASE shares in his ownership, per the terms and conditions detailed in point 72 of this report, resulting in the allocation to this director of 91,539 shares representing 0.29% of NOVABASE’s share capital. Even so, these shares corresponding to the options exercised will be withheld by NOVABASE for a period of three years from their exercising, and their ownership will not be transferred to this director until the end of this period, conditional upon the company’s positive performance during this time.

In addition, the following transactions of NOVABASE shares were made in 2020 by the persons referred to in article 447 of the Commercial Companies Code (“CSC”):

Entity	Transaction	Date	Place	Number of Shares	Unit Price (€)
HNB	Sale	28/10/2020	Outside of a trading platform	1,366,760	3.230
João Nuno da Silva Bento	Purchase	28/10/2020	Outside of a trading platform	1,366,760	3.230

Paulo Jorge de Barros Trigo Pereira ¹	Exercising of share options	26/10/2020	Outside of a trading platform	91,539	3.321
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¹ As a result of exercising options on ordinary NOVABASE shares in his ownership under the Regulations of the Plan for Options to Allot NOVABASE Shares ("RPO"), per the terms detailed in point 72 of this report, by the following means: (i) via the attribution of NOVABASE shares (net share settlement) for 50% of the options subject to exercising (200,000 options), resulting in the allocation of 91,539 ordinary company shares to this director, per the calculation formula in the POR; and (ii) via net cash settlement for the remaining 50% (corresponding to 200,000 options), resulting in the payment of €304.001.71 to this director per the calculation formula in the RPO.

The shares corresponding to the options exercised in (i) above will be withheld by NOVABASE for a period of three years from their exercising, and their ownership will not be transferred to this director until the end of this period, conditional upon the company's positive performance during this time, pursuant to the terms of the POR.

There were no encumbrances or other acquisitions or disposals of shares representing the share capital of the company or companies in a group or control relationship with it, nor any promissory agreements, options contracts, repurchase agreements or others with similar effects on these shares, beyond those referred to in this document.

Beyond the transactions listed above, no other transactions of the type described above were performed by the persons referred to in article 447, paragraph 2, sub-paragraphs a) through d) of the Commercial Companies Code.

Finally, it should be noted that neither the company nor any company in a group or control relationship with it is an issuer of bonds.

9. Special powers of the board of directors, namely with respect to decisions to increase capital (article 245-A, paragraph 1, sub-paragraph i), specifying, in this regard, the date on which they were given, the date until which they can be exercised, the maximum ceiling of the capital increase, the amount already issued under the allocation of powers and the means of implementing the powers granted.

NOVABASE's managing board has no special powers vis-à-vis those granted by law.

10. Information on the existence of significant business relationships between holders of qualified holdings and the company.

In 2020, to the best the company's knowledge, NOVABASE had no significant business relationships with holders of qualified holdings or entities related or previously related to them.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING OF SHAREHOLDERS

a) Composition of the general meeting board

11. Identification, position and term of office (beginning and end) of members of the general meeting board.

The members of NOVABASE's general meeting board, elected in the General Meeting of Shareholders held on 10 May 2018 for the three-year period of 2018-2020, are Chairperson António Manuel da Rocha e Menezes Cordeiro and Secretary Madalena Paz Ferreira Perestrelo de Oliveira.

The Chairmanship of the General Meeting of Shareholders has the necessary and appropriate means to exercise its duties, having access to a work room and secretarial services at the company. In addition, the Chairmanship of the General Meeting of Shareholders has 10 people (7 of whom belong to the company's staff) at its disposal dedicated to working specifically on the organization and management of the General Meeting of Shareholders.

b) Exercising of voting rights

12. Possible restrictions on voting rights, such as limitations on exercising voting rights based on ownership of a number or percentage of shares, deadlines for exercising a voting right or special systems for equity rights (article 245-A, paragraph 1, sub-paragraph f).

NOVABASE has no restrictions on voting rights, nor any limitations on voting based on a number or percentage of shares. Moreover, there are no systems related to asset content rights.

Shareholders may be represented at the General Meeting of Shareholders, pursuant to the law.

Shareholders may be represented by sending a letter addressed to the Chairmanship of the General Meeting of Shareholders at least three days before the date set for the meeting. If the shares are jointly owned, only a common representative, or his/her representative, may participate in the General Meeting of Shareholders.

Postal voting is permitted under the articles of association, provided that the following are observed:

a) Shareholders with a voting right may exercise this right by post, by means of a signed statement clearly indicating their voting intention for each point on the meeting's agenda. For this purpose, shareholders may use the postal voting form which will be made available at the company's website in a timely fashion.

b) A legible photocopy of the shareholder's identity card or citizen's card must accompany the voting form. If the shareholder is a legal person, the voting form must be signed by one of its representatives, and his/her signature must be notarized in that capacity.

c) Voting forms, together with the items specified in the preceding subparagraphs, must be placed in a sealed envelope addressed to the Chairperson of the General Meeting of Shareholders, delivered by hand to the company's registered office, or delivered to this office by registered mail by the third working day preceding the date of the General Meeting of Shareholders. However, individuals who submit a voting form accompanied only by a legible photocopy of the shareholder's identity card or citizen's card may, alternatively, use the email address specified for this purpose in the meeting notice.

d) The Chairperson of the General Meeting of Shareholders must ensure the authenticity and confidentiality of postal votes until the time of voting.

e) If the shareholder or his/her representative attends the General Meeting of Shareholders in person, his/her respective postal vote will be annulled.

f) Postal votes will be counted as 'No' votes in relation to items for discussion submitted after these votes' date of issue.

Although not specifically mentioned in the articles of association, electronic voting is referred to in meeting notices, and follows the same principles as those of postal voting.

The remaining deadlines and requirements for exercising voting rights are exclusively those established by law and by applicable recommendations.

13. Maximum percentage of voting rights that can be exercised by a single shareholder or by shareholders having any of the relationships referred to in article 20, paragraph 1 with that shareholder.

No such limitation exists.

14. Shareholder decisions which, pursuant to the articles of association, can only be made by a qualified majority, in addition to those provided for by law, specifying these majorities.

The company has no mechanisms that hinder the passing of resolutions by shareholders. There are no shareholder decisions which, pursuant to the articles of association and beyond those provided for by law, can only be made by a qualified majority or a decision making quorum greater than that provided for by law.

II. MANAGEMENT AND SUPERVISION

(Board of Directors, Executive Board of Directors and General and Supervisory Board)

c) Composition

Board of Directors on 31 December 2020

Luís Paulo Cardoso Salvado

João Nuno da Silva Bento
Álvaro José da Silva Ferreira
Francisco Paulo Figueiredo Morais Antunes
María del Carmen Gil Marín
Paulo Jorge de Barros Pires Trigo
José Afonso Oom Ferreira de Sousa
Pedro Miguel Quinteiro Marques Carvalho
Marta Isabel dos Reis Graça Rodrigues do Nascimento

15. Identification of governance model used.

NOVABASE has been a publicly-traded company since July 2000. It operates according to a governance model whose suitability and performance are assessed regularly by the Board of Directors to help optimize its performance in closer alignment with the interests of all stakeholders - those interested in NOVABASE's corporate activities, namely shareholders, investors, customers, suppliers, other business partners and employees.

In view of the mounting challenges of internationalization and competition revolving around NOVABASE's business, the corporate governance system in place at the company needed to be brought up to date by simplifying and streamlining company bodies and procedures, so as to tailor existing solutions to the company's size and specific circumstances.

Therefore, beginning in 2015, NOVABASE adopted a reinforced Latin corporate governance model comprised of a Board of Directors, Audit Board and Statutory Auditor (ROC). In this model, a substantially more agile day-to-day management structure was implemented, with the Board of Directors able to delegate the day-to-day running of the company to one or more directors (managing directors) or to an Executive Committee of 3 to 9 members.

Following the General Meeting of Shareholders of 10 May 2018 (which, among other decisions, elected the members of the corporate boards and Remuneration Committee for the three-year period of 2018-2020), the elected Board of Directors delegated NOVABASE's daily management to an Executive Committee supervised by the non-executive directors.

In 2019, the election of Paulo Jorge de Barros Pires Trigo as a new member of NOVABASE's Board of Directors (together with his inclusion on NOVABASE's Executive Committee) was approved in the General Meeting of Shareholders of 26 September 2019. This election was proposed under NOVABASE's updated strategy for 2019 and beyond (2019+ Strategic Update) and as part of the company's reorganization into two new operating segments (further explained in point 21.), given the urgent need to match the structure of NOVABASE's managing board to the 2019+ Strategic Update to reflect its focus on the Next-Gen segment.

Moreover, NOVABASE has a general meeting board elected for three-year terms of office, along with a Remuneration Committee appointed by the General Meeting of Shareholders to establish the remuneration of each corporate board member based on the duties performed

and the company's financial status. The company also designates a secretary and respective substitute, under the terms of article 446-A of the Commercial Companies Code, to perform the duties established by law.

NOVABASE constantly analyses the implementation of this model in order to refine its corporate governance practices, whenever possible, and tailor the model to the demands and challenges faced by the company.

16. Article of association rules on procedural requirements and matters applicable to the appointment and replacement of members, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board (article 245-A, paragraph 1, sub-paragraph h).

The members of NOVABASE's Board of Directors are appointed and replaced under the terms of the law, namely the provisions of articles 390 and following of the Commercial Companies Code. Article 14, paragraph 1 of the company's articles of association state that a Board of Directors shall be responsible for managing the company's business, with full and exclusive powers of representation, comprised of at least three and at most nineteen members elected by the General Meeting of Shareholders.

Furthermore, pursuant to article 14 paragraph 2 of the company's articles of association, the General Meeting of Shareholders is responsible for appointing the Chairperson of the Board of Directors, which will elect its own chairperson if the General Meeting of Shareholders fails to do so.

With regard to the absence and replacement of members of the management, pursuant to the articles of association, those who fail to attend over one third of the meetings held in a financial year, without justification approved by the Board of Directors, shall be considered permanently absent and subject to replacement pursuant to the law and the Board of Directors' regulations.

Article 8 of the articles of association states that members of the management are elected by the General Meeting of Shareholders for three-year terms, subject to re-election one or more times, and that, at the end of their terms of office, they shall keep their positions until the appointment of new members.

NOVABASE believes that the suitability of the governing board members' profile to their respective duties is essential for fostering a robust, effective corporate governance and proper composition of the interests of the company's various stakeholders. In weighing up the profile of the corporate board members to be elected, the election proposals approved by shareholders tend to be based not only on individual criteria (such as candidates' expertise, integrity, willingness and experience in the sectors where NOVABASE does business), but also on diversity requirements.

Pursuant to article 245-A, paragraph 1, sub-paragraph r) of the Securities Code (CVM), following is a summary of NOVABASE's diversity policy for its governing and supervisory boards, how this policy was applied and its results in the 2020 financial year.

NOVABASE believes that it employs an ongoing approach of diversity in the composition of its managing and supervisory boards, helping to improve the performance of the relevant boards and providing balance in their composition, with a particular focus on gender diversity.

On 12 April 2018, NOVABASE's Board of Directors approved a formal diversity policy for its managing and supervisory boards, which is available to the public at the company's website. The approved policy is primarily rooted in the following commitments on the part of NOVABASE:

- Compliance with Law no. 62/2017 of 1 August, since gender diversity allows for different management styles and complementary approaches;
- With regard to age, there must be a balance between experience and maturity and the youth and energy needed for the fast-paced innovation of NOVABASE's highly dynamic sector (information technologies);
- With regard to qualifications and education, in addition to areas associated with technology, various other areas of knowledge must also be represented, in view of the mounting importance of multidisciplinary in team performance.

The following are noteworthy with regard to the application and results of NOVABASE's diversity policy in the 2020 financial year:

- With regard to full members on NOVABASE's corporate boards performing duties in 2020, NOVABASE's corporate boards had a total of 14 men and 4 women;
- Throughout 2020, NOVABASE's corporate board members ranged from 32 to 68 years in age. Their areas of core training included engineering, law, mathematics, economics, management and philosophy;
- Therefore, 22% of the members of the Board of Directors for the three-year period of 2018-2020 are of female gender, thereby exceeding the minimum referred to in Law no. 62/2017 of 1 August (of 20%, applicable to NOVABASE until the next elective General Meeting of Shareholders to be held in 2021), also including one female member on the Executive Committee.

17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board, stating the minimum and maximum number of members, term of office, number of full members, inauguration date and end date of each member's term of office, in accordance with the articles of association

As stated above, article 8 of the company's articles of association states that members of the Board of Directors are elected by the General Meeting of Shareholders for three-year terms, subject to re-election one or more times, and that, at the end of their terms of office, they shall keep their positions until the appointment of new members.

NOVABASE's articles of association also state that the Board of Directors may be comprised of at least three and at most nineteen members.

On 31 December 2020, the Board of Directors had nine full members, as shown in the following table:

Director	Inauguration date	End of term of office
Luís Paulo Cardoso Salvado	18-03-1998	31-12-2020
João Nuno da Silva Bento	10-05-2018	31-12-2020
Álvaro José da Silva Ferreira	10-05-2018	31-12-2020
Francisco Paulo Figueiredo Morais Antunes	28-04-2009	31-12-2020
María del Carmen Gil Marín	10-05-2018	31-12-2020
Paulo Jorge de Barros Pires Trigo	26-09-2019	31-12-2020
José Afonso Oom Ferreira de Sousa	24-01-1991	31-12-2020
Pedro Miguel Quinteiro Marques Carvalho	24-01-1991	31-12-2020
Marta Isabel dos Reis Graça Rodrigues do Nascimento	10-05-2018	31-12-2020

Pursuant to article 14 of the articles of association, the Board of Directors may delegate the day-to-day running of the company to one or more members of the Board of Directors (managing directors) or to an Executive Committee consisting of three to nine members.

Following the General Meeting of Shareholders of 10 May 2018 (which, among other decisions, elected the members of the corporate boards and Remuneration Committee for the 2018-2020 term of office), the elected Board of Directors delegated, on this same date, NOVABASE's daily management to an Executive Committee supervised by the non-executive directors.

18. Distinction between executive and non-executive members of the Board of Directors and, for the latter, identification of members who can be considered independent or, when applicable, identification of independent members of the General and Supervisory Board.

Member of the Board of Directors	Category	Independent ¹
Luís Paulo Cardoso Salvado	Non-executive (Chairperson)	No

João Nuno da Silva Bento	Executive	No
Álvaro José da Silva Ferreira	Executive	No
Francisco Paulo Figueiredo Morais Antunes	Executive	No
María del Carmen Gil Marín	Executive	No
Paulo Jorge de Barros Pires Trigo	Executive	No
José Afonso Oom Ferreira de Sousa	Non-executive	No
Pedro Miguel Quinteiro Marques de Carvalho	Non-executive	No
Marta Isabel dos Reis Graça Rodrigues do Nascimento	Non-executive	No

¹ Under the terms of CMVM Regulation no. 4/2013, Annex I, point 18.1.

In view of the number of directors (nine), the four non-executive members of the Board of Directors are sufficient in number to ensure effective monitoring, supervision and assessment of the activity of the remaining members of the managing board (see points 24 and 27 of this report with regard to the assessment of the other directors). In fact, the number of non-executive directors accounts for 45% of all directors, which is appropriate for the company's size (compared to other larger listed companies in the Portuguese market) and the respective free float, as resulting from this report. Furthermore, NOVABASE's non-executive members have professional qualifications, educations and backgrounds which differ between themselves, but which are relevant at various levels for NOVABASE's main business areas, thereby representing diverse areas of knowledge among non-executive members to support the executive members' monitoring, supervision and understanding of the business.

In view of the company's size, its need for agility and efficient management, its shareholder structure and respective free float, its various levels of internal control (including supervisory boards completely comprised of persons independent from the management and qualified shareholders, with the important note that, under the Anglo Saxon corporate governance model previously in effect at the company, only those management members with positions on the Auditing Committee were independent), and the vast set of options benefiting shareholder participation and the exercising of rights, NOVABASE does not believe that independent directors are needed to ensure the protection of the interests of all stakeholders.

19. Professional qualifications and other relevant background information of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Director	Professional Qualifications	Other background information ¹
Luís Paulo Cardoso Salvado	<ul style="list-style-type: none"> • MBA in Information Management from Universidade Católica Portuguesa • Graduate in Electrotechnical and Computer Engineering at Instituto Superior Técnico (IST - Higher Technical Institute) 	<ul style="list-style-type: none"> • Chairperson of the Board of Directors <p>Formerly:</p> <ul style="list-style-type: none"> • CEO • Member of the Board of Directors Performance Assessment Committee and the Corporate Governance Assessment Committee • CFO, CHRO and CLO of the NOVABASE Group • CEO of NOVABASE Consulting • Director of various NOVABASE Group companies
João Nuno da Silva Bento	<ul style="list-style-type: none"> • Advanced Management Program - Universidade Católica Portuguesa - Northwestern University - Kellogg School of Management • MBA - Universidade Católica Portuguesa • Graduate in Electrotechnical Engineering (Systems and Computers) at Instituto Superior Técnico 	<ul style="list-style-type: none"> • Chairperson of the Executive Committee (CEO)
Álvaro José da Silva Ferreira	<ul style="list-style-type: none"> • Mergers and Acquisitions Program - Harvard Business School • Private Equity and Venture Capital Program - Harvard Business School Executive Education • MBA - Universidade Nova de Lisboa • Graduate in IT Engineering - Universidade Nova de Lisboa 	<ul style="list-style-type: none"> • COO Value Portfolio • NOVABASE Capital, S.A. • Director of various NOVABASE Group companies
Francisco Paulo Figueiredo Morais Antunes	<ul style="list-style-type: none"> • Master's in Finance from ISCTE • Graduate in Management from ISCTE 	<ul style="list-style-type: none"> • Corporate functions: CFO / CRO / Information Systems / Legal • Director of various NOVABASE Group companies <p>Formerly:</p> <ul style="list-style-type: none"> • Financial Director of NOVABASE Group
María del Carmen Gil Marín	<ul style="list-style-type: none"> • MBA - INSEAD • Academic cycle of PhD in the Environment and 	<ul style="list-style-type: none"> • Administradora Executiva NOVABASE SGPS, S.A. • Executive Director NOVABASE SGPS, S.A.

	<p>Alternative Energies - UNED</p> <ul style="list-style-type: none"> Higher Degree in Electronic Engineering - Universidade Pontificia de Comillas (I.C.A.I.) <p>Extensive executive training, including: Stanford University (Cyber Security), UCLA Anderson School of Management (Santander-UCLA W50), Nova School of Business & Economics (Boards Governance) and Harvard Business School (Leadership)</p>	<ul style="list-style-type: none"> Director at NOVABASE Capital, S.C.R. and various Group companies Chairperson of the General Meeting of Shareholders of various NOVABASE Group companies Member of Advisory Committee of FCR Istart I Member of the management of the Investor Relations Forum Member of the General Board of Associação de Emitentes de Mercado (A.E.M.) Independent non-executive director of the postal service (CTT) and member of the Auditing Committee <p>Formerly:</p> <ul style="list-style-type: none"> Head of Investor Relations NOVABASE SGPS, S.A. Member of the Audit Board of Associação de Emitentes de Mercado (A.E.M.) Member of Audit Board of Investor Relations Forum Strategic Marketing Professor at Universidad Pontificia de Comillas Strategic consultant at The Boston Consulting Group Corporate Finance - Investment Banker at Lehman Brothers
Paulo Jorge de Barros Pires Trigo	<ul style="list-style-type: none"> Graduate in Electrotechnical and Computer Engineering from IST 	<ul style="list-style-type: none"> Director of various NOVABASE Group companies <p>Formerly:</p> <ul style="list-style-type: none"> COO
José Afonso Oom Ferreira de Sousa	<ul style="list-style-type: none"> MBA from Universidade Nova de Lisboa Master's in Electrotechnical Engineering from IST Graduate in Electrotechnical Engineering from IST Graduate in Philosophy from Universidade Católica de Lisboa 	<ul style="list-style-type: none"> Director without delegated areas <p>Formerly:</p> <ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Member of the Corporate Governance Assessment Committee CLO and CFO of NOVABASE Group Director of various NOVABASE Group companies
Pedro Miguel Quinteiro Marques de Carvalho	<ul style="list-style-type: none"> Graduate in Applied Mathematics from Universidade de Lisboa 	<ul style="list-style-type: none"> Director without delegated areas <p>Formerly:</p> <ul style="list-style-type: none"> Member of the Board of Directors Performance Assessment Committee Director responsible for the administrative and logistics área CIO of NOVABASE Group

		<ul style="list-style-type: none"> • Director of various NOVABASE Group companies
Marta Isabel dos Reis Graça Rodrigues do Nascimento	<ul style="list-style-type: none"> • Post-graduate in Securities Law from the Securities Institute of the School of Law of Universidade Clássica de Lisboa • Graduate in Law from the School of Law of Universidade Católica de Lisboa 	<ul style="list-style-type: none"> • Director without delegated areas

¹ Professional activities performed in the past five years, namely in terms of positions at other companies or the company itself (article 289 of the Commercial Companies Code).

20. Regular and significant family, professional or business relationships of members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors with shareholders to whom a qualified shareholding exceeding 2% of voting rights may be attributed.

Directors Luís Paulo Cardoso Salvado, João Nuno da Silva Bento, Álvaro José da Silva Ferreira, José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro Marques Carvalho are simultaneously shareholders and parties to the shareholders' agreement referred to in point 6 of this report. As of 31 December 2020, the parties to this shareholders' agreement have been attributed a qualified holding of 12,599,206 shares representing 40.12% of NOVABASE's share capital and voting rights.

There are no other regular and significant relationships between directors and qualified shareholders.

21. Organizational structure and functional chart relating to the division of powers among the various boards, committees and/or departments within the company, including information on the scope of the delegation of powers, particularly with regard to the delegation of day-to-day management of the company.

NOVABASE was organized into two business segments on 31 December 2020:

- Next-Gen
- Value Portfolio

These two segments were announced to the market on 25 July 2019, in the wake of the disclosure of the 2019+ Strategic Update.

The Next-Gen segment aims to be a key player in an area of fast growth and considerable size, through a leadership position in attracting hard-to-find technology talent in Portugal, and in deploying advanced projects focusing on Europe and the Middle East. NOVABASE has a solid history in Nearshore Agile and is already active in Telecommunications and Financial Services.

NEXT-GEN, an IT service company focused on:

- Design & UX

- Insights through data
- Native & scalable cloud
- Digital architecture
- Exposure to APIs
- AI / Analytics
- Automation of Tests & Engineering
- Continuous Delivery
- Intelligent Operations

The main purpose of the Value Portfolio segment is to generate funds to finance growth in the Next-Gen segment, through proactive management and by analysing potential strategic partnerships. It includes businesses with consolidated IT solutions for the sectors of Government, Health, Transports and Energy (the sale of this business was announced to the market on 4 November 2019 and completed on 9 January 2020), IT Staffing and Venture Capital.

On 19 March 2020, NOVABASE announced to the market the sale of COLLAB – Soluções Informáticas de Comunicação e Colaboração, S.A., in which NOVABASE Business Solutions – Soluções de Consultoria, Desenvolvimento, Integração, Outsourcing, Manutenção e Operação de Sistemas de Informação, S.A. holds a 72.45% stake and the NOVABASE Capital venture capital fund holds a 17.75% stake.

Later, on 24 April 2020, NOVABASE announced to the market the signing, by its subsidiary NOVABASE Enterprise Applications – Sistemas de Informação de Gestão Empresarial, S.A. (“NOVABASE Enterprise Applications”), holder of a 54.997% stake in CELFOCUS – Soluções Informáticas para Telecomunicações, S.A. (“CELFOCUS”), as the buyer, and Vodafone Portugal – Comunicações Pessoais, S.A. (“Vodafone Portugal”), holder of a 45.001% stake in CELFOCUS, as the seller, of an agreement for the purchase and sale of these CELFOCUS shares held by the seller.

NOVABASE SGPS¹ / NOVABASE Serviços²

NOVABASE SGPS and NOVABASE Services control the central functional areas: Human Resources, Finance & Administration, IT, Marketing, Legal and Logistics. NOVABASE SGPS directly controls the Investor Relations function through the Investor Relations Office.

Information on the Investor Relations Office can be found in point 56 of this report.

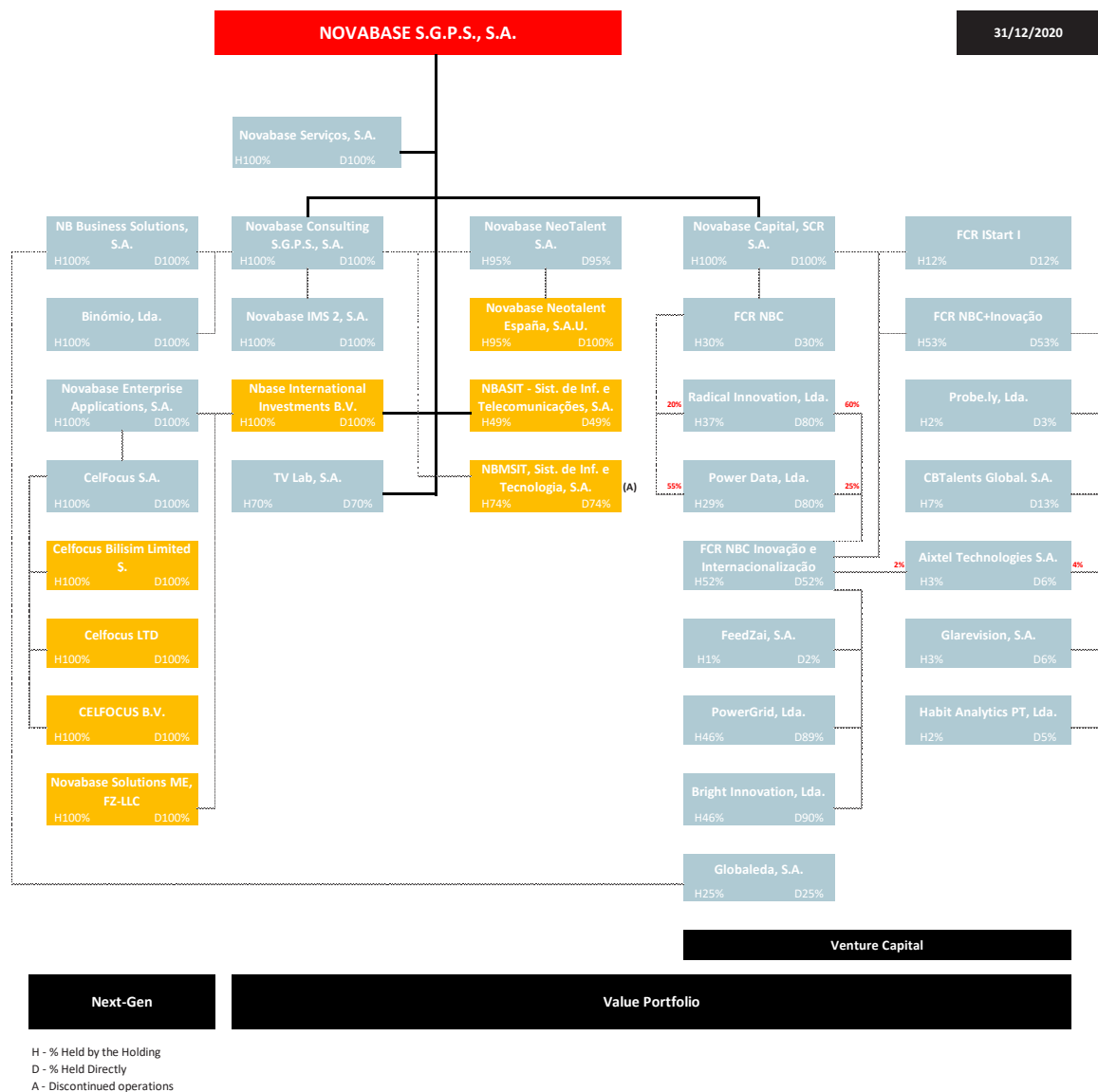
Organizational Chart

Each of the aforementioned organizational units corresponds to a company or a group of companies.

The attached organizational chart includes all of the companies within NOVABASE’s consolidation perimeter.

¹ NOVABASE – Sociedade Gestora de Participações Sociais, S.A.

² NOVABASE Serviços – Serviços de Gestão e Consultoria, S.A.



As stated in point II. A) 15., in view of the mounting challenges of internationalization and competition revolving around NOVABASE's business, the corporate governance system in place at the company needed to be brought up to date by simplifying and streamlining company bodies and procedures, so as to tailor existing solutions to the company's size and specific circumstances.

Therefore, beginning in 2015, NOVABASE adopted a reinforced Latin corporate governance model comprised of a Board of Directors, Audit Board and Statutory Auditor (ROC). In this model, a substantially more agile day-to-day management structure was implemented, with the Board of Directors able to delegate the day-to-day running of the company to one or more directors (managing directors) or to an Executive Committee of 3 to 9 members.

Following the General Meeting of Shareholders of 10 May 2018 (which, among other decisions, elected the members of the corporate boards and Remuneration Committee for three-year period of 2018-2020), the elected Board of Directors delegated, on this same date, NOVABASE's daily management to an Executive Committee supervised by the non-executive directors.

Moreover, NOVABASE has a general meeting board elected for three-year terms of office, along with a Remuneration Committee appointed by the General Meeting of Shareholders to establish the remuneration of each corporate board member based on the duties performed and the company's financial status. The company also designates a secretary and respective substitute, under the terms of article 446-A of the Commercial Companies Code, to perform the duties established by law.

Under the terms of article 14 of NOVABASE's articles of association, a Board of Directors with full and exclusive representation powers is responsible for managing the company's business.

The Board of Directors has general powers to act in pursuit of the company's corporate and business interests within the confines of the law, the articles of association and the decisions of the General Meeting of Shareholders and, in particular, to:

- a) Acquire, encumber and sell any rights or movable property as well as to acquire, encumber and sell immovable property, whenever it is deemed appropriate for the company;
- b) Take out loans and carry out any other financing operations in the interest of the company, under such terms and conditions that it deems fit;
- c) Appoint representatives of the company;
- d) Delegate powers to its members;
- e) Hire employees, set their conditions of employment and exercise disciplinary power;
- f) Represent the company in and out of court, as plaintiff or defendant, file lawsuits, and make admissions, compromise in them and withdraw from them, and engage in arbitration;
- g) Open, operate and close any of the company's bank accounts, deposit and withdraw money, issue, accept, draw and endorse cheques, bills and promissory notes, invoice statements and any other securities;
- h) Decide on investments in the capital of other companies or on participating in other businesses;
- i) Run the company's businesses and carry out any acts and transactions relating to the corporate purpose that do not fall within the jurisdiction of other company bodies.

Under the terms of its regulations, the Board of Directors is responsible for setting a policy for reporting irregularities in compliance with goals laid out in this regard by law, by applicable regulations or by the General Meeting of Shareholders.

The Board of Directors' bylaws and regulations also state that it may delegate to one member of the Board of Directors certain specific management duties or the execution of the Board of Directors' decisions, and may also, as stated above, delegate the day-to-day running of the company to one or more directors (managing directors) or to an Executive Committee of 3 to 9 members. The delegated powers must be drawn up in minutes. The Board of Directors will determine the powers of each managing director or of the Executive Committee, as applicable, in the day-to-day running of the company, delegating to the Executive Committee, when necessary, all of the powers not prohibited by article 407, paragraph 4 of the Commercial Companies Code.

Pursuant to the provisions of article 407, paragraph 4 of the Commercial Companies Code and the regulations of NOVABASE's Board of Directors, the Board of Directors may not delegate the following:

- a) Selection of the Chairperson of the Board of Directors;
- b) Co-option of directors;
- c) Requests to call the General Meeting of Shareholders;
- e) Drawing up of annual reports and accounts;
- f) Provision of collateral, personal guarantees and security in rem by NOVABASE;
- g) Change of registered office and capital increases;
- h) Deliberate projects to merge, divide and transform NOVABASE;
- i) Approval of strategy;
- j) Definition of the Group's corporate structure.

Executive Committee

The Executive Committee is responsible for the day-to-day running of the company, and may perform all actions required to this end, respecting the powers of the Board of Directors with regard to actions which must be submitted for its approval. The Executive Committee defines the company's current organizational structure, appoints employees to perform management duties in the corporate boards of this structure and manages all of the company's operating areas.

In accordance with the delegation of powers approved by the Board of Directors on 10 May 2018, the performance of all actions required for the day-to-day running of the company has been delegated to NOVABASE's Executive Committee for the 2018-2020 term of office, including all powers needed or expedient for pursuing the company's corporate purpose and conducting its business, within the confines of the law, namely:

- a) Carry out the annual business plans and corresponding budgets after their approval by NOVABASE's Board of Directors;
- b) Approve changes to the budget, except when their cumulative impact on the company's consolidated net profit is expected to exceed €1 (one) million in the financial year;
- c) Approve and carry out the NOVABASE's short, medium and long-term organic development and investment plans, and identify and make investments in existing or new business areas of NOVABASE and its affiliates, by means of a budget approved by NOVABASE's Board of Directors and/or, in the absence of this, provided that (i) individually, they do not exceed €1 (one) million; and (ii) together, €5 (five) million in a given financial year; or (iii) in the case of R&D (research and development) investments or investments with co-funding, covered by applicable tax incentives or subsidies, up to a combined amount of €20 (twenty) million per financial year;
- d) Acquire, encumber and sell holdings in other companies, provided these transactions' general guidelines fall within the annual business plans and respective budgets, or, otherwise, with the prior approval NOVABASE's Board of Directors;

- e) Manage holdings in other companies, including affiliates, namely by appointing their representatives on corporate boards and laying out guidelines for these representatives' activities together with approving and reorganizing these holdings according to the annual business plans, or by prior decision approved by NOVABASE's Board of Directors;
- f) Notwithstanding legal provisions and formalities, buy and sell treasury shares within the framework and limits of the decision of the General Meeting of Shareholders;
- g) Opening, transacting and closing bank accounts;
- h) Approve short and medium-term financing agreements (12-36 months), including those which increase overall indebtedness, provided that their value is €5 (five) million or less per transaction, or cumulatively €20 (twenty) million per financial year, or of any amount with the prior approval of NOVABASE's Board of Directors;
- i) Grant medium and short-term loans (and/or shareholder loans) to affiliates for cash-on-hand and other purposes allowed by law, up to the amount of €20 (twenty) million per financial year, or in any amount with the prior approval of NOVABASE's Board of Directors;
- j) Acquire, sell and/or encumber NOVABASE's assets, individually up to €1 (one) million, or cumulatively up to €5 (five) million per financial year;
- k) Take or give in lease, and manage the use of, immovable property allocated to the business of NOVABASE and/or its affiliates, partially or in whole, in accordance with the budget approved by NOVABASE's Board of Directors or, apart from a budget, up to a combined annual amount of €1 (one) million;
- l) Manage and coordinate all of the company's operating and business support areas, including but not limited to Human Resources, Finance and Administration, Marketing and Communication, Information Systems, Legal, Organizational Development and Investor Relations, excluding internal auditing boards if/when they exist;
- m) Recruit and dismiss employees, define human resources and occupational health and safety policies, define and implement plans for training, career levels, categories, remuneration terms/conditions and other bonuses or salary supplements;
- n) Perform standard activities involving powers as an employer, including but not limited to disciplinary authority and the application of legally admissible employee penalties;
- o) Order/determine the presentation, negotiation and contracting of any supplies of goods and/or services by NOVABASE and/or its affiliates within the scope of their corporate purpose, individually up to €20 (twenty) million and/or (i) without a binding obligation of any kind exceeding 15 years; (ii) without terms/conditions deemed of considerable financial, legal and/or commercial risk, attributable to NOVABASE's Executive Committee, by those in the organization responsible for monitoring or otherwise assisting in the control of this risk;
- p) Contract goods and services of any kind and by any means, as needed to pursue the corporate purpose, up to the amount of €1 (one) million per transaction, or in any amount with the prior approval of NOVABASE's Board of Directors or associated with the transactions referred to in o);
- q) Take part in incorporated joint ventures and European Economic Interest Groupings, enter into consortium and equity partnership agreements, and establish or take part in any other forms of temporary or permanent association between companies and/or private or public entities, except when their purpose is to participate in projects whose anticipated turnover for the company exceeds €20 (twenty) million;
- r) Represent the company in and out of court, as plaintiff or defendant, including the instituting, contesting and lodging of appeals in any legal or arbitration proceedings, as well as confessing, withdrawing from or coming to terms in any proceedings and

engagement in arbitration. The Executive Committee must furnish information on any proceedings involving the company whose amount is equal to or exceeds €1 (one) million; and

- s) Appoint representatives to perform specific acts or categories of acts, defining the scope of their respective powers.

Under the terms of the Executive Committee's regulations, its Chairperson is responsible for assigning positions and responsibilities to all of its members, and for establishing and monitoring goals.

As announced to the market and in accordance with NOVABASE's updated strategy for 2019 and beyond (2019+ Strategic Update), in its meeting dated 25 July 2019, the Board of Directors approved the assignment of powers and responsibilities to members of the Executive Committee for the remainder of the 2018-2020 term of office. Along these lines, powers and responsibilities were delegated within the scope of the following areas:

João Nuno da Silva Bento	Chief Executive Officer Chief People Officer Chief Marketing Officer
Álvaro José da Silva Ferreira	Chief Operating Officer Value Portfolio
Francisco Paulo Figueiredo Morais Antunes	Chief Financial Officer, Chief Risk Officer Chief Legal Officer
María del Carmen Gil Marín	Chief Operating Officer Value Portfolio Chief Investors Officer Chief Information Security Officer
Paulo Jorge de Barros Pires Trigo	Chief Operating Officer Next-Gen ⁽¹⁾

⁽¹⁾ As of his election on 26/09/2019. Until then, these duties were performed by director João Nuno Bento

The Executive Committee may sub-delegate the exercising of delegated powers to one or more of its members. The committee or any two of its members may also appoint representatives with the powers deemed appropriate, with the signature of just one of its members in the case of legal proxy.

The members of the Board of Directors not belonging to the Executive Committee (called "non-executive directors") are in charge of overseeing the activities of the Executive Committee, and for any damages caused by the acts or omissions of this committee or its members when, being aware of such existing or intended acts or omissions, they fail to notify the Board of Directors to take the necessary measures. In addition to the power of submitting matters for the Board of Directors' assessment and decision, and with a view to fully carrying out their monitoring and oversight duties with regard to NOVABASE's business, undelegated

non-executive directors may raise specific issues regarding delegated matters directly with executive directors.

In view of the above, no powers were delegated in 2020 involving matters where the Board of Directors must ensure that the company acts in accordance with its objectives, namely: i) definition of the company's strategy and general policies; ii) definition of the corporate structure of the group; iii) decisions taken that are considered to be strategic due to the amounts, risk and particular characteristics involved.

Furthermore, on 28 October 2020 and as duly disclosed to the market, NOVABASE was notified by its signatories to the Shareholders' Agreement, as identified above, of their intent to propose to NOVABASE's elective General Meeting of Shareholders, to be held in the first half of 2021, the election of Luís Paulo Cardoso Salvado to the positions of Chairperson of NOVABASE's Board of Directors and Chairperson of NOVABASE's Executive Committee for the new 2021-2023 term of office.

- Operation

Under the terms of NOVABASE's articles of association, the Board of Directors shall meet whenever called by its Chairperson or by two other directors. It must meet at least once per quarter.

The Board of Directors cannot function without a majority of its active members present. Under urgent circumstances, the Chairperson may waive this majority when it can be achieved via postal or proxy voting to another member of management.

One or more members of the board may participate via teleconferencing, when duly recorded in the minutes. In this case, members of management attending remotely via teleconferencing are considered present at the meeting.

Except when a qualified majority is required by law, the decisions of the Board of Directors are made by simple majority. The Chairperson of the Board of Directors has the casting vote in the event of a tie.

Pursuant to the Board of Directors' regulations, its Chairperson is also responsible for: a) coordinating the Board of Directors' work; b) calling and running the Board of Directors' meetings, ensuring that their minutes are drawn up; c) making casting votes; and d) ensuring the execution of decisions made.

Detailed minutes are drawn up for the meetings of NOVABASE's Board of Directors, pursuant to article 9 of the Board of Directors' internal regulations.

Pursuant to recommendation III.1. of the Portuguese Corporate Governance Institute (IPCG) Corporate Governance Code (2018, revised in 2020), notwithstanding the legal functions of the Chairperson of the Board of Directors, if the Chairperson is not independent, the independent directors must designate a coordinator (lead independent director) from among themselves for the following purposes: (i) serving, whenever necessary, as a spokesperson with the Chairperson of the Board of Directors and the other directors, (ii) ensuring that they have the necessary means and conditions to perform their duties; and (iii) coordinating them in assessing the performance by the managing board, as provided for in recommendation V.1.1. of the above Governance Code.

In view of NOVABASE's corporate organizational model, which has several levels of internal control, the company does not believe that independent directors are necessary, as further

explained in point 18. The designation of a lead independent director per this recommendation is therefore not possible.

With regard to the option of designating a lead non-executive director (in the absence of independent directors), in view of the company's size, the Board of Directors (comprised of 9 directors) and the number of non-executive directors (4), NOVABASE does not believe this position is necessary.

In fact, given NOVABASE's agile and flexible structure since 2015, the non-executive directors have adequately coordinated their duties with no need for formal meetings called and run by one of these directors.

Pursuant to the NOVABASE Board of Directors' internal regulations, members of the Board of Directors may not vote on issues where they have a conflict of interest with NOVABASE, whether directly or through third parties.

While being obliged to inform the Chairperson of the Board of Directors about the conflict of interest, the board member in question may participate in the meeting where the issue will be discussed, but without the ability to vote.

Unless decided otherwise, this member may be asked to give an opinion, but without the ability to vote, and must provide all information and clarifications requested in this regard by the Board of Directors and/or its members. Pursuant to the Board of Directors' internal regulations, directors may obtain information deemed necessary or convenient for the performance of their functions, powers and duties, via request to the Chairperson of the Board of Directors. Directors shall also be ensured access to the company's employees, as necessary, to assess NOVABASE's performance, status and future prospects.

Executive Committee

The Executive Committee sets the dates or frequency of its ordinary meetings, and holds extraordinary meetings whenever called by its Chairperson or by two of its members, with a minimum of 12 meetings per year.

This committee cannot function without a majority of its active members present; under urgent circumstances, the Chairperson may waive this majority, with approval of this decision at the Executive Committee's next meeting.

Notwithstanding the above, postal and proxy voting is permitted, although no member of the Executive Committee may represent more than another member of the committee.

Along these lines, one or more members of the Executive Committee may attend remotely via videoconferencing or conference call, so long as the meeting minutes specify this whenever it occurs.

It should also be noted that the Chairperson of the Board of Directors is called to Executive Committee meetings under the same terms as its members and is always entitled to attend Executive Committee meetings without voting rights.

The Executive Committee makes decisions by a majority vote; its Chairperson has a casting vote.

Rules involving conflicts of interest apply to the Executive Committee. In fact, Executive Committee members are required to notify the Chairperson of the Executive Committee of any potential conflicts of interest with NOVABASE, whether directly or through third parties, involving issues under discussion and voting. In such cases, the members in question may not exercise their voting rights in decisions on issues with potential conflicts of interest and must provide all information and clarifications requested in this regard by the Executive Committee and/or its members.

Decisions made at Executive Committee meetings, and voting ballots, are recorded in meeting minutes.

In 2020, all the information requested by the various corporate boards was supplied by the executive members of NOVABASE's Board of Directors in a timely and suitable fashion. The minutes of the Executive Committee's meetings, meeting notices, support documentation and access to meeting archives are available to all members of the Board of Directors and Audit Board, within a time period stipulated by the Board of Directors. The Executive Committee must provide, in a timely and suitable fashion, any information requested by the Board of Directors and/or Audit Board so that they may assess NOVABASE's performance, status and future prospects.

22. Existence and location of operating regulations, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

The regulations of the Board of Directors are available at NOVABASE's website.

23. Number of meetings held and attendance of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.

Board of Directors	
Number of meetings: 12	
Member	Attendance (%)
Luis Paulo Cardoso Salvado	100
João Nuno da Silva Bento	100
Álvaro José da Silva Ferreira	100
Francisco Paulo Figueiredo Morais Antunes	100
María del Carmen Gil Marín	100
Paulo Jorge de Barros Pires Trigo	91,7
José Afonso Oom Ferreira de Sousa	91,7
Pedro Miguel Quinteiro Marques de Carvalho	100
Marta Isabel dos Reis Graça Rodrigues do Nascimento	100

Executive Committee	
Number of meetings: 43	
Member	Attendance (%)

João Nuno da Silva Bento	100
Álvaro José da Silva Ferreira	100
Francisco Paulo Figueiredo Morais Antunes	100
María del Carmen Gil Marín	100
Paulo Jorge de Barros Pires Trigo	100

24. The corporate bodies responsible for assessing the performance of executive members.

The activities of the Executive Committee are monitored continuously by the Board of Directors on the whole and, specifically, by the non-executive directors, through the provision of information on the company's business as needed to monitor its day-to-day running. This monitoring of the Executive Committee by non-executive members was a practice already in place prior to the publication of corporate governance recommendations on the existence of specific evaluation committees, and continues to be an actual practice employed by NOVABASE.

Furthermore, in a meeting dated 10 May 2018, the Board of Directors approved new internal regulations for this board to embrace the recommendations of the IPCG Corporate Governance Code (2018, revised in 2020).

Pursuant to article 10 of these regulations, to allow non-executive directors to carry out their duties of monitoring and overseeing NOVABASE's business, in addition to their ability to submit matters to the Board of Directors for assessment and decision, they may also, individually or jointly, request that members of the Executive Committee provide meeting minutes, support documentation for decisions made, meeting notices and access to meeting archives, requesting such information through the Chairperson of the Board of Directors and/or Chairperson of the Executive Committee, who must respond to the request in a timely and suitable fashion.

On 31 December 2019, the non-executive members of the Board of Directors were Luís Paulo Cardoso Salvado, José Afonso Oom Ferreira de Sousa, Pedro Miguel Quinteiro de Marques Carvalho and Marta Isabel dos Reis Graça Rodrigues do Nascimento. Furthermore, in accordance with recommendation V.1.1. of the IPCG Corporate Governance Code (2018, revised in 2020), the Board of Directors conducts an annual assessment of its performance and the performance of the managing directors or Executive Committee, as applicable, bearing in mind fulfilment of the company's strategic plan and budget, risk management, internal operation and each member's contribution in this regard, together with relationships between the company's boards and committees.

Along these lines, each year, the Board of Directors approves the following in a meeting in reference to the previous financial year: (i) performance assessment of the Board of Directors on the whole during the financial year in question, using a self-assessment process for this purpose based on the evaluation parameters in the above paragraph, with all members of the Board of Directors participating and voting in the decision to approve this assessment, and (ii) performance assessment of the managing directors or Executive Committee, as applicable, in the previous financial year, based on the same evaluation parameters and other relevant parameters considering the executive functions of this board, with only the non-

executive members of the Board of Directors participating and voting in the decision to approve this assessment.

The overall performance assessment of the Board of Directors and Executive Committee in the 2020 financial year was approved by NOVABASE's Board of Directors on 11 February 2020.

In addition, the Remuneration Committee is responsible for assessing the performance of the Executive Committee and its members for the purposes of applying the evaluation criteria described in point 25 below.

NOVABASE's Board of Directors also ensures that the individual performance evaluations of each member of management are notified to the Remuneration Committee.

25. The pre-established criteria for assessing the performance of executive members.

The performance assessment of members of the Board of Directors (including executive directors) takes into account the organization's performance in the year in question, measured by the net profits generated, and is aimed at correlating the remuneration's variable cash component with the responsibility and performance of each director in particular (as stated in the policy in point 69 of this report).

More information on the evaluation parameters and assessment process of NOVABASE's directors can be found in point 24.

26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, indicating positions held simultaneously at other companies, both in and outside of the group, and other relevant activities performed by the members of these boards over the year.

Director (availability)	Group companies	Other companies and activities
Luís Paulo Cardoso Salvado (Full time)	<ul style="list-style-type: none"> • Director of the following companies: <ul style="list-style-type: none"> • NOVABASE Consulting SGPS, S.A. • NOVABASE Serviços, S.A. • NOVABASE Business Solutions, S.A. 	<ul style="list-style-type: none"> • Manager of Pluraldistance, Lda. • Director of HNB - SGPS, S.A. • Managing partner of Turtlewalk, Unipessoal, Lda.
João Nuno da Silva Bento (Full time)	<ul style="list-style-type: none"> • Director of the following companies: <ul style="list-style-type: none"> • NOVABASE Consulting SGPS, S.A. • NOVABASE Serviços, S.A. • NOVABASE Enterprise Applications, S.A. • NOVABASE Business Solutions, SA • NOVABASE Digital, S.A. • TVLAB, S.A. • NOVABASE Capital, S.A. 	<ul style="list-style-type: none"> • Director of HNB - SGPS, S.A. (Until 28 October 2020)

	<ul style="list-style-type: none"> • Binómio, Lda. • NB Middle East, FZ-LLC 	
<p>Álvaro José da Silva Ferreira (Full time)</p>	<ul style="list-style-type: none"> • Director of the following companies: <ul style="list-style-type: none"> • NOVABASE Consulting SGPS, S.A. • NOVABASE Serviços, S.A. • NOVABASE Enterprise Applications, S.A. • NOVABASE Business Solutions,SA • NOVABASE IMS2, S.A. • TVLAB, S.A. • NBASIT, S.A. • NOVABASE Capital, S.A. • NBMSIT, S.A. • NOVABASE Neotalent, S.A. • NOVABASE Neotalent España, S.A. 	<ul style="list-style-type: none"> • Director of HNB - SGPS, S.A. • Managing partner of Pragmatic Proton, Unipessoal, Lda.
<p>Francisco Paulo Figueiredo Morais Antunes (Full time)</p>	<ul style="list-style-type: none"> • Director of the following companies: <ul style="list-style-type: none"> • NOVABASE Consulting SGPS, S.A. • NOVABASE Serviços, S.A. • NOVABASE Enterprise Applications, S.A. • NOVABASE Business Solutions,SA • NOVABASE IMS2, S.A. • TVLAB, S.A. • NBASIT, S.A. • NOVABASE Capital, S.A. • NBMSIT, S.A. • NOVABASE Neotalent, S.A. • NOVABASE Neotalent España, S.A. • Binómio, Lda. • Celfocus, S.A. • NBASE, SGPS S.A. 	<ul style="list-style-type: none"> • Managing partner of Cosmostock, Lda.

	<ul style="list-style-type: none"> • NB Middle East, FZ-LLC • Nbase International Investments, B.V. 	
<p>María del Carmen Gil Marín (Full time)</p>	<ul style="list-style-type: none"> • Chairperson of the General Meeting of Shareholders of the following NOVABASE Group companies: <ul style="list-style-type: none"> • Celfocus, S.A. • NOVABASE Enterprise Aplications, S.A. • GLOBALEDA - Telecomunicações e Sistemas de Informação, S.A. • Director or manager of the following NOVABASE Group companies: <ul style="list-style-type: none"> • NOVABASE IMS2, S.A. • NOVABASE Capital, S.A. • NOVABASE Serviços, S.A. • Member of Advisory Committee - FCR Isartl 	<ul style="list-style-type: none"> • Member of Advisory Committee of FCR Istart I • Member of Governing Board of Investor Relations Forum • Independent non-executive director of the postal service (CTT) and member of the Auditing Committee
<p>Paulo Jorge de Barros Pires Trigo (Full time)</p>	<ul style="list-style-type: none"> • Director of the following companies <ul style="list-style-type: none"> • NOVABASE Business Solutions, S.A. • Celfocus, S.A. • NB Middle East, FZ-LLC • Binómio, Lda. • Celfocus LTD • Celfocus B.V. 	<ul style="list-style-type: none"> • No activities at other companies outside the Group.
<p>José Afonso Oom Ferreira de Sousa (Part time)</p>	<ul style="list-style-type: none"> • Chairperson of the General Meeting of Shareholders of the following companies: <ul style="list-style-type: none"> • NOVABASE IMS2, S.A. • TV Lab, S.A. • NOVABASE Neotalent, S.A. 	<ul style="list-style-type: none"> • Manager of Pluraldistance, Lda. • Director of HNB - SGPS, S.A. • Director of Fundação Maria Dias Ferreira • Director of PROMANUSS - Investimentos e Consultadoria, S.A. • Director of Xistroban, S.A. • Director of Aprove - Investimentos e Projetos Imobiliários, S.A. • Managing partner of S2i - Sociedade de Investimento Imobiliário, Lda.
<p>Pedro Miguel Quinteiro Marques de Carvalho (Part time)</p>	<ul style="list-style-type: none"> • Chairperson of the General Meeting of Shareholders of the following companies: <ul style="list-style-type: none"> • NOVABASE Serviços, S.A. • NOVABASE Consulting SGPS, S.A. • NOVABASE Business Solutions, S.A. • NOVABASE Capital, S.A. 	<ul style="list-style-type: none"> • No activities at other companies outside the Group.

Marta Isabel dos Reis Graça Rodrigues do Nascimento (Part time)	<ul style="list-style-type: none"> No activities at other NOVABASE Group companies. 	<ul style="list-style-type: none"> Attorney and partner at Garrigues S.L.P.
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- Committees within the managing or supervisory board and managing directors

27. Committees created within, as applicable, the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location of operating regulations.

As stated in point 15 of this report, in view of the mounting challenges of internationalization and competition revolving around NOVABASE’s business, the corporate governance system in place at the company needed to be brought up to date by simplifying and streamlining company bodies and procedures, so as to tailor existing solutions to the company’s size and specific circumstances.

As explained in point 21 above, the Board of Directors created an Executive Committee to which it delegated the everyday running of the company. More information on the Executive Committee can be found in point 21 of this report. Beyond the Executive Committee, no other committees have currently been created within the company’s Board of Directors, namely (i) to assess the performance of the executive directors and Board of Directors, and (ii) to reflect and act on issues involving corporate governance.

In particular, with regard to evaluating the management, it should be noted that the Board of Directors annually assesses its own performance, together with the performance of the managing directors or Executive Committee, as applicable, also ensuring that the individual performance evaluations of each member of the management are notified to the Remuneration Committee.

The activities of the Executive Committee are monitored continuously by the Board of Directors on the whole and, specifically, by the non-executive directors, through the provision of information on the company’s business as needed to monitor its day-to-day running. This monitoring of the Executive Committee by non-executive directors was a practice already in place prior to the publication of corporate governance recommendations on the existence of specific evaluation committees and continues to be an actual practice employed by NOVABASE.

In addition, the Remuneration Committee is responsible for assessing the performance of the Executive Committee and its members for the purposes of applying the evaluation criteria described in point 25.

More information on the annual evaluation process of NOVABASE’s Board of Directors can be found in point 24 of this report.

Along these lines, given the relatively low complexity of the current corporate governance structure, maintaining or reintroducing a specific committee to reflect on issues involving corporate governance seems unnecessary, since the company is assisted by outside consultants in this regard. Note that NOVABASE’s governance model is assessed regularly

by the Board of Directors in terms of its suitability and performance, to help optimize its performance in closer alignment with the interests of all stakeholders.

The regulations of the Executive Committee are available at NOVABASE's website.

28. Composition, if applicable, of the executive committee and/or identification of managing director(s).

The Executive Committee had the following composition on 31 December 2020:

João Nuno da Silva Bento
Álvaro José da Silva Ferreira
Francisco Paulo Figueiredo Morais Antunes
María del Carmen Gil Marín
Paulo Jorge de Barros Pires Trigo

29. Powers of each of the committees created, and summary of activities carried out in exercising these powers.

The scope of the Executive Committee's powers is described in point 21 above.

As stated in point 27, beyond the Executive Committee, no other committees have currently been created within the company's Board of Directors.

In the wake of in-depth strategic reflection beginning in 2018 on the company's future, in 2019 the Board of Directors decided to approve an updated strategy for 2019 and beyond (2019+ Strategic Update), whose key features were announced to the market on 25 July 2019.

In the same Board of Directors meeting it was decided, by proposal of the Executive Committee and given the framework of the 2019+ Strategic Update, to discontinue NOVABASE's shareholder remuneration policy for the annual distribution of at least 30% of the NOVABASE Group's consolidated net profit for the year. The purpose of this change was to ensure flexibility in allocating available financial resources to serve initiatives under the 2019+ Strategic Update.

2020 was marked, in every aspect, by Covid-19.

NOVABASE remained confident, albeit cautious. Confident in its financial soundness, talent and strategy. Cautious about the uncertainty of the duration and means of recovery.

The results achieved in 2020 were clearly positive. Three strategic M&As were successfully completed, we began transforming operations in the Next-Gen segment, and we achieved solid financial performance surpassing our expectations. These results bear out the Board of Directors' strategic focus and the potential to enhance our assets.

On the Covid-19 front, a Pandemic Task Force was created to efficiently address the numerous challenges which arose. The health and well-being of the people who work at NOVABASE and their families were always top priorities, focusing on remote work and creating a safe environment for those needing to be physically at the company's facilities.

Under the 2019+ Strategic Upgrade, announced to the market on 25 July 2019, NOVABASE has consistently and regularly updated its policies and procedures to tailor them to the transformations underway, both internally and externally. Internal policies and regulations have been approved and revised to promote and encourage transparency, the quality of oversight mechanisms, best practices in corporate governance and the company's sustained performance, as detailed in our Corporate Governance Report. The Board of Directors, in addition to discussing, reflecting and deciding on strategic issues relevant to the company, also monitors the day-to-day running of the company in a continuous and permanent manner, together with analysing the principal business risks and responding proactively whenever needed.

In the area of M&A, and despite the adverse environment, the sales of Collab and of the Government, Transport and Energy business (recorded in 2019) were successfully completed, representing a combined disinvestment of more than 60% of turnover in the Value Portfolio segment. Along these lines, Vodafone Portugal's holding in Celfocus was successfully acquired, essential in capturing internal synergies and leveraging faster growth in the Next-Gen segment.

In 2020, we celebrated 20 years on the stock market, while NOVABASE was congratulated by Euronext Lisbon for its embracing of best practices, resilience, and ability to reinvent itself over this journey. On 23 March, NOVABASE's stock returned to the PSI20 and appreciated 24% over the year, at a time when the PSI20 and Eurostoxx Technology benchmark indices were down 6% and up 14%, respectively.

For the second year running, we were again distinguished as the most innovative company in managing people by the magazine Human Resources Portugal.

NOVABASE's transformation, announced to the market in July 2019, is now underway, as evidenced by our results. This Board of Directors is confident that the company is stronger and better prepared to face the future, continuing to create value in a sustained manner.

III. SUPERVISION

a) Composition

30. Identification of supervisory body (Audit Board, Auditing Committee or General and Supervisory Board) in the model adopted.

NOVABASE has adopted a reinforced Latin corporate governance model, which includes an Audit Board and Statutory Auditor.

31. Composition, as applicable, of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee, stating the minimum and maximum number of members, term of office, number of full members, inauguration date and end date of each member's term of office, in accordance with the articles of association (reference may be made to the point where this information is already found in the report per no. 18).

Article 8 of the company's articles of association states that members of the Audit Board are elected by the General Meeting of Shareholders for three-year terms, subject to re-election one or more times, and that, at the end of their terms of office, they shall keep their positions until the appointment of new members.

NOVABASE's articles of associations further establish that the supervision of the company shall be the responsibility of an Auditing Board, elected by the General Meeting and composed of at least 3 full members, one of whom shall be its Chairperson, with at least one substitute.

At least one member of the Audit Board must have a higher education degree suited to his/her duties, as well as knowledge of auditing or accounting. The Audit Board's remaining members may be law firms, statutory auditing firms or shareholders, in the latter case individuals with full legal capacity, and with qualifications and professional experience suited to his/her duties. Overall, the Audit Board's members must have prior experience and training in NOVABASE's business sector.

On 31 December 2020, the Audit Board had the following three full members:

Full Member	Inauguration date	End of term of office
Álvaro José Barrigas do Nascimento	10-05-2018	31-12-2020
Fátima do Rosário Piteira Patinha Farinha	29-04-2015	31-12-2020
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira	10-05-2018	31-12-2020

The Audit Board's substitute member is Manuel Tavares Festas.

32. Identification, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee considered to be independent under the terms of article 414, paragraph 5 of the Commercial Companies

Code (reference may be made to the point where this information is already found in the report per no. 19).

Full Member of the Audit Board	Independent ¹
Álvaro José Barrigas do Nascimento Paulo	Yes
Fátima do Rosário Piteira Patinha Farinha	Yes
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira	Yes

¹ Pursuant to article 414, paragraph 5 of the Commercial Companies Code.

In 2020, all members of the Audit Board were in compliance with the incompatibility rules of article 414-A, paragraph 1 of the Commercial Companies Code, together with the requirements for independence under Law no. 148/2015 of 9 September, since all of this board's members, including the Chairperson, are independent in accordance with article 414, paragraph 5 of the Commercial Companies Code.

In addition, the Chairperson and other members of the Audit Board are adequately capable of carrying out their duties, as demonstrated by the background information in the following point.

In this way, in view of NOVABASE's comparative size, the complexity of its business risks and the independence of all members of its Audit Board, NOVABASE believes that the number of Audit Board members effectively ensures the functions entrusted to it.

33. Professional qualifications, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee, and other relevant background information (reference may be made to the point where this information is already found in the report per no. 21).

Audit Board		
Full Member	Professional Qualifications	Work experience

<p>Álvaro José Barrigas do Nascimento</p>	<ul style="list-style-type: none"> • PhD in Banking and Finance • Cass Business School, City University London, United Kingdom • Master of Science in International Trade and Finance • The Management School, Lancaster University Lancaster, United Kingdom • Degree in economics • Porto School of Economics Porto, Portugal 	<ul style="list-style-type: none"> • Associate Professor in Economics and Finance - Católica Porto Business School - Universidade Católica Portuguesa • Independent NORS director • Chairperson of the Audit and Finance Committee of Sonae MC • Member of the Audit Board of Unicer • Manager of the Business Administrator Forum (FAE) • Chairperson of the Advisory Committee of ERSAR • Manager of the Católica Porto Business School (2008-2013) • Chairperson of the Board of Directors of CGD (2011-2013) • Member of management, Católica Luanda Business School • Chairperson of the Audit Board of Banco Carregosa (2017-2018) • Dependent director of Euronext (2016-2018) • Manager of the Portuguese Corporate Governance Institute (2013-2019) • Manager of the Commercial Association of Porto (2013-2017) • Advisor to the Minister of Education of the XIV Constitutional Government (2002)
<p>Fátima do Rosário Piteira Patinha Farinha</p>	<ul style="list-style-type: none"> • Graduate in Company Organization and Management from Instituto Superior de Economia e Gestão • Registered in the Portuguese Statutory Auditors' Association 	<ul style="list-style-type: none"> • Financial Director of Grupo Entrepasto automobile retail • Assistant Financial Director of Entrepasto Group (2002-2010); • Financial Director of NOVABASE Capital SCR, S.A. (2000-2002); • Financial Director of NOVABASE Sistemas de Informação e Bases de Dados S.A. (1991-2000)
<p>Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira</p>	<ul style="list-style-type: none"> • Advanced Management Program' - Harvard Business School 	<ul style="list-style-type: none"> • Various positions, EDP Energias de Portugal Group, 2003 to the present

	<ul style="list-style-type: none"> • Top Management Development Programme' -Alta Direcção do Grupo EDP no INSEAD • Pós-Graduação Avançada em Finanças Empresarias pela Universidade Católica Portuguesa (UCP) • Eureka International Management Development Programme' estabelecida com a Eureka BV, o INSEAD e a 'University of Edinburgh' • Licenciatura em Gestão e Administração de Empresas pelo Instituto Superior de Gestão 	<ul style="list-style-type: none"> • Financial Director - NOVABASE SGPS, S.A. (2001 - 2003) • Director, Financial Area, Banco Millennium BCP (1993-2001) • Auditing, PricewaterhouseCoopers (1991-1993) • Broker, Pedro Caldeira - Sociedade de Corretagem (1989-1990)
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b) Operation

The Audit Board is responsible for overseeing NOVABASE's management and ensuring compliance with the law and memorandum of association.

In performing its duties, NOVABASE's Audit Board is responsible for the following:

- Propose, at the General Meeting of Shareholders, the appointment of the Statutory Auditor ("ROC") or Statutory Auditing Firm ("SROC"), pursuant to the law;
- Monitor the independence of the ROC/SROC, particularly with regard to the provision of additional services to NOVABASE or to companies in its group;
- Oversee the review of accounts and other company accounting documents;
- Prepare an annual report on its oversight activities, and issue an opinion on the Annual Report and Accounts and proposals submitted by management;
- Monitor the efficacy of the risk management system, internal control system and internal auditing system;
- Monitor the preparation and disclosure of financial information;
- Annually assess the Board of Directors' and Executive Committee's compliance with the budget;
- Take whatever decisions it deems necessary, informing the Chairperson of the Board of Directors and director in charge of NOVABASE's financial area, with respect to information about any irregular practices which it receives from shareholders, NOVABASE employees or others, to the department created specifically for this purpose;
- Issue a prior binding opinion on the type, scope and minimum individual or combined amount of business deals with related parties which (i) require the prior approval of the managing board; (ii) require the prior approval of the supervisory board due to their high value;
- Issue a prior opinion on business deals with related parties submitted by the managing board;

- k) Comply with other competencies and duties provided for by law and the memorandum of association.

In addition, since 31 March 2011, the company's supervisory board has performed duties involving preliminary assessments of the business deals to be carried out between the company and the owners of qualified holdings or entities related with them, pursuant to article 20 of the Securities Code. These functions are described in point 91 of this report.

Even so, in view of the entry into force of Law no. 50/2020 of 25 August during the 2020 financial year, which transposed into the Portuguese legal system Directive (EU) 2017/828 concerning shareholder rights in listed companies as regards shareholders' long-term engagement, having introduced articles 249-A and following to the Securities Code providing for a scheme for transactions with related parties, an internal procedure was established at NOVABASE in 2021 for verifying and approving transactions with related parties, with the involvement of the Board of Directors and the Audit Board, pursuant to the law, which was approved by the Board of Directors with a prior favourable opinion of the Audit Board.

Furthermore, on 20 June 2018, the Audit Board approved new internal regulations aimed at incorporating legal provisions applicable to this board and its activities, namely those resulting from Law no. 148/2015 of 9 September, together with recommendations from the IPCG Corporate Governance Code (2018, revised in 2018).

Along these lines, provisions aimed at establishing and implementing the Audit Board's duties within the scope of its powers were added to these regulations, particularly with regard to (i) the preparation of financial information, (ii) the supervision of systems for managing risks, control and (iii) statutory and external auditing.

In performing its duties regarding the preparation of financial information, the Audit Board is specifically responsible for:

- a) Overseeing the adequacy of the process for preparing and disclosing financial information by NOVABASE's Board of Directors, including the suitability of accounting policies, estimates, judgements, relevant disclosures and their consistent application between years, in a duly documented and properly communicated manner; and
- b) Certifying that the report disclosed on corporate governance practices and structure includes the items referred to in article 245-A of the Securities Code.

In addition, in performing its duties regarding the supervision of systems for risk management, internal control and internal auditing, the Audit Board is specifically responsible for:

- a) Evaluating the Board of Directors' risk management, implementing periodic control procedures and mechanisms to ensure that the risks actually taken by NOVABASE are consistent with the Board of Directors' goals;
- b) Issuing its opinion on the working plans and resources allocated to internal control areas, also receiving reports from these areas on matters involving the rendering of accounts, identifying or resolving conflicts of interest and the detection of potential irregularities.

Finally, in performing its duties regarding statutory and external auditing, the Audit Board is specifically responsible for:

- a. Ensuring an organized selection process for ROCs/SROCs to be proposed to the General Meeting of Shareholders, pursuant to applicable legislation. This selection must include the following:
 - (i) It must begin with a sufficient amount of lead time before the scheduled date of the NOVABASE General Meeting of Shareholders which will elect the ROC/SROC, so that the Audit Board may properly assess proposals received from applicants and select the ROCs/SROCs to be proposed at the meeting;
 - (ii) It must be open to various applicants during a specific period of time; the Audit Board shall select and invite a group of applicants prior to its established proposal submission period;
 - (iii) It must follow selection criteria of transparency, non-discrimination and impartiality; in analysing and appraising each proposal received, the Audit Board shall consider applicants' knowledge of the business sectors where NOVABASE and the NOVABASE Group's companies do business, together with their resources, capacities and financial standing.

- b. Selecting, in accordance with sub-paragraph a) above, the ROCs/SROCs to be proposed to the General Meeting of Shareholders for election and, as part of this proposal, recommending a preferred ROC/SROC on justified grounds, pursuant to the law;

- c. Verifying, monitoring and overseeing the independence of NOVABASE's ROC/SROC, namely by means of the following:
 - (i) Ensuring the receipt of information and communications pursuant to article 63 of the bylaws of the Portuguese Statutory Auditors' Association passed by Law no. 140/2015 of 7 September ("EOROC");
 - (ii) Properly evaluating the threats to the independence of the ROC/SROC, together with existing or future safeguarding measures, and discussing these issues with the ROC/SROC when deemed necessary;
 - (iii) Monitoring the services provided by the ROC/SROC, and ensuring that no services beyond auditing services ("prohibited services", listed in Annex I to the regulations) are provided, pursuant to article 77 of the EOROC;
 - (iv) Annually evaluating the work done by the ROC/SROC, including its independence and suitability to perform its duties, proposing to the General Meeting of Shareholders that it be dismissed, or that its service provision agreement be terminated, whenever there are justified grounds for this purpose;
 - (v) Implementing any other measures needed to ensure the independence of the ROC/SROC, pursuant to the law.

- d. Establishing adequate communication channels between NOVABASE (and specifically the Audit Board) and the ROC, namely by:
 - (i) Holding meetings if and when necessary between the ROC/SROC and NOVABASE's Audit Board and/or Board of Directors;
 - (ii) Serving as NOVABASE's main spokesperson with the ROC/SROC.

Note that, within the scope of the powers in d) above, and as the primary spokesperson of the company's statutory auditor, the Audit Board proposes the remuneration of NOVABASE's statutory auditor and lays the proper groundwork for the provision of services within the company.

The Audit Board's powers have also been reinforced with a view to properly evaluating the performance, status and future prospects of NOVABASE. The Audit Board's regulations state

that it may request any information deemed necessary from the Executive Committee or Board of Directors, together with their meeting minutes, meeting notices, support documentation or access to the meeting archives.

The Audit Board's internal regulations also detail some general duties and responsibilities, such as participating in meetings of the Board of Directors, managing directors or Executive Committee, as applicable, in which the annual accounts will be assessed, and the General Meeting of Shareholders, together with maintaining confidentiality with regard to facts and information disclosed to Audit Board members while performing their duties, notwithstanding the legal obligation to report criminal acts constituting public crimes pursuant to article 422, paragraph 3 of the Commercial Companies Code.

The Audit Board held the compulsory number of meetings in 2020 as required by the articles of association, and made all examinations of the accounts deemed necessary to fulfil its obligations, having conducted analyses and made suggestions as considered appropriate.

The Audit Board holds ordinary meetings at least once per quarter, or whenever deemed necessary by its Chairperson or requested by one of its members. The Chairperson of the Audit Board is responsible for convening and running its meetings, and has a casting vote. Detailed minutes are drawn up for the meetings of NOVABASE's Audit Board, pursuant to article 6, paragraph 4 of its internal regulations.

The Audit Board's decisions are made with a majority of its active members present, by majority vote. Pursuant to the Audit Board's internal regulations, for votes in which a member of the board has a conflict of interests, the board member in question must notify the others and abstain from voting.

34. Existence and location of operating regulations, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee (reference may be made to the point where this information is already found in the report per no. 24).

The regulations of the Audit Board are available at NOVABASE's website.

35. Number of meetings held and attendance at each meeting, as applicable, of the members of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee (reference may be made to the point where this information is already found in the report per no. 25).

Audit Board	
Number of meetings: 4	
Full Member	Attendance (%)
Álvaro José Barrigas do Nascimento	100
Fátima do Rosário Piteira Patinha Farinha	100
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira	50

36. Availability of each member, as applicable, of the Audit Board, Auditing Committee, General and Supervisory Board or Financial Matters Committee, indicating positions held simultaneously at other companies, both in and outside of the group, and other relevant activities performed by the members of these boards over the year (reference may be made to the point where this information is already found in the report per no. 26).

Audit Board		
Full Member (availability)	Group companies	Other companies and activities
Álvaro José Barrigas do Nascimento (part time)	<ul style="list-style-type: none"> No activities at other NOVABASE Group companies. 	<ul style="list-style-type: none"> Professor of Finance at Universidade Católica Portuguesa Independent NORS director Chairperson of the Audit and Finance Committee of Sonae MC Member of the Audit Board of Unicer Manager of the Business Administrator Forum (FAE) Chairperson of the Advisory Committee of ERSAR
Fátima do Rosário Piteira Patinha Farinha (part time)	<ul style="list-style-type: none"> Member of the Audit Board of NOVABASE Capital - Sociedade de Capital de Risco, S.A. 	<ul style="list-style-type: none"> Financial Director of Grupo Entrepósito automobile retail Partner at MC Godinho & Associado SROC
Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira (part time)	<ul style="list-style-type: none"> No activities at other NOVABASE Group companies. 	<ul style="list-style-type: none"> Member of Audit Board of Fundação EDP Chairperson of the Audit Board of Caritas Diocesana de Lisboa

c) Powers and duties

37. Description of procedures and criteria applicable to the supervisory board's involvement in hiring the external auditor for additional services.

Pursuant to its internal regulations, the Audit Board is responsible for monitoring and overseeing the independence of NOVABASE's ROC/SROC and, in particular, monitoring the services it provides, ensuring that no services beyond auditing are provided. Services other than auditing are listed in the annex to the Audit Board's regulations, pursuant to applicable legislation.

In addition, a procedure is in place by which all of the various auditing services are subject to the prior approval of the Audit Board. The procedure includes the submission of a proposal, by the Board of Directors to the Audit Board, to use the external auditor for the

services in question, accompanied by information justifying this. The Audit Board must then approve the use of the auditor before the respective agreement between the company and the approved external auditor is signed.

Among other aspects, the Audit Board's evaluation of the proposal submitted by the Board of Directors weighs up the auditor's guarantee of independence in fulfilling its professional obligations and the functional advantages in using the proposed external auditor.

38. Other functions of the supervisory boards and, if applicable, of the Financial Matters Committee.

The powers of the Audit Board are described in section III.b) of this report.

In addition to the duties of overseeing the auditing of the company's accounts and accounting documents and those involving the use of the external auditor for services, of particular note, among other aspects described in more detail in section III.b), are the duties performed within the scope of risk management and internal control systems, and the system for reporting irregularities.

IV. STATUTORY AUDITOR

39. Identification of the statutory auditor and partner statutory auditor representing it.

Statutory Auditor (ROC): The statutory auditor is responsible for examining the company's accounts (specifically, performing the duties laid out in article 420 (1) c), d), e) and f) of the Commercial Companies Code), together with supervisory duties involving the ongoing pursuit of the company's corporate purpose. On 31 December 2020, NOVABASE's acting statutory auditor was KPMG & Associados – SROC, S.A., represented by its partner Paulo Alexandre Martins Quintas Paixão, and with Maria Cristina Santos Ferreira as substitute statutory auditor.

40. Number of consecutive years that the statutory auditor has performed duties at the company and/or group.

The statutory auditor has performed auditing duties for NOVABASE (company and group) for more than 5 consecutive years. As stated in point 43, the partner currently representing the statutory auditor has performed duties for NOVABASE since June 2015.

41. Description of other services provided by the statutory auditor to the company.

The statutory auditor is also NOVABASE's external auditor and provided no other professional services to the company in 2020.

V. EXTERNAL AUDITOR

42. Identification of external auditor designated for the purposes of article 8 and the partner statutory auditor representing it in fulfilling these duties, together with the respective CMVM registry number.

On 31 December 2020, NOVABASE's acting external auditor was KPMG & Associados - SROC, S.A., registered with the Portuguese Securities Market Commission ("CMVM") as auditor no. 20161489, represented by its partner Paulo Alexandre Martins Quintas Paixão.

43. Number of years that the external auditor and the partner statutory auditor representing it in fulfilling these duties have performed these duties consecutively for the company and/or group.

The external auditor identified above has performed duties for NOVABASE (company and group) for more than 5 consecutive years. The partner currently representing the external auditor and statutory auditor has performed duties for NOVABASE since June 2015.

44. Policy and frequency for rotating the external auditor and statutory auditor representing it in fulfilling these duties.

Law no. 148/2015 of 9 September has mandatory auditing rules applicable to NOVABASE as an "entity of public interest".

With regard to rotating the statutory auditor, external auditor and responsible partner, the company takes the maximum periods in the bylaws of the Statutory Auditors' Association into account.

In view of this policy, and since KPMG has been hired to perform the duties of statutory auditor and (external) auditor as of 2015, the company is in legal compliance with the period for rotating the responsible partner.

45. Board responsible for assessing the external auditor, and frequency of assessment.

The Audit Board is responsible for assessing the external auditor, which is done each year.

The external auditor's assessment includes verifying the implementation of remuneration policies and systems of the corporate boards, the efficiency and functioning of internal control mechanisms, and the reporting of any shortcomings to the company's supervisory board.

46. Identification of work other than auditing done by the external auditor for the company and/or companies controlled by it, internal procedures for approving the hiring of these services and reasons for doing so.

In 2020, the external auditor did not provide other professional services to the company.

Pursuant to the regulations of the Audit Board, this supervisory board evaluates the independence of statutory auditors, namely with regard to the provision of additional services (beyond auditing) to NOVABASE or companies in its group, and supervises the work done by external auditors, taking CMVM recommendations into account in this regard.

47. Annual remuneration paid by the company, and/or by legal persons controlled by the company or part of its group, to the auditor and to other natural or legal persons belonging to the same network, with percentage breakdown for the following services (for the purposes of this information, the concept of “network” is that defined in European Commission Recommendation No C (2002) 1873, of 16 May):

	€ / %
By the company	
Statutory auditing services (€)	17,250 / 16
Compliance assurance services (€)	
Tax consulting services (€)	
Services other than statutory auditing (€)	
By entities belonging to the group	
Statutory auditing services (€)	93,100 / 84
Compliance assurance services (€)	
Tax consulting services (€)	
Services other than statutory auditing (€)	

C. INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to amendment of the company's articles of association (article 245-A, paragraph 1, sub-paragraph h).

Constitutive quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders can only decide on first notice if shareholders having stock corresponding to at least one-third of the share capital are present or represented. This requirement does not apply on second notice, and the General Meeting of Shareholders can then decide on any matter, regardless of how many shareholders are present.

Deliberating quorum for the General Meeting of Shareholders

When amendments to the articles of association are under consideration, the General Meeting of Shareholders decides by a two-thirds majority of the votes cast.

However, should shareholders representing at least half the share capital be present or represented on second notice, the decision on amendments to the memorandum and articles of association can be taken by an absolute majority of votes cast, and a two-thirds majority is not required.

II. REPORTING OF IRREGULARITIES

49. Means and policy for reporting irregularities at the company.

Pursuant to article 3, paragraph 2 of its regulations, the Board of Directors is responsible for setting a policy for reporting irregularities in compliance with goals laid out in this regard by law, by applicable regulations or by the General Meeting of Shareholders.

With a view to fostering a culture of responsibility and compliance, NOVABASE has adopted a system for reporting irregularities (known as "SPI") that may occur within its Group. Any report of irregularities made through SPI is directed to the Audit Board, which will appoint a person in charge of SPI to manage the reports received. The person in charge of SPI must act independently and autonomously (notwithstanding responsibility to the Audit Board for proper compliance with his/her duties) and will be subject to confidentiality requirements.

According to the implemented system, employees and other NOVABASE stakeholders have access to a direct and confidential channel for reporting to the Audit Board any practice that appears to be improper or irregular in any way, whatever it may be, having occurred within the NOVABASE Group, regardless of any blame that may be attributed, and which may impact the financial statements or the information sent to the CMVM, or that may cause serious damage to NOVABASE or its stakeholders (employees/, customers, partners and shareholders).

Reporting of irregular practices occurring within the NOVABASE Group by NOVABASE employees when they have such knowledge is a duty, regardless of the source of the practice or the person who has performed it.

The apparent irregularity must be reported in a secure and confidential manner to the person in charge of SPI, an independent member of the Audit Board, Álvaro Nascimento, in two different manners:

- to the private e-mail address: NB.whistle@gmail.com; and
- by post in a letter addressed to Álvaro Nascimento, marked “Confidential”, to the address: Av. D. João II, n.º 34, Parque das Nações, 1998-031 Lisbon.

Such reports will be processed by the person in charge of SPI according to the following procedure:

- i) receipt and preliminary analysis of the report of the irregular practice;
- ii) judgement of the consistency of the report received (with destruction of all inconsistent reports, the Audit Board being responsible for this destruction, subsequent to a proposal from the person in charge of SPI);
- iii) investigation/report/archiving; and
- iv) final forwarding.

Before proceeding to the final forwarding of the reports, the person responsible for SPI takes account of the reports for statistical purposes and maintains a record of the reports that exclusively covers the following aspects: (i) date on which the report was received; (ii) essence of the facts reported, eliminating all information that permits identification of any physical persons; and (iii) date on which the investigation was concluded.

Once the investigation has been concluded, reports with an underlying probability of an irregular practice are forwarded by the Audit Board to the Board of Directors so that it can take appropriate measures.

Whenever the report of irregular practices results in evidence of the practice of a crime or serious disciplinary infraction, the Audit Board must recommend that the company forward the matter to (i) NOVABASE internal bodies for due process and (ii) to external investigation bodies, namely the police or the public prosecutor, in order to ascertain potential responsibilities.

General rules of conflict of interest apply to the decisions to be approved by the Audit Board or by the Board of Directors, namely those referred to in points 21 and 33 of this report, regarding reports made within the scope of SPI.

Whatever the circumstance, the confidentiality of the report will be guaranteed if so requested by its author, and the personal data of the physical persons involved will be protected, while any action taken against the person who has made the report will be considered a serious offence.

This policy is detailed at the NOVABASE website (www.NOVABASE.pt) in the Investors section.

In this way, NOVABASE complies with the provisions of the Commercial Companies Code. Its system has been approved by the Portuguese Data Protection Authority (CNPD) through authorization no. 4494/2009.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Persons, boards or committees responsible for internal auditing and/or implementation of internal control systems.

The Audit Board, whose duties are described in section B III.b) of this report, is responsible for internal auditing. As detailed in this section, the Audit Board's internal regulations lay out its functions and duties with regard to supervising systems for risk management, internal control and internal auditing.

Given the importance of a structured risk management model to the business, together with market regulatory requirements, the company's Board of Directors has been tasked with establishing risk management objectives, and implementing and monitoring a suitable internal control and risk management process, working towards its efficacy.

In performing its duties regarding the supervision of systems for risk management, internal control and internal auditing, NOVABASE's Audit Board annually assesses the degree of internal compliance and performance of the risk management system, together with prospects for changing the risk framework described above.

51. Explanation (with possible inclusion of organizational chart) of relationships of hierarchical and/or functional dependence vis-à-vis other company boards or committees.

The position of Chief Risk Officer ("CRO") has been created at NOVABASE. Internal auditing areas and areas that ensure compliance with norms applicable to the company (compliance services) report to the CRO with regard to risk prevention and management. The CRO is responsible for reporting to the Chairperson of the Board of Directors, with regular meetings between the CRO and the Chairperson of the Board of Directors, and between the CRO and the Audit Board. Director Francisco Paulo Figueiredo Morais Antunes holds the position of CRO.

The Audit Board, as a supervisory body, monitors the activity of the external auditors, and may assess annual internal auditing plans, obtaining information about the actions performed by this team and providing an opinion regarding its conclusions.

In this context, this board also has powers involving the assessment of sufficient internal control mechanisms in order to understand and manage the inherent risks of NOVABASE's operations, suggesting policies and procedures to the Board of Directors to achieve these goals and refine these mechanisms.

Along these lines, the Audit Board is also responsible for: (i) evaluating the Board of Directors' risk management, implementing periodic control procedures and mechanisms to ensure that the risks actually taken by NOVABASE are consistent with the Board of Directors' goals, and (ii) issuing its opinion on the working plans and resources allocated to internal control areas, also receiving reports from these areas on matters involving the rendering of accounts, identifying or resolving conflicts of interest and the detection of potential irregularities.

52. Existence of other functional areas with risk control powers.

NOVABASE coordinates internal control teams, whether in the area of quality or shared services, responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group's central service areas, always in accordance with the strategic goals laid out in the integrated risk management model. Periodic, focused internal audits are thus performed.

53. Identification and description of the major types of risk (economic, financial and legal) to which the company is exposed in pursuing its business activity.

Below is a description of some of the risks analysed by the company which deserve attention due to their relevance and business impact.

The NOVABASE Group is exposed to a collection of financial risks resulting from its business, namely foreign exchange risk, cash flow and fair value risk, credit risk, liquidity risk and capital risk.

The unpredictability of financial markets is continuously analysed according to the Group's risk management policy to minimize potential adverse effects on its financial performance.

In 2020, taking the Covid-19 pandemic and its impact on markets into account, NOVABASE reassessed its associated risks, while also seeking to avoid the use of excessively pro-cyclical assumptions in view of the limited amount of reasonable and sustainable forward-looking information the pandemic's impacts.

In its reassessment, NOVABASE concluded that its current policies for managing financial risk already include sufficiently conservative scenarios and, as such, are still suited to the company's profile, with no need for modification. However, due to the high degree of uncertainty regarding its global impacts, NOVABASE continues to constantly monitor these risks in an attempt to foresee and manage any additional impacts not currently envisaged.

a) Foreign exchange risk

The Group is exposed to the risk of exchange fluctuation, mainly for the US dollar, Angolan kwanza and Mozambican metical, since some of its subsidiaries perform transactions in these currencies.

The financial department is responsible for monitoring exchange rate developments in these currencies to mitigate their impact on the consolidated results. Whenever exchange rate expectations so justify, the Group attempts to enter into hedging transactions against adverse changes by means of derivative financial instruments.

b) Interest rate risk (fair value and cash flows)

Interest-rate risk entails the possibility of fluctuations in future financial charges on loans due to changes in market interest rate levels.

The cost of the Group's financial debt is indexed to short-term reference rates, adjusted at a frequency of less than one year, plus duly negotiated risk premiums. Therefore, changes in interest rates can affect the Group's results.

NOVABASE's exposure to interest rate risk originates from financial assets and liabilities with fixed and/or variable rates. In the case of fixed rates, the Group faces the risk of a variation in the fair value of these assets or liabilities, insofar as any change in market rates involves an

opportunity cost. In the case of variable rates, such changes directly impact the amount of interest, thereby resulting in variations in cash.

Exposure to interest rate risk is constantly analysed by the financial department. Interest rate risk management is aimed at reducing the volatility of interest charges.

c) Credit risk

NOVABASE manages credit risk both in terms of business units (for customer receivables and) on a consolidated basis (for all active positions of financial instruments). Credit risk originates from cash and cash equivalents, derivative financial instruments and customer credit exposure, including amounts receivable and previously agreed transactions. Only banks and institutions having credibility in the sector are accepted. Customer credit risk is managed based on credit limit ranges, based on the customer's financial position and historical business relations.

d) Liquidity risk

The prudent management of liquidity risk entails keeping cash or financial instruments sufficiently liquid, with sources of financing through an adequate number of credit facilities, together with the ability to close market positions.

The management monitors updated forecasts of the Group's liquidity reserve (unused credit lines, cash and cash equivalents) at the base of expected cash flows, by analysing the remaining contractual maturity of financial liabilities and the expected date of inflows from financial assets, also considering restrictions on transferring capital from Angola and Mozambique. In addition, the maturity concentration of the Group's loans is regularly controlled.

e) Capital risk

The Group's goals with regard to capital management – a broader concept than the capital shown on the face of the statement of the consolidated financial position – are as follows:

- (i) Safeguarding the Group's ability to keep doing business, and therefore provide returns to shareholders and benefits to other stakeholders;
- (ii) Maintaining a solid capital structure to support the development of its business;
- (iii) Maintaining a sound capital structure to reduce the cost of capital.

With these risks in mind, the teams tied to NOVABASE's primary markets analyse the industry in order to detect current trends and promote the development of internal skills to address these trends. In turn, the teams from NOVABASE's various areas control typical risks in the IT sector within their sphere, such as technology obsolescence, the risk that solutions may not

f) Cyber-Risk

Mounting technology integration and sophistication have heightened companies' exposure to various types of cyber-risk (e.g. large-scale cyber-attacks, data breach and destruction, etc.), with potential financial, operational and reputation losses.

Risk mitigation measures have been reinforced from an information security standpoint, directly monitored by the Chief Information Security Officer, appointed in 2019 as a new area of responsibility under the Executive Committee.

The Covid-19 pandemic and resulting overall increase in remote work at the company have considerably increased exposure to this risk.

g) Talent Retention Risk

NOVABASE's ability to successfully implement its strategy depends on attracting and retaining the best qualified, most competent employees for each job position. In view of the higher market demand for high-quality talent – especially in the Portuguese market, where NOVABASE recruits nearly all of its employees – there is the potential for labour costs to rise, making retention more difficult. In addition, the crisis of the novel coronavirus changed the scenario for hiring talent, while also forcing a new working world demanding new solutions and creating new problems: remote recruitment, onboarding and training of talent, reshaping employer/employee relationships by opening up possibilities such as remote work, and the ability to attract talent in times of uncertainty and crisis.

NOVABASE's human resource policies have been aligned to achieve these goals. In 2019 and 2020, this part of the company received the “Innovation in People Management” award from the magazine Human Resources Portugal. In addition, NOVABASE focuses on training as a key aspect in tailoring talent to its new next-generation IT strategy.

h) Delivery risk

Some of NOVABASE's policies for addressing delivery risk include:

- Analysing each significant commercial proposal from the standpoint of reducing overselling, taking available company expertise into account;
- Constantly scrutinizing the quality of the team to be allocated to projects;
- Ongoing training programs in technologies and project management methodologies.

The “Near-Shore Agile” delivery model which NOVABASE has refined in recent years has proven to be resilient in this time of social distancing, which should encourage more conservative customers to embrace it even faster.

i) Strategic and context risks

The Group also faces so-called “strategic and context risks”. The novel coronavirus pandemic, due to the unprecedented worldwide economic and social impacts it has had, coupled with the great uncertainty regarding the actual scope of its future impacts, has resulted in higher exposure to this risk.

NOVABASE aims to manage and mitigate this risk through recurrent discussions on various management chains for risks impacting the company/business unit. These discussions may include investment/disinvestment areas, strategic focuses and pending risks at any given time. Risk appetite is also discussed in terms of the organization and its developments.

54. Description of process for identifying, assessing, monitoring, controlling and managing risks.

The company has a working model – safeguarding the company’s worth and encouraging transparency in its corporate governance – based on detecting and anticipating potential risks and risk factors, so as to manage them in a timely manner, via the delegation of responsibilities and appropriate internal communication channels in line with the company’s strategic goals for assuming risks as defined under this system.

Under its non-delegable powers of defining the company’s overall policies and strategy, the Board of Directors is responsible for defining NOVABASE’s strategic objectives in the area of risk assumption, in accordance with the company’s needs and business activities.

In addition, in the area of medium and long-term strategic planning, the Board of Directors is responsible for analysing risk, and does so regularly in relation to the annual operations plan and whenever potential businesses and markets are being evaluated, measuring each potential risk’s impact and likelihood of occurrence.

In turn, the Audit Board is in charge of evaluating the Board of Directors’ risk management.

Along these lines, as a company working in the information technology and digitalization market – a sector characterized by constantly shifting dynamics, innovation and agility – NOVABASE acknowledges that the risk management policy is of vital importance in running and developing a business which historically has had a higher risk appetite. For this reason, on 13 December 2018, NOVABASE’s Board of Directors approved a formal risk policy for the company, which is available at the company’s website. The principles of this policy have been defined and implemented by NOVABASE’s Board of Directors, namely with regard to determining acceptable risk levels.

On 25 July 2019, the Board of Directors approved an updated strategy for the years 2019 and beyond (2019+ Strategic Update).

This system’s efficiency is due to the instituted internal procedure, which reinforces the communication channels between the Group’s various departments and decision-making bodies, thereby allowing communication and information on various system components, and potential internal control problems to be analysed, and detecting potential risks in real time.

NOVABASE also has an Internal Auditing team responsible for conducting monitoring actions and improving internal control procedures essentially associated with the Group’s central service areas, always in accordance with the strategic goals laid out in the integrated risk management model.

Furthermore, as better explained in section B III.b) of this report and the Audit Board’s internal regulations, the Audit Board is responsible for supervising NOVABASE’s systems for risk management, internal control and internal auditing.

In 2020, the risk management and internal control model implemented allowed the risks and risk factors mentioned above to be identified, effectively helping to prevent them.

55. Main elements of the company’s internal control and risk management systems regarding the process of disclosing financial information (article 245-A, paragraph 1, sub-paragraph m).

The Board of Directors is responsible for ensuring disclosure of accurate financial information that truthfully reflects the Group's situation at any given moment, in compliance with the norms issued by the applicable regulatory entities at any given time.

As regards the quality of the financial information that is publicly disclosed by the Investor Relations Department, it should be pointed out that it is the result of a financial reporting process that is ensured by the central services areas of the Group, subject to the internal control system of the Group and monitored through the aforementioned methods. Nevertheless, this information is still subject to analysis and approval by the relevant boards, including the Board of Directors itself.

In addition, the Audit Board is in charge of overseeing the adequacy of the Board of Directors' process for preparing and disclosing financial information.

IV. INVESTOR SUPPORT

56. Department responsible for investor support, composition, duties, information provided and contact information.

NOVABASE is particularly focused on its presence in the capital market. The Investor Relations Office is responsible for representing NOVABASE in its dealings with the CMVM and investors, while promoting contact with private and institutional, foreign and Portuguese investors. The office is comprised of María Gil Marín and Amália Parente.

The office provides information through NOVABASE's website (www.NOVABASE.pt). Since 2002, NOVABASE has had a dedicated investor relations area on its company website at www.NOVABASE.pt. Investors have access to a number of links containing information of interest to their profile. In terms of financial information, they have access to Annual Reports and Accounts for previous years, the Financial Calendar, reserved information, information on the composition and powers of the company's Corporate Boards, the names and e-mail addresses of the analysts covering the security, together with the price target, the market performance of NOVABASE's shares, NOVABASE's shareholder structure, a space reserved for the General Meetings of Shareholders for convening meetings and posting preparatory information for General Meetings of Shareholders, the form for postal votes and electronic voting (available since 2006), a Corporate Governance space in which NOVABASE publishes this report, CMVM Regulation no. 4/2013 on Corporate Governance and the Corporate Governance Code of the Portuguese Corporate Governance Institute, which entered into force on 1 January 2018, and the procedure for reporting irregularities, frequently asked questions, and the contact details of NOVABASE's Investor Relations Office.

A summary of the decisions is published on the NOVABASE website and in the CMVM information disclosure system immediately after the General Meeting of Shareholders.

At its company website, NOVABASE maintains documents with content corresponding to extracts from the minutes, including information on the number of people present, number of shareholders represented and General Meeting of Shareholders meeting agendas. Voting results have also been provided since 2010. NOVABASE has also established the necessary mechanisms to ensure that the above are disclosed as quickly as possible, and always within the 5 days following the General Meeting of Shareholders.

On its website, NOVABASE keeps a collection of information on meetings held over the past

three years, including the number of people present, number of shareholders represented, meeting agendas, decisions taken and voting results.

The following up-to-date information is published in Portuguese and English on NOVABASE's website: a) The company, public company status, registered office and remaining data provided for in article 171 of the Commercial Companies Code; b) articles of association; c) credentials of the members of the Board of Directors and the Market Liaison Officer; d) Investor Relations Office - its functions and means of access; e) accounting documents, accessible for 5 years; f) half-yearly calendar on company events, published at the beginning of each half year and including, among other information, General Meetings of Shareholders and annual and half-yearly reports and accounts.

57. Identification of the market relations representative.

María Gil Marín

Market and Investor Relations

Telephone: +351 213 836 300

Fax: +351 213 836 301

Email: investor.relations@NOVABASE.com

Address: Av. D. João II, nº 34, Parque das Nações, 1998-031 Lisbon, Portugal

58. Information on proportion and amount of time to respond to information requests submitted in the year or pending from previous years.

On 31 December 2020, NOVABASE had no pending information requests. Its average response time was 24 hours. 332 information requests were received in 2020.

V. WEBSITE

59. Address(es).

NOVABASE's website is available at the following address: www.NOVABASE.pt

60. Location where information on the company, public company status, registered office and remaining data provided for in article 171 of the Commercial Companies Code is available.

This information is available on the page and links related to notices to the CMVM:

<http://www.NOVABASE.pt/pt/dp/informacao-a-cmvm>

61. Location of the articles of association and operating regulations of boards and/or committees.

This information is available at the following pages and links:

Articles of association

<http://www.NOVABASE.pt/pt/dp/estatutos>

Regulations

<http://www.NOVABASE.pt/pt/dp/orgaos-sociais>

62. Location of information on the identities of corporate board members, market relations representative, investor support office or equivalent, their respective duties and contact information.

This information, together with the number of annual meetings of the company's managing and supervisory boards and internal committees, is available at the following pages and links:

Corporate board members and number of meetings

<http://www.NOVABASE.pt/pt/dp/orgaos-sociais>

Identification of the investor relations representative

<http://www.NOVABASE.pt/pt/dp/gabinete-de-relacoes-com-investidores>

63. Location of accounting documents (which should remain available for at least five years) and the bi-annual corporate events calendar published at the start of each half-yearly period, including general meetings of shareholders and disclosure of annual, half-yearly and quarterly results, if applicable.

This information is available at the following pages and links:

Accounting information

<http://www.NOVABASE.pt/pt/dp/relatorios-contas>

Finance agenda

<http://www.NOVABASE.pt/pt/dp/agenda-financeira>

64. Location of meeting notices for the general meeting of shareholders and all related preparatory and subsequent information.

This information is available at the following page and links on the General Meeting of Shareholders:

<http://www.NOVABASE.pt/pt/dp/assembleias-gerais-843306>

65. Location of a historical record of the resolutions passed at the company's general meetings of shareholders, share capital and voting results referring to the previous three years.

Information on decisions taken is available at the following page and links on the General Meeting of Shareholders:

<http://www.NOVABASE.pt/pt/dp/assembleias-gerais-843306>

D. REMUNERATION

I. RESPONSIBILITY FOR DETERMINING REMUNERATION

66. Responsibility for determining the remuneration of corporate boards, members of the executive committee or managing director and managers of the company.

The Remuneration Committee decides upon the remuneration of corporate board members. More detail is provided in point 67 below.

It is important to point out that only the members of NOVABASE's Board of Directors, members of the Audit Board and Statutory Auditor are considered managers, as defined in article 248-B of the Securities Code; as such, there is no separate information to be disclosed in this regard.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, with identification of the natural or legal persons hired to give it support, and statement on the independence of each member and advisor.

The Remuneration Committee members for the three-year period of 2018-2020 were decided in the General Meeting of Shareholders of 10 May 2018. Francisco Luís Murteira Nabo presides over the Remuneration Committee, with Pedro Rebelo de Sousa and João Quadros Saldanha belonging to it as well.

All of the members of this committee are independent from the Board of Directors.

The Remuneration Committee acts with complete autonomy, and may freely decide on NOVABASE's hiring of consulting services, as needed or convenient for carrying out its duties, ensuring that service providers are chosen following criteria of competence and independence and independence. In particular, it must ensure that these services are provided independently by consultants who do not provide other services to NOVABASE or other companies in its group. The Remuneration Committee did not employ any natural or legal person to support it in performing these duties.

The Chairperson of NOVABASE's Remuneration Committee was present at the 2020 General Meeting of Shareholders dated 12 May 2020, held via telematic means, to provide information and clarifications to shareholders.

68. Knowledge and experience of the members of the remuneration committee in remuneration policy issues.

Remuneration Committee		
Member	Academic qualifications	Work experience

<p>Francisco Luís Murteira Nabó</p>	<ul style="list-style-type: none"> • Graduate in Economics from Instituto Superior de Ciências Económicas e Financeiras • Master's in Management from AESE (University of Barcelona) • Honorary Doctorate from the Macau University of Science and Technology 	<p>Member of several boards of directors, including:</p> <ul style="list-style-type: none"> • Chairperson of the Board of Directors and CEO of Portugal Telecom, SGPS, S.A. • Chairperson of Galp Energia • Senior Partner of SaeR – Sociedade de Avaliação Estratégica e Risco, Lda. • Vice-Chairperson of the Board of Directors of SOREFAME • Vice-Chairperson of the company Portugal e Colónias • Managing Chairperson of IMOLEASING, CGD Group
<p>Pedro Rebelo de Sousa</p>	<ul style="list-style-type: none"> • Graduate in Law from Universidade Clássica de Lisboa • Specialization (post-graduation) in Commercial and Corporate Law from Universidade Pontifícia Católica, Brazil • Master's in Business Administration, Getúlio Vargas Foundation – Business Administration School, São Paulo, Brazil 	<p>Member of the board of directors at several financial institutions, including:</p> <ul style="list-style-type: none"> • Chairperson and CEO of BFB • CitiBank • Banif • Caixa Geral de Depósitos • Cimpor • Intesa SanPaolo Imi International • Chairperson of the General Board of the Portuguese Corporate Governance Institute (IPCG) • Managing partner of SRS Advogados <p>among others.</p>
<p>João Quadros Saldanha</p>	<ul style="list-style-type: none"> • Graduate in Mining Engineering, Mining Planning from IST • MBA from Universidade Nova de Lisboa • Post-graduate in markets and financial risk from Universidade Nova 	<p>Member of the board of directors at several companies, including:</p> <ul style="list-style-type: none"> • IAPMEI – I.P. • Empordef, SGPS, SA • OGMA – SA • White Airways, S.A. <p>among others.</p>

III. REMUNERATION STRUCTURE

First and foremost, it should be noted that, during the 2020 financial year and as described above, Law no. 50/2020 of 25 August entered into force, which transposed into the Portuguese legal system Directive (EU) 2017/828 concerning shareholder rights in listed companies as regards shareholders' long-term engagement. Among other things, this law introduced key changes in the area of remuneration, namely:

- (i) it revoked Law no. 28/2009 of 19 June; and
- (ii) it introduced new rules to the Securities Code with regard to (a) the General Meeting of Shareholders' approval of the remuneration policy for members of the managing and supervisory boards of issuers of listed shares to be traded in regulated markets, and (b) the disclosure of a report on remuneration.

With regard to the obligation in (a) above, the remuneration policy, pursuant to articles 26-A and following of the Securities Code amended by the above law, must be submitted for the approval of NOVABASE's General Meeting of Shareholders before 31 December 2021. The respective submission of this policy is scheduled for NOVABASE's 2021 General Meeting of Shareholders.

With regard to the obligation to issue a remuneration report, since such a report will be issued per the remuneration policy to be approved, in line with the CMVM's interpretation, NOVABASE will formally disclose and submit this report for shareholder assessment, for the very first time, at the General Meeting of Shareholders following the year in which the remuneration policy will be approved, i.e. beginning in the 2022 financial year.

Nonetheless, with a view to expediting and disclosing information to the market on this matter under terms comparable to these new rules, the following chapters aim to reflect, to the extent possible and as applicable, the content required for the remuneration report by article 245-C of the Securities Code.

69. Description of Managing and Supervisory Board Remuneration Policy

The Remuneration Committee's report on the 2020 remuneration policy is presented as an annex to this report.

NOVABASE has no potential individual or combined ceilings for the remuneration of the members of its managing and supervisory boards. The setting of specific remuneration is left to the discretion of the Remuneration Committee, comprised exclusively of members who are independent from the Board of Directors.

As such, NOVABASE believes it is inappropriate to have maximum potential ceilings for the remuneration to be paid to the members of its managing and supervisory boards.

In the elective General Meeting of Shareholders dated 10 May 2018, the Remuneration Committee submitted general guidelines for corporate board remuneration for the consideration of NOVABASE's shareholders, who approved them, including the general guiding principles of the remuneration policy for corporate board members for the three-year period of 2018-2020, similar to what was done in previous years.

Such general principles and guidelines for the remuneration policy, as have been approved by NOVABASE shareholders in consecutive meetings, constitute the remuneration policy currently in force at NOVABASE in broad terms, and include the following specific guidelines:

- a) The remuneration structure for members of the managing board with executive and non-executive functions should be suited to the nature of the management responsibilities assumed, subject to the following principles:
 - (i) An alignment should exist between the interests of managing board members and the interests of NOVABASE, which can be accomplished through variable remuneration components, including plans based on company securities;
 - (ii) Individual performance should be a determining criterion of the variable remuneration component, if applicable, notwithstanding other criteria which may be relevant under the remuneration policy, such as the performance of NOVABASE itself;
 - (iii) In view of its functions performed, the Remuneration Committee may decide that all or part of a director's variable remuneration, if it exists, will occur after the clearance of the accounts for the entire term of office;
 - (iv) When NOVABASE's performance is a determining criterion for variable remuneration, any downgrading in performance may justify limits upon this remuneration, in view of the specific circumstances.

Members of the supervisory and other company boards should be remunerated in line with market practice, except when justified otherwise by the circumstances. Furthermore, based on these principles and NOVABASE's remuneration policy, the Remuneration Committee, in its meeting dated 22 May 2020, set remuneration for the corporate boards for 2020, together with the variable remuneration of directors according to their performance in 2019. The content of the Remuneration Committee's decision in this regard is available in the 2020 Remuneration Committee Report, attached to this report.

These practices have been employed by the Remuneration Committee over recent years, on an annual basis.

Within the scope of the remuneration policy, as described above, NOVABASE believes it is unnecessary to impose limits on variable remuneration, since the setting of remuneration is left to the discretion of the Remuneration Committee, which is comprised exclusively of members who are independent from the Board of Directors.

The general criteria for awarding and measuring directors' variable remuneration, together with its means of deferral, are addressed in points 70 and 72 of this report.

Furthermore, during the 2020 financial year, there were no deviations from procedures involving the general guiding principles of the remuneration policy for NOVABASE's managing boards, as approved by shareholders in consecutive meetings.

70. Information on the way the remuneration is structured so as to allow aligning the interests of the members of the board of directors with the long-term interests of the company as well as how it is based on the performance assessment and how it discourages excessive risk assumption.

In view of the approval of the Plan for Options to Allot NOVABASE Shares at the company's General Meeting of Shareholders dated 26 September 2019, pursuant to the terms described

below, the variable remuneration of NOVABASE directors may be comprised of the following components:

- (i) Variable remuneration in cash tied to NOVABASE's performance;
- (ii) Participation in the Plan for Options to Allot NOVABASE Shares.

The variable portion in cash of management members' remuneration is determined by the Remuneration Committee with a view to aligning this component with the organization's performance in each year in question, measured by the net profits generated, correlated with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations.

Since, according to the remuneration policy, 50% of the variable remuneration in cash is deferred over three years and is conditional upon positive company performance during this time period, the company's long-term interests are served, and excessive risk assumption is discouraged.

NOVABASE believes, with regard to directors' variable cash components which are not deferred for the entire term of office, that the company's medium-term interests must also be served, together with its economic interest in providing suitable performance optimization incentives to fulfil obligations and meet short-term goals for management positions, and in balancing and distributing the costs associated with directors' remuneration over term of office's three years, since it would not be appropriate to simply defer the entire variable remuneration component to the end of the term of office or afterwards.

With regard to the Plan for Options to Allot NOVABASE Shares, as described in greater detail in point 74 of this report, options attributed under this plan will comprise a single batch, and may be exercised once exactly two years after their date of attribution (maturity date), notwithstanding the ability to exercise them exactly one year after their date of attribution, at which time the participant may exercise 50% or 100% of the batch of options attributed to him/her.

Options attributed and actually exercised by a participant on their maturity date, or exactly one year after their date of attribution, will be settled as follows:

- (a) via the attribution of NOVABASE shares (net share settlement) for 50% of the options subject to exercising;
- (b) via the attribution of NOVABASE shares (net share settlement) or, alternatively, in cash (net cash settlement), by the participant's choice, for the remaining 50% of the options.

Under these terms, the variable component paid to members of management under the plan does not exclusively serve NOVABASE's long-term interests, insofar as the start of the period for exercising options is not deferred for at least three years.

Even so, it should be noted that NOVABASE share options exercised by the participant pursuant to sub-paragraph (a) above (i.e. 50% of the options available for exercise) will be retained by NOVABASE for three years following the exercise date, and their ownership will not be transferred to the participant until the end of this period, conditional upon NOVABASE's positive performance during this time.

Furthermore, the number of NOVABASE shares to be attributed under the plan, or the corresponding amount in cash under the net cash settlement option, is dependent upon the price of NOVABASE shares on the relevant dates for participants to exercise options, thus making this remuneration component conditional upon the company's continued positive performance.

As such, NOVABASE believes that the company's long-term interests have also been served by this remuneration component, discouraging excessive risk assumption.

Finally, it is noteworthy that the company has no knowledge of contracts between members of the Board of Directors and the company or third parties that have the effect of mitigating the risk inherent in the variability of the remuneration established for them by the company.

71. Reference, if applicable, to the existence of a variable remuneration component and information on potential impact of performance assessment on this component.

As mentioned in the previous point, there is a variable cash component as well as a variable stock option component for management members' remuneration.

The variable portion in cash of management members' remuneration is determined by the Remuneration Committee with a view to aligning this component with the organization's performance in each year in question, measured by the net profits generated, correlated with the responsibility and performance of each director in particular. As such, the performance assessment does have an impact on this remuneration component. A proper balance is also ensured between the fixed and variable portions of these remunerations.

With regard to the variable stock option component, the attribution of options under the Plan for Options to Allot NOVABASE Shares is decided by the competent body pursuant to the plan's regulations, on a case-by-case basis in accordance with criteria to be set by this body, which will be NOVABASE's Board of Directors, or the Remuneration Committee in the case of options attributed to members of the Board of Directors.

72. The deferred payment of the remuneration's variable component and the relevant deferral period.

As previously stated, according to the remuneration policy, 50% of the variable remuneration in cash is deferred over three years and is conditional upon positive company performance during this time period.

Therefore, notwithstanding the variable component corresponding to NOVABASE stock options, the variable remuneration paid in cash in 2020 corresponds to 50% of the amount allocated for 2019 in 2020 and, in the case of directors serving in these years for whom variable remuneration was chosen under the terms duly disclosed, 1/6 of the amount allocated for 2018 in 2019, 1/6 of the amount allocated for 2017 in 2018 and 1/6 of the amount allocated for 2016 in 2017, as applicable. The remaining 50% of the amount allocated for 2019 in 2020 is subject to deferred payments in the following 3 years (2021, 2022 and 2023) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

On 1 October 2019, the Remuneration Committee unanimously decided to make executive director Paulo Jorge de Barros Pires Trigo a participant in the Plan for Options to Allot NOVABASE Shares, attributing 400,000 (four hundred thousand) stock options to him. These options were attributed at a strike price of € 2.295 per share.

Pursuant to the plan's regulations, the options attributed under the contractual agreement signed with this participant on 1 October 2019 comprised a single batch, which may be exercised once exactly two years after their date of attribution (i.e. 1 October 2021) (maturity date), notwithstanding the ability to exercise them exactly one year later (i.e. 1 October 2020).

In this regard, as duly announced to the market in the notice of manager transaction dated 29 October 2020, on 26 October 2020 NOVABASE received from director Paulo Jorge de Barros Pires Trigo a notification of the exercising of all 400,000 options on ordinary NOVABASE shares in his possession under the plan's regulations. This exercising occurred by the following means:

- (i) For 50% of the options subject to exercising (200,000 options), via share settlement (allotment of company shares), resulting in the allotment of 91,539 ordinary NOVABASE shares to this director, using the calculation formula in the plan's regulations; and
- (ii) For the remaining 50% (200,000 options), via net cash settlement, resulting in a payment of €304,001.71 to this director, using the calculation formula in the plan's regulations.

As stated above, pursuant to article 14.2 of the plan's regulations, the NOVABASE shares corresponding to the options exercised in (i) above will be withheld by NOVABASE for a period of three years from their exercising, and their ownership will not be transferred to this director until the end of this period, conditional upon the company's positive performance during this time, pursuant to the terms of the regulations.

73. Criteria providing the basis for variable remuneration in shares and the executive directors' keeping of these shares, the signing of agreements involving these shares (i.e. hedging agreements) or the transfer of risk, the respective limit and its relationship to the amount of total annual remuneration.

On 31 December 2020, there was no remuneration through the direct allocation of shares.

74. Criteria whereon the allocation of variable remuneration on options is based as well as its deferral period and take-up price.

The NOVABASE General Meeting of Shareholders held on 26 September 2019 approved a medium or long-term plan for attributing variable remuneration to members of NOVABASE's Board of Directors and to employees from NOVABASE or from other NOVABASE Group companies, based on the performance of NOVABASE shares (Plan for Options to Allot Shares), together with this plan's regulations. This plan has the following goals:

- To retain NOVABASE and NOVABASE Group employees;
- To motivate and encourage their creativity and productivity;

- To retain and/or hire management staff and employees of high potential and strategic value to benefit the company's results.

Under this plan and its regulations, stock options representing NOVABASE's share capital may be attributed in the form of a performance bonus for the plan's participants.

Options are attributed by decision of the competent body pursuant to the plan's regulations, on a case-by-case basis in accordance with criteria to be set by this body, which will be NOVABASE's Board of Directors, or the Remuneration Committee in the case of options attributed to members of NOVABASE's Board of Directors.

The options attributed will comprise a single batch, and may be exercised once exactly two years after their date of attribution (maturity date), notwithstanding the ability to exercise them exactly one year after their date of attribution, at which time the participant may exercise 50% or 100% of the batch of options attributed to him/her.

Options from the same lot not exercised in full by their maturity date will automatically expire.

Options attributed and actually exercised by a participant on their maturity date, or exactly one year after their date of attribution, will be settled as follows:

(a) via the attribution of NOVABASE shares (net share settlement) for 50% of the options subject to exercising;

(b) via the attribution of NOVABASE shares (net share settlement) or, alternatively, in cash (net cash settlement), by the participant's choice, for the remaining 50% of the options.

NOVABASE share options exercised by the participant pursuant to sub-paragraph (a) (i.e. 50% of the options available for exercise) will be retained by NOVABASE for three years following the exercise date, and their ownership will not be transferred to the participant until the end of this period, conditional upon NOVABASE's positive performance during this time.

The options' strike price is defined before the date of attribution. It should correspond to the arithmetical average of the prices, weighted by the respective volumes, of the transactions of NOVABASE shares at sessions of the Euronext Lisbon regulated market occurring in the ninety days preceding 26 July 2019, adjusted by the shareholder remuneration distributed during this period, i.e. € 2.295 per share.

Once the participant notifies the company of his/her intent to exercise options, the number of shares to be attributed (rounded down) to this participant, or the corresponding cash amount in the case of net cash settlement, is determined by the following formula:

No. of shares = no. of options exercised x [(exercise price - strike price / exercise price)]

Where:

Strike price: the arithmetical average of the prices, weighted by the respective volumes, of the transactions of NOVABASE shares at trading sessions of the Euronext Lisbon occurring in the ninety days preceding 26 July 2019, adjusted by the shareholder remuneration distributed during this period, i.e. € 2.295 per share; and

Exercise price: the arithmetical average of the prices, weighted by the respective volumes, of the transactions of NOVABASE's shares at trading sessions of the Euronext Lisbon occurring in the ninety days preceding the exercise date.

For the purposes of the net cash settlement option, the value of the shares determined as described above will be based on the arithmetical average of the prices, weighted by the respective volumes, of the transactions of NOVABASE's shares at trading sessions of the Euronext Lisbon occurring in the ninety days preceding these options' exercise date.

While the plan is in effect, stock options totalling more than 10% of NOVABASE's share capital may not be attributed.

Since the plan's approval, 400,000 (four hundred thousand) NOVABASE stock options have been attributed under the plan to executive director Paulo Jorge de Barros Pires Trigo, which were exercised by him in 2020, as described in detail in 72.

The regulations of the Plan for Options to Allot NOVABASE Shares are available at the company's website:

https://www.NOVABASE.pt/manager/contentfiles/page/c641358b-96e0-4fb8-ab91-de9ee754bc4c/z43ddf4s.cbt_a0a21a2e_editorFile.pdf

75. The main factors and reasons for any annual bonus scheme and any other non-financial benefits.

There is no annual bonus scheme or any other non-financial benefits.

In 2020, an additional amount of €13,728.00 was paid to the members of the Board of Directors in meal allowances.

There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

76. Main characteristics of supplementary early retirement or pension schemes for directors, and date on which they were approved by the general meeting of shareholders, in individual terms.

A supplementary pension scheme was approved, in the General Meeting of Shareholders dated 29 April 2015, for all directors entitled to variable remuneration. Its main characteristics are as follows:

- a) Awarding to directors who, by decision of the Remuneration Committee, may receive remuneration components which are not fixed, paid by the company or by a company in a group or control relationship with it;
- b) The amount of the supplement will correspond to the cumulative annuities acquired from the consecutive premiums paid, increased by revaluations during the applicable period of establishment, as negotiated with the insurance company in question;
- c) Financing through the company's payment of relevant insurance agreement premiums, as determined by the Remuneration Committee;

- d) Instead of the above pension supplement, directors may opt for the redemption of accumulated capital, pursuant to the law and within legal limits;
- e) Pursuant to the law and within legal limits, beneficiaries with entitlement to the accumulated capital may be designated in the event of the director's death prior to retirement;
- f) Other terms and conditions to be determined by the Remuneration Committee, in conjunction with the Board of Directors.

IV. DISCLOSURE OF REMUNERATION

77. Indication on the amount concerning the annual remuneration paid collectively or individually to members of the managing boards of the company, including fixed and variable remuneration and as to the latter, mentioning the different components that gave rise to same.

In this report, NOVABASE discloses the remuneration received by each member of the Board of Directors and Audit Board in 2019, pursuant to Law no. 28/2009 and CMVM Regulation no. 4/2013, and in line with the recommendations of the IPCG Corporate Governance Code (2018, revised in 2020) in this regard.

By unanimous decisions of the Remuneration Committee, fixed remuneration components were set for members of the NOVABASE Board of Directors in 2020, along with annual variable remuneration, as shown in the chart below.

This remuneration is distributed among the members of the Board of Directors in accordance with the breakdown stipulated by the Remuneration Committee, whereby directors receive (i) fixed remuneration in cash, and (ii) variable remuneration in cash and a variable component based on stock options. This remuneration is broken down among directors as shown in the table below, in view of their responsibilities at NOVABASE, and as stipulated by the Remuneration Committee.

The remuneration of non-executive, non-independent directors may include a variable component. The performance of remunerated duties by these members of the Board of Directors allows NOVABASE to leverage their extensive know-how acquired as company founders and accumulated over a period of 30 years, especially since these directors continue to have major responsibilities in the Group.

The variable component in cash of directors' remuneration is determined with a view to aligning this component with the organization's performance in the year in question, measured by the net profits generated, and correlates with the responsibility and performance of each director in particular. A proper balance is also ensured between the fixed and variable portions of these remunerations. The variable remuneration in cash paid in 2020 corresponds to only 50% of the variable remuneration in cash due for 2019 and, in the case of directors serving in these years for whom variable remuneration in cash was chosen under the terms duly disclosed, 1/6 of the amount allocated for 2018 in 2019, 1/6 of the amount allocated for 2017 in 2018 and 1/6 of the amount allocated for 2016 in 2017, as applicable. The payment of the remaining 50% of the amount allocated for 2020 remains subject to deferred payments in the following 3 years (2021, 2022 and 2023) in equal parts (corresponding to 1/6 of each year's total), conditional upon positive company performance during this time period.

Directors ¹	Remuneration /fixed annual (€)	Annual variable remuneration in cash paid in 2020 (€) ^{2,3}	Partial Total (Fixed + Variable in cash paid in 2020) (€)	Variable in cash paid in 2020 /Partial Total (%)	Variable Remuneration /annual deferred (€) ⁴
João Nuno da Silva Bento	293,700.00	329,144.33	622,814.33	52.84	362,665.16
Álvaro José da Silva Ferreira	200,520.00	206,245.17	406,765.17	50.70	227,270.34
Francisco Paulo Figueiredo Morais Antunes	126,000.00	215,385.66	341,385.66	63.09	198,240.99
María del Carmen Gil Marín	144,420.00	164,557.33	308,977.33	53.26	181,332.66
Paulo Jorge de Barros Pires Trigo	156,000.00	26,685.00	182,684.81	14.61	26,685.00
Executives Total	920,640.00	941,987.30	1,862,627.30	50.57	996,193.96
(% total)	68.69	60.97	64.55	0	0
Luís Paulo Cardoso Salvado	293,700.00	430,771.00	724,471.00	59.46	396,481.83
José Afonso Oom Ferreira de Sousa	42,000.00	86,154.00	128,154.00	67.23	79,296.17
Pedro Miguel Quinteiro de Marques Carvalho	42,000.00	86,154.00	128,154.00	67.23	79,296.17
Marta Isabel dos Reis Graça Rodrigues do Nascimento	42,000.00	0	42,000.00	0	0
Non-executives total	419,700.00	603,079.00	1,022,779.00	58.96	555,074.17
(% total)	31.31	39.03	35.45	0	0
TOTAL	1,340,340.00	1,545,066.30	2,885,406.30	53.55	1,551,268.13

¹ Directors María del Carmen Gil Marín and Paulo Jorge de Barros Pires Trigo, elected in the General Meeting of Shareholders dated 10 May 2018 and in the Extraordinary General Meeting of Shareholders dated 26 September 2019, respectively, received payments in 2020 through other NOVABASE Group companies in relation to time periods preceding the date of their election as members of NOVABASE's Board of Directors. These amounts are not shown in this table, and are addressed in point 78 of this report.

² The amount shown is the total amount paid to each director in 2020 (excluding the variable component based on stock options, as applicable): 50% of the total amount allocated for 2019 in 2020 and, in the case of directors serving in these years for whom variable remuneration in cash was chosen under the terms duly disclosed, 1/6 of the amount allocated for 2018 in 2019, 1/6 of the amount allocated for 2017 in 2018 and 1/6 of the amount allocated for 2016 in 2017. The remaining 50% of the amount allocated for 2019 in 2020 will be paid in the following 3 years (2021, 2022 and 2023) in equal parts, corresponding to 1/6 of each year's total, conditional upon positive company performance during this time period.

³ Amount used to reinforce capitalization insurance contributions currently in effect at the company.

⁴ Amounts allocated in 2020 for 2019, and deferred to the next three years. For directors serving in these years for whom variable remuneration in cash was chosen under the terms duly disclosed, there are also deferrals for amounts allocated for 2018 in 2019 and allocated for 2017 in 2018 in accordance with the criteria shown in the Corporate Governance Reports for the years in question.

In addition, as regards the Stock Option Plan, since its approval, 400,000 (four hundred thousand) NOVABASE stock options have been attributed under the plan in 2019 to executive director Paulo Jorge de Barros Pires Trigo, by decision of the Remuneration Committee, which were exercised by him during the 2020 financial year under the following terms:

- (i) For 50% of the options subject to exercising (200,000 options), via share settlement (allotment of company shares), resulting in the allotment of 91,539 ordinary NOVABASE shares to this director, using the calculation formula in the plan's regulations; and
- (ii) For the remaining 50% (200,000 options), via net cash settlement, resulting in a payment of €304,001.71 to this director, using the calculation formula in the plan's regulations.

In 2020, an additional amount of €13,728 was paid to the members of the Board of Directors in meal allowances.

Relatively speaking, the variable remuneration paid in 2020 to NOVABASE's directors represented approximately 53.6% of the fixed annual remuneration received by them for the year 2020, thereby demonstrating a reasonable balance between the fixed and variable remuneration components. There are no relevant amounts of non-monetary benefits considered as remuneration and not covered by the previous situations.

Furthermore, there are no formal mechanisms regulating the possibility of requesting reimbursement for the variable remuneration received by NOVABASE directors. Even so, per the general guiding principles of NOVABASE's remuneration policy, when the company's performance is a determining criterion for variable remuneration, any downgrading in performance may justify limits upon this remuneration, in view of the specific circumstances.

78. Amounts paid on any basis by other companies in a group or controlling relationship or exercising control over the company.

The members of NOVABASE's Board of Directors and Audit Board are paid exclusively by this entity, and do not receive additional remuneration of any kind from other companies that are controlled by or part of the NOVABASE Group, nor from any company subject to shared control with NOVABASE, except for the remuneration referred to in the following paragraph.

In 2020, director Paulo Jorge de Barros Pires Trigo received and will receive the amounts shown in the following table through Celfocus, S.A., a company fully owned by NOVABASE S.G.P.S., S.A. Also in relation to director María del Carmen Gil Marín, the amounts below have been settled at NOVABASE Capital - Sociedade de Capital de Risco, S.A., a company fully owned by NOVABASE S.G.P.S., S.A. These amounts refer to time periods proceeding the date of their election as members of the Board of Directors.

Directors	Remuneration /fixed annual (€)	Annual variable remuneration in cash paid in 2020 (€) ^{5 6}	Partial Total (Fixed + Variable in cash paid in 2020) (€)	Variable in cash paid in 2020 /Partial Total (%)	Deferred anual variable remuneration (€) ⁷
María del Carmen Gil Marín	0.00	92,257.21	92,257.21	100.00	67,755.88
Paulo Jorge de Barros Pires Trigo	0.00	187,780.44	187,780.44	100.00	158,815.69

79. Remuneration paid in the form of a share in the profits and/or the payment of bonuses and the rationale behind the act of awarding such bonuses and/or share in profits.

In 2020, no additional remuneration was awarded in the form of profit sharing and/or payment of bonuses.

80. Compensation paid or owed to former executive directors in relation to early contract termination.

No compensations were paid, nor are any compensations owed, to former executive directors as a result of their duties no longer being performed in 2020.

81. Annual amount of remuneration received, collectively and individually, by members of the company's supervisory boards, for the purposes of Law no. 28/2009 of 19 June.

The remuneration of supervisory board members includes no component whose value depends on the performance or the value of the company.

As such, the following fixed annual remuneration was given to members of the Audit Board for 2020:

Chairperson of the Audit Board - Álvaro José Barrigas do Nascimento - €9,000 (nine thousand euros);

Audit Board Member - Fátima do Rosário Piteira Patinha Farinha - €7,000 (seven thousand euros);

⁵ The annual variable remuneration paid in cash in 2020 to director María del Carmen Gil Marín corresponds to 1/6 of the amount allocated for 2017 in 2018 and 1/6 of the amount allocated for 2016 in 2017. In the case of director Paulo Jorge de Barros Pires Trigo, it corresponds to 50% of the amount allocated for 2019 in 2020, and 1/6 of the amount allocated for 2018 in 2019, 1/6 of the amount allocated for 2017 in 2018 and 1/6 of the amount allocated for 2016 in 2017.

⁶ Amount used to reinforce capitalization insurance contributions currently in effect at the company.

⁷ The annual deferred variable remuneration corresponds, in the case of director María del Carmen Gil Marín, to 1/6 of the amount allocated for 2017 in 2018, and in the case of director Paulo Jorge de Barros Pires Trigo, to 50% of the total amount allocated for 2019 in 2020, 2/6 of the amount allocated for 2018 in 2019 and 1/6 of the amount allocated for 2017 in 2018.

Audit Board Member – Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira – €7,000 (seven thousand euros)

Furthermore, the company's Statutory Auditor is remunerated according to standard remuneration practices and conditions for comparable services, following the signing of a service provision agreement and by proposal of the company's Audit Board.

82. Remuneration of the Chairperson of the General Meeting of Shareholders.

The Chairperson of the General Meeting of Shareholders is paid according to attendance in the amount of €3,000 (three thousand euros) for each meeting presided over. One such payment was made in 2020.

V. AGREEMENTS WITH IMPLICATIONS ON REMUNERATION

83. Envisaged contractual restraints for compensation owed for undue dismissal of executive directors and its relation to the remunerations' variable component.

There are no contractual restraints for compensation owed for undue dismissal of executive directors, as per legal rules.

Pursuant to article 403, paragraph 5 of the Commercial Companies Code, if the dismissal lacks justified grounds, the director is entitled to compensation for damages incurred by the means specified in his/her contract or under the general terms of the law; this compensation may not exceed the remuneration he/she would presumably receive through the end of his/her appointed term.

In NOVABASE's opinion, since management positions are remunerated, with a mandatory legal ceiling on compensation for dismissal without due cause, and given the protection of expectations principle which must be observed, there is no justification for contractual restraints that reduce the maximum legal compensation amount to a director with legal proof of damages incurred.

Similarly, in view of the mandatory legal ceiling on compensation for undue dismissal, there is absolutely no foreseeable advantage in establishing contractual restraints to directors' compensation in the event of consensual termination of duties.

84. Reference to the existence and description, including amounts, of agreements between the company and members of the board of directors and administrators under Article 248-B (3) of the Securities Code that provide for compensation in the event of resignation, termination without just cause or termination of the employment relationship following a change in the company's control. (article 245-A, paragraph 1, sub-paragraph I).

No such agreements exist.

VI. STOCK OR STOCK OPTION PLANS

85. Identification of plan and respective recipients.

The NOVABASE General Meeting of Shareholders held on 26 September 2019 approved a medium or long-term plan for attributing variable remuneration to members of NOVABASE's Board of Directors and to employees from NOVABASE or from other NOVABASE Group companies, based on the performance of NOVABASE shares, together with this plan's regulations. This plan has the following goals:

- To retain NOVABASE and NOVABASE Group employees;
- To motivate and encourage their creativity and productivity;
- To retain and/or hire management staff and employees of high potential and strategic value to benefit the company's results.

Under this plan and its regulations, stock options representing NOVABASE's share capital may be attributed in the form of a performance bonus for the plan's participants.

More information on the plan and its regulations can be found in point 74 of this report.

86. Description of plan (eligibility conditions, inalienability of shares clauses, criteria regarding share prices and the price for exercising options, time frame during which options can be exercised, characteristics of the shares or options to be attributed, existence of incentives to acquire shares and/or exercise options).

A description of the Plan for Options to Allot NOVABASE Shares - including its eligibility conditions, inalienability of shares clauses, criteria on the price for exercising options, time frame during which options can be exercised, characteristics of the shares or options to be attributed and the existence of incentives to acquire shares and/or exercise options - is available in point 74 of this report.

87. Option rights given for the acquisition of shares (stock options) for which the company's employees and workers are the beneficiaries.

On 31 December 2020, no options had been attributed to the company's workers or employees; only the decision was made to attribute options to one of the executive members of NOVABASE's Board of Directors.

88. Control mechanisms provided for in a possible employee investment scheme in which voting rights are not directly exercised by them (article 245-A, paragraph 1, subparagraph e).

There are no specific employee investment schemes in which voting rights are not directly exercised by them.

E. TRANSACTIONS WITH RELATED PARTIES

I. CONTROL MECHANISMS AND PROCEDURES

89. Mechanisms implemented by the company to control transactions with related parties (using the concept defined in IAS 24 for this purpose).

With regard to 2020, in addition to the rules laid out in the Commercial Companies Code for the signing of agreements between the company and members of the Board of Directors, NOVABASE had Internal Regulations on Transactions with Qualified Shareholders in effect, described in more detail in point 91 of this report.

Other transactions with related parties are controlled and disclosed under the terms of internationally accepted and applicable rules and standards for accounting and financial reporting.

Even so, in view of the entry into force of Law no. 50/2020 of 25 August during the 2020 financial year, which transposed into the Portuguese legal system Directive (EU) 2017/828 concerning shareholder rights in listed companies as regards shareholders' long-term engagement, having introduced articles 249-A and following to the Securities Code providing for a scheme for transactions with related parties, an internal procedure was established at NOVABASE in 2021 for verifying and approving transactions with related parties, with the involvement of the Board of Directors and the Audit Board, pursuant to the law, which was approved by the Board of Directors with a prior favourable opinion of the Audit Board.

90. Transactions subject to control during the reporting year.

Transactions subject to control under the terms described above are shown in point 10 of this report, with their locations shown in point 92.

91. Description of the procedures and criteria applicable to the supervisory body when same provides preliminary assessment of the business deals to be carried out between the company and the owners of qualifying holdings or entity-relationships with the former, as envisaged in article 20 of the Securities Code.

On 4 July 2016, NOVABASE approved Internal Regulations on Transactions with Qualified Shareholders, under which business dealings by the company with qualified shareholders of significant relevance are subject to the scheme provided for therein. These internal regulations were updated and approved on 4 July 2016.

Under the Internal Regulations, transactions with qualified shareholders are defined as those performed by the company, by entities in a control or group relationship with it, or by entities within its consolidation perimeter with holders of qualified shareholdings, or with entities in any way related to them pursuant to article 20 of the Securities Code.

Significant business deals also include: (i) those whose cumulative total is equivalent to or exceeds €100,000 (one hundred thousand euros) in a given financial year, half year or

quarter, even when the value of each business deal does not exceed this amount when considered individually; or (ii) those not done under normal market conditions.

In any case, business deals involving the awarding of remuneration for management or senior management positions at the company, at entities in a control or group relationship with it, or at entities within NOVABASE, SGPS, S.A.'s consolidation perimeter have been excluded from the scope of these Internal Regulations, although such remuneration must always be attributed under normal market conditions and in accordance with the corporate governance model in force.

In significant cases as described above, NOVABASE's management, managing directors and the bodies, committees and individuals in the NOVABASE Group with authorization to approve the transaction in question, as applicable, must notify the company's supervisory board as soon as possible, and never less than 5 days from the transaction's occurrence, of their intention to approve the business deal.

Such notification to NOVABASE's supervisory board must include the following: (a) identification of the body, committee or individual in the NOVABASE Group making the notification, together with the NOVABASE Group entity under which said body, committee or individual operates or is found; (b) parties to the transaction; (c) scheduled transaction date; (d) economic and financial terms of the transaction, and its total amount, which must always be specified, even if only an estimate; (e) reason for transaction between the NOVABASE Group and the entity in question; (f) reason for transaction specifically with customer or supplier in question; (g) assessment as to whether the transaction in question will be done under normal market conditions for similar transactions, complying with the principle of equitable treatment for the NOVABASE Group's customers and suppliers. In the event of deviations to these principles, justifying circumstances must be given to perform the transaction, namely the need to pursue a higher company interest.

Once the notification described in the above paragraph has been received, the supervisory board must issue its approval or disapproval of the transaction in question as soon as possible.

In issuing its opinion, the supervisory board must bear in mind whether the business deal in question will be carried out under normal market conditions for comparable transactions, whether it is part of the company's day-to-day business and whether the principle of equitable treatment of NOVABASE Group customers and suppliers will be respected, together with circumstances justifying the transaction when deviations to these principles occur, namely the need to pursue a higher company interest.

In either case, the supervisory board must give immediate notification to NOVABASE's management of any prior opinion issued.

These Internal Regulations remained in effect over the course of 2020. Nonetheless, as stated in point 89 above, an internal procedure was established at NOVABASE in 2021 for verifying and approving transactions with related parties, with the involvement of the Board of Directors and the Audit Board pursuant to article 249-A of the Securities Code, introduced by Law no. 50/2020 of 25 August, which was approved by the Board of Directors with a prior favourable opinion of the Audit Board.

II. ITEMS RELATED TO THE BUSINESS

92. Location of accounting documents with access to information on transactions with related parties, in accordance with IAS 24 or, alternatively, a reproduction of this information.

This information is available in the 2020 Consolidated Accounts, an integral part to the Annual Report and Accounts, in Note 40 of the Notes to the Consolidated Financial Statements.

PART II - EVALUATION OF CORPORATE GOVERNANCE

1. Corporate governance code adopted

Identification of the corporate governance code to which the company is subject, or has voluntarily decided to be subject to, under the terms and for the purposes of article 2 of these Regulations.

The publicly accessible location of the texts of the corporate governance codes to which the issuer is subject should also be indicated (article 245-A, paragraph 1, subparagraph p).

Over the course of 2018, the Corporate Governance Code of the Portuguese Corporate Governance Institute (IPCG) entered into force in reference to 1 January 2018, thereby completing the transition process to a self-regulation model (soft law) in Portugal. This resulted in the revocation of the CMVM Corporate Governance Code (2013) as of the same date.

In this way, the IPCG Corporate Governance Code (2018) - subsequently revised in 2020 - now represents the only corporate governance code in Portugal for the purposes of article 2, paragraph 1 of CMVM Regulation no. 4/2013.

Therefore, and in accordance with the above provision of CMVM Regulation no. 4/2013, NOVABASE has adopted the Corporate Governance Code of the Portuguese Corporate Governance Institute (2018, as revised in 2020), which is available for consultation at <https://cgov.pt/>.

2. Analysis of compliance with corporate governance code adopted

Under the terms of article 245-A, paragraph 1, sub-paragraph o), a statement should be included on the degree of compliance with the corporate governance code to which the issuer is subject, specifying any parts of this code from which it deviates, and the reasons for doing so.

- a) Information to gauge compliance with the recommendation, or reference to the point in the report where the issue is described in more detail (chapter, title, point, page);
- b) Justification for any failure to comply or partial compliance;
- c) In the event of non-compliance or partial compliance, identification of any alternative means used by the company to achieve the same goal as the recommendation.

	Recommendation	Fulfilment	Remarks
	Chapter I. GENERAL		
	<p>General principle:</p> <p>Corporate Governance should promote and enhance the performance of companies and the capital market, and should establish the trust of investors, employees and the general public in the quality of the managing and supervisory boards and the sustained development of companies.</p>		
	I.1. Company's relation with investors and information		
	<p>Principle:</p> <p>Companies and, in particular, their managers should treat shareholders and other investors equally, namely by assuring mechanisms and procedures for the suitable processing and disclosure of information.</p>		
1	I.1.1. The company should establish mechanisms which, in a suitable and rigorous manner, ensure the timely disclosure of information to corporate boards, shareholders, investors, other stakeholders, financial analysts and the market in general.	Yes	Points 55 to 65
	I.2. Diverse composition and functioning of the company's governing bodies		
	<p>Principle:</p> <p>I.2.A Companies should ensure diversity in the composition of their governing boards and the use of criteria of individual merit within the respective designation procedures, which are of the exclusive power of the shareholders.</p> <p>I.2.B Companies should be equipped with clear, transparent decision-making structures, ensuring the utmost operating efficiency of their boards and committees.</p> <p>I.2.C Companies should ensure that the functioning of their boards and committees is properly recorded in meeting minutes, so as to provide an understanding of the decisions made as well as their grounds and the opinions expressed by their members.</p>		
2	I.2.1. Companies should establish criteria and requirements for the profile of new members of their governing bodies which are suited to the function to be performed. Besides individual attributes (such as expertise,	Yes	Points 16 and 19

	independence, integrity, willingness and experience), these profiles should take into consideration general diversity requirements, paying particular attention to gender diversity that could potentially enhance the governing body's performance and balance its composition.		
3	I.2.2. The governing and supervisory boards and their internal committees should have internal regulations – namely regarding the exercising of their respective powers, chairmanship, meeting frequency, operation and table of duties of their members (published in full at the company's website) – with minutes of their meetings drawn up.	Yes	Points 21, 22, 27, 33 b) and 34
4	I.2.3 The composition and number of annual meetings of the managing and supervisory boards and their internal committees should be disclosed in full at the company's website.	Yes	Points 62
5	I.2.4. A policy should exist for reporting irregularities (whistleblowing) ensuring the appropriate means for their communication and handling, safeguarding the confidentiality of information conveyed and the identity of the whistleblower whenever so requested.	Yes	Point 49
I.3. Relationship between company boards			
<p>Principle:</p> <p>Corporate board members, above all directors, should lay the groundwork so that – to the extent of each board's responsibilities – judicious and efficient measures are taken and the company's boards act in a harmonious, coordinated manner with information suited to the performance of their respective duties.</p>			
6	I.3.1. The articles of association or equivalent instruments used by the company should have mechanisms to ensure that, within the limits of applicable legislation, members of the managing and supervisory boards have permanent access to all company information and employees to assess the performance, status and future prospects of the company, including meeting minutes, support documentation for decisions taken, meeting notices and the archives of executive managing board meetings, notwithstanding access to any other documents or persons who may be asked to give clarifications.	Yes	Points 21, 24 and 33 b)
7	I.3.2. Cada órgão e comissão da sociedade deve assegurar, atempada e adequadamente, o fluxo de informação, desde logo das respetivas convocatórias e atas, necessário ao exercício das competências legais e estatutárias de cada um dos restantes órgãos e comissões.	Yes	Points 21, 24 e 33 b)
I.4. Conflicts of Interest			

	<p>Principle:</p> <p>Conflicts of interest, whether actual or potential, should be prevented between the members of boards and commissions and the company. Members in conflict must not interfere in the decision-making process.</p>	
8	<p>I.4.1. By internal regulations or equivalent means, members of the managing and supervisory boards and internal committees shall be obliged to notify the respective board or committee whenever there are facts which may constitute or give rise to a conflict between their interests and those of the company.</p>	<p>Yes</p> <p>Points 21 and 33 b)</p>
9	<p>I.4.2. Procedures should be in place to ensure that a member in conflict does not interfere with the decision-making process, notwithstanding the obligation to provide information and clarifications requested by the board, commission or its respective members.</p>	<p>Yes</p> <p>Points 21 and 33 b)</p>
<h2>I.5. Transactions with related parties</h2>		
	<p>Principle:</p> <p>Due to their potential risks, transactions with related parties must be justified by the company's interests and performed in normal market conditions, subject to the principles of transparency and proper oversight.</p>	
10	<p>I.5.1. The managing board should disclose, in its governance report or by another publicly available means, the internal procedure for verifying transactions with related parties.</p>	<p>No</p> <p>Points 89 and 91 With regard to the 2020 financial year, NOVABASE had Internal Regulations on Transactions with Qualified Shareholders in effect, whose terms specifically define the internal procedure for verifying transactions with qualified shareholders. In 2020, NOVABASE had no formally approved procedure for verifying transactions with related parties, instead having observed the internal regulations referred to above, with the remaining transactions with related parties controlled and disclosed pursuant to internationally accepted and applicable financial reporting and accounting norms and standards. Even so, in view of the entry into force of Law no. 50/2020 of 25 August during the 2020 financial year, which transposed into the Portuguese legal system Directive (EU) 2017/828 concerning shareholder rights in listed companies as regards shareholders' long-term engagement, having introduced articles 249-A and following to the Securities Code providing for a scheme for transactions with related parties, an internal procedure was established at NOVABASE in 2021 for verifying and approving transactions with related</p>

			<p>parties, with the involvement of the Board of Directors and the Audit Board, pursuant to the law, which was approved by the Board of Directors with a prior favourable opinion of the Audit Board. As such, NOVABASE believes that the company has now embraced this recommendation, despite being over the course of 2021. Furthermore, as regards 2020 (i.e. prior to approving the internal procedure for verifying and approving transactions with related parties), NOVABASE believes that the control mechanisms which were in place in this regard were sufficient to ensure that transactions with related parties were subject to the principles of transparency and proper oversight, since: (i) any transactions whose total cumulative amount was equivalent to or greater than €100,000 (one hundred thousand euros) in a given financial year, half year or quarter, or which were not done under normal market conditions, were subject to the prior opinion of the Audit Board, thereby encompassing a major part of the transactions with related parties that could occur, (ii) in recent years, there have been no business dealings with related parties subject to an unfavourable opinion of the Audit Board, and (iii) NOVABASE also complied (and complies) with the rules of the Commercial Companies Code for contractual agreements between the company and its directors, together with the rules for controlling and disclosing transactions with related parties, pursuant to internationally accepted and applicable financial reporting and accounting norms and standards.</p>
11	<p>I.5.2 The managing board should notify the supervisory board of the results of the internal procedure for verifying transactions with related parties, including the transactions subject to analysis, at least on a half-yearly basis.</p>	n/a	<p>As stated above, in 2020, NOVABASE had no formally approved procedure for verifying transactions with related parties, instead having observed the Internal Regulations on Transactions with Qualified Shareholders referred to above, with the remaining transactions with related parties controlled and disclosed pursuant to internationally accepted and applicable financial reporting and accounting norms and standards.</p> <p>Nonetheless, as stated above, an internal procedure was established at NOVABASE in 2021 for verifying and approving transactions with related parties, with the involvement of the Board of Directors and the Audit Board, pursuant to the law.</p> <p>Under this procedure, by the end of the month following the end of each quarter, NOVABASE's Board of Directors verifies, and notifies the Audit Board of, the amount and nature of transactions between NOVABASE</p>

			and any related party performed in the previous quarter which were not subject to a specific decision by these boards in accordance with these regulations. As such, NOVABASE believes that the company has now embraced this recommendation, despite being over the course of 2021.
Chapter II. SHAREHOLDERS AND GENERAL MEETING OF SHAREHOLDERS			
<p>Principles:</p> <p>II.A The proper engagement of shareholders is a positive factor in corporate governance, as an instrument for the company's efficient functioning and achievement of its corporate purpose.</p> <p>II.B The company should encourage shareholders to participate in the General Meeting of Shareholders as a venue for them to communicate with company boards and committees and reflect on the company.</p> <p>II.C The company should implement suitable means for shareholders to participate and vote remotely in the meeting.</p>			
12	II.1. The company should not require an excessively high number of shares for entitlement to voting rights, and should specify its choice in its corporate governance report when not following the principle of one share corresponding to one vote.	Yes	Point 12
13	II.2. The company should not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law.	Yes	Point 14
14	II.3. The company should implement suitable means for shareholders to participate in the General Meeting of Shareholders remotely, under terms proportional to its size.	Yes	Point 12 Note that NOVABASE's 2020 General Meeting of Shareholders was done exclusively via telemetric means, giving shareholders not only the option of voting via electronic correspondence or electronic means, but also the ability to participate via telematic means in the meeting and, in this context, change their vote previously cast during the meeting, as shown in documentation from this same General Meeting of Shareholders, duly published and available at NOVABASE's website.
15	II.4. The company should also implement suitable means for exercising voting rights remotely, including via correspondence and via electronic means.	Yes	Point 12 Note that NOVABASE's 2020 General Meeting of Shareholders was done exclusively via telemetric means, giving shareholders not only the option of voting via electronic correspondence or electronic means, but also the ability to participate via telematic means in the meeting and, in this context, change their vote previously cast during the meeting, as shown in documentation from this same General Meeting of Shareholders,

			duly published and available at NOVABASE's website.
16	II.5. The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a sole shareholder, either individually or in concert with other shareholders, shall also foresee for a resolution by the General Meeting of Shareholders (5-year intervals) on whether that statutory provision is to be amended or prevails – without superior quorum requirements as to the one legally in force – and that in said resolution, all votes issued be counted, without applying said restriction.	n/a	Points 12 and 13.
17	II.6. Measures that require payment or the assumption of fees by the company in the event of change of control or change in the composition of the managing board, and which may impair the free transfer of shares and free assessment by shareholders of the performance of directors, shall not be adopted.	Yes	Points 4 and 84 Furthermore, measures that require payment or the assumption of fees by the company in the event of change of control or change in the composition of the managing board, and which may impair the free transfer of shares and free assessment by shareholders of the performance of directors, shall not be adopted.
Chapter III. NON-EXECUTIVE MANAGEMENT AND OVERSIGHT			
<p>Principles:</p> <p>III.A Corporate board members with non-executive management and supervisory functions should carry out effective, judicious oversight which challenges executive management to fully achieve the company's corporate purpose, supplemented by committees in central corporate governance areas.</p> <p>III.B The composition of the supervisory board and collection of non-executive directors should afford the company with balanced, proper diversity in terms of expertise, knowledge and professional backgrounds.</p> <p>III.C The supervisory board should constantly oversee the company's management, from a preventive standpoint as well, monitoring the company's activities and, in particular, decisions of central importance to the company.</p>			
18	III.1. Notwithstanding the legal functions of the Chairperson of the Board of Directors, if the Chairperson is not independent, the independent directors must designate a coordinator (lead independent director) from among themselves for the following purposes: (i) serving, whenever necessary, as a spokesperson with the Chairperson of the Board of Directors and the other directors, (ii) ensuring that they have the necessary means and conditions to perform their duties; and (iii) coordinating them in assessing the performance by the managing board, as provided for in recommendation V.1.1.	No	Points 18 and 21 In view of NOVABASE's corporate organizational model, which has several levels of internal control, the company does not believe that independent directors are necessary, as further explained in the above points in Part I of this report, together with the comments to recommendation III.3 below. The designation of a lead independent director per this recommendation is therefore not possible. With regard to the option of designating a lead non-executive director (in the absence of independent directors), in view of the size of the company, the Board of Directors and the number of non-executive directors, the company does not believe this position is necessary.

			<p>In fact, given NOVABASE's agile and flexible structure since 2015, the non-executive directors have adequately coordinated their duties with no need for formal meetings called and run by one of these directors.</p> <p>Note also that, pursuant to the Board of Directors' regulations, there are various mechanisms in place for the efficient coordination and performance of its work, particularly for members with non-executive functions, by giving them access to information to sufficiently carry out their duties.</p>
19	<p>III.2. The number of non-executive members of the managing board, together with the number of members of the supervisory board and number of members of the financial matters committee, should be suited to the company's size and the complexity of its business risks, but sufficient to effectively ensure the functions entrusted to them; the justifying grounds for this suitability should be included in the corporate governance report.</p>	Yes	Points 18, 21, 31 and 32
20	<p>III.3. In any case, the number of non-executive directors should exceed the number of executive directors.</p>	No	<p>Points 24 and 27</p> <p>NOVABASE has five executive directors and for non-executive directors.</p> <p>Nevertheless, in view of the company's oversight model, together with mechanisms for ensuring actual monitoring and supervision of the Executive Committee by non-executive directors (see point 24 of this report), NOVABASE does not believe that the number of non-executive members must exceed the number of executive members on the Board of Directors. In fact, the Board of Directors annually assesses its own performance, together with the performance of the managing directors or Executive Committee, as applicable, also ensuring that the individual performance evaluations of each director are notified to the Remuneration Committee.</p> <p>The activities of the Executive Committee are monitored continuously by the Board of Directors on the whole and, specifically, by the non-executive directors, through the provision of information on the company's business as needed to monitor its day-to-day running.</p> <p>Ensuring the actual monitoring and oversight of the activities of the Executive Committee by executive members is, in fact, a concern of NOVABASE and a practice followed by the company. Moreover, the Board of Directors' internal regulations have been revised to reinforce the information rights of directors and prerogatives to this end, as explained in points 21 and 24 of this report.</p> <p>This monitoring of the executive directors by non-executive directors</p>

			<p>was a practice already in place prior to the publication of corporate governance recommendations on the existence of specific evaluation committees, and continues to be an actual practice employed by NOVABASE.</p> <p>In addition, the Remuneration Committee is responsible for assessing the performance of the executive directors, namely for the purposes of applying the evaluation criteria described in point 25. In this way, NOVABASE believes that the Board of Directors' non-executive members have been entrusted with the function of overseeing and challenging the executive management.</p>
21	<p>III.4 Companies should include a number not less than one third, but always multiple, of non-executive directors meeting independence requirements. For the purposes of this recommendation, independent persons are defined as those not associated with any specific interest group at the company, nor under any circumstances that may affect their exemption from analysis or decision, namely because of:</p> <p>i. Having held a position on any company board, on a consecutive or non-consecutive basis, for more than twelve years;</p> <p>ii. Having been an employee at the company or at a company in a control or group relationship within the last three years;</p> <p>iii. Having, in the past three years, provided services or established a significant commercial relationship with the company or company with which it is in a control or group relationship, either directly or as a partner, board member, manager or director of a legal entity;</p> <p>iv. Receiving remuneration paid by the company or by a company with which it is in a control or group relationship, besides the remuneration arising from performing the duties of director;</p> <p>v. Living with a partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of directors of the company, directors of a legal person with a qualified holding in the company or natural persons with direct or indirect qualified holdings;</p> <p>vi. Being a qualifying shareholder or representative of a qualifying shareholder.</p>	No	<p>Point 18</p> <p>In view of the company's size, its need for agility and efficient management, its shareholder structure and respective free float, its various levels of internal control (including supervisory boards completely comprised of persons independent from the management and qualified shareholders, with the important note that, under the Anglo Saxon corporate governance model previously in effect at the company, only those directors with positions on the Auditing Committee were independent), and the vast set of options benefiting shareholder participation and the exercising of rights, NOVABASE does not believe that independent directors are needed to ensure the protection of the interests of all stakeholders.</p>
22	<p>III.5. The provisions of paragraph (i) of recommendation III.4 shall not impair the qualification of a new director as independent if, between the termination of his/her duties at any company board and his/her new designation, at least three years have elapsed (cooling-off period).</p>	n/a	<p>NOVABASE's Board of Directors has no independent directors.</p>
23	<p>III.6. In accordance with the powers entrusted to it by law, the supervisory board evaluates and gives its opinion on the strategic guidelines and risk policy, prior to their final approval by the managing board.</p>	No	<p>There is currently no procedure allowing the Audit Board to give its opinion on these issues prior to their final approval by the Board of Directors.</p>

			<p>Nonetheless, pursuant to its regulations, the Audit Board has the power to evaluate the risk management done by the Board of Directors and give its opinion on the working plans and resources allocated to control services.</p> <p>With regard to monitoring, assessing and giving an opinion on the company's strategic guidelines, NOVABASE believes this function is achieved through the Audit Board's oversight of the risk management system, which inevitably includes overseeing the risks assumed by the company vis-à-vis strategic guidelines in place. In view of the Audit Board's supervisory and oversight function, NOVABASE believes that this board's involvement in matters involving the company's strategic guidelines should be limited.</p>
24	<p>III.7. Companies should have specialized committees for corporate governance, appointments and performance evaluation, whether individual or combined. When a remuneration committee has been created per article 399 of the Commercial Companies Code, and when not prohibited from doing so by law, this recommendation may be fulfilled by entrusting these powers to this committee.</p>	No	<p>Point 27</p> <p>In view of the mounting challenges of internationalization and competition revolving around NOVABASE's business, the corporate governance system in place at the company needed to be brought up to date by simplifying and streamlining company bodies and procedures, so as to tailor existing solutions to the company's size and specific circumstances.</p> <p>In this context, beyond the Executive Committee, no other committees have currently been created within the company's Board of Directors.</p> <p>In particular, with regard to evaluating the management, it should be noted that the Board of Directors annually assesses its own performance, together with the performance of the managing directors or Executive Committee, as applicable, also ensuring that the individual performance evaluations of each director are notified to the Remuneration Committee.</p> <p>The activities of the Executive Committee are monitored continuously by the Board of Directors on the whole and, specifically, by the non-executive directors, through the provision of information on the company's business as needed to monitor its day-to-day running. This monitoring of the Executive Committee by non-executive directors was a practice already in place prior to the publication of corporate governance recommendations on the existence of specific evaluation committees, and continues to be an actual practice employed by NOVABASE.</p> <p>In addition, the Remuneration Committee is responsible for assessing the performance of the Executive Committee and its members for the purposes of applying the evaluation</p>

		<p>criteria described in point 25 of this report.</p> <p>Along these lines, given the relatively low complexity of the current corporate governance structure, maintaining or reintroducing a specific committee to reflect on issues involving corporate governance seems unnecessary, since the company is assisted by outside consultants in this regard. Note that NOVABASE's governance model is assessed regularly by the Board of Directors during its meetings, in terms of its suitability and performance, to help optimize its performance in closer alignment with the interests of all stakeholders.</p> <p>In addition, in view of the company's size, NOVABASE believes it is unnecessary to have an internal committee specializing in remuneration, since it already has a Remuneration Committee with adequate communication channels with other company boards, and whose members are all independent, with experience and backgrounds suited to performing these types of duties.</p> <p>Finally, given the company's size and the breakdown of its corporate boards, NOVABASE believes it is unnecessary to have an internal committee specializing in appointments, since the Board of Directors is responsible for determining the composition of the Executive Committee and its assigned spheres of responsibility, the Audit Board is charged with hiring the Statutory Auditor and, finally, the General Meeting of Shareholders has the final say in electing members of the corporate boards.</p> <p>As such, it is NOVABASE's conviction that, notwithstanding the lack of formal committees to assess the aspects referred to in this recommendation, these duties are performed under NOVABASE's governance system by the Board of Directors itself, the General Meeting of Shareholders, the Remuneration Committee, the Statutory Auditor and the company's external auditors, in view of the functions carried out at the company by these bodies.</p>
	<p>Chapter IV. EXECUTIVE MANAGEMENT</p>	
	<p>Principles:</p> <p>IV.A As a means of boosting the managing board's efficiency and the quality of its performance, together with the adequate flow of information to this board, the day-to-day running of the company should be done by executive directors with suitable qualifications, expertise and experience. The executive management is in charge of</p>	

	<p>managing the company, pursuing the company's goals and contributing towards its sustainable development.</p> <p>IV.B The company's size, the complexity of its business and its geographic dispersion – in addition to costs and the desired operating agility of the executive management – should be considered in determining the number of executive directors.</p>		
25	<p>IV.1 The governing board should approve, through internal regulations or comparable means, the scheme for executive directors' activities applicable to their performance of executive duties at entities outside the group.</p>	Yes	<p>Points 21 and 26</p> <p>On 10 May 2018, the Board of Directors approved the delegation of powers to the Executive Committee, together with this committee's regulations on this same date. The purpose of this documentation is to regulate and delineate this board's functioning and its respective powers.</p> <p>NOVABASE's active executive directors currently perform no other executive duties at entities outside the group.</p> <p>Furthermore, with regard to the table in Point 26 of this report (on activities of directors in and outside the group), the duties shown for executive directors João Nuno da Silva Bento, Álvaro José da Silva Ferreira and Francisco Paulo Figueiredo Morais Antunes, despite involving administrative functions, are not considered executive duties impacting their full availability to carry out their respective duties at NOVABASE.</p>
26	<p>IV.2. The board of directors shall ensure that the company acts in accordance with its objectives, and shall not delegate powers with regard to the following: i) defining the strategy and general policies of the company; ii) organizing and coordinating the corporate structure; iii) matters considered strategic due to the amount, risk or particular characteristics involved.</p>	Yes	Point 21
27	<p>IV.3. In the annual report, the managing board clarifies the terms by which the strategy and main policies seek to ensure the company's long-term success, together with the main contributions resulting therefrom for the community in general.</p>	Yes	Point 29
Chapter V. PERFORMANCE EVALUATION, REMUNERATION AND APPOINTMENTS			
V.1 Annual Performance Evaluation			
<p>Principle:</p> <p>The company should evaluate the performance of the executive board and its individual members, together with the overall performance of the managing board and its specialized committees.</p>			
28	<p>V.1.1. The managing board should evaluate its performance each year, together with the performance of its committees and executive directors, bearing in mind fulfilment of the company's strategic plan and budget, risk management, internal operation and each</p>	Yes	Points 24 and 25

	member's contribution in this regard, together with relationships between the company's boards and committees.		
V.2 Remuneration			
	<p>Principle:</p> <p>V.2.A. The remuneration policy for members of the managing and supervisory boards should allow the company to attract qualified professionals, at a cost economically justified by the situation, align its interests with those of shareholders — taking into account the wealth actually created by the company, its economic position and that of the market — and build a company culture which is professional and promotes merit and transparency.</p> <p>V.2.B. Directors should receive remuneration:</p> <ul style="list-style-type: none"> i) which adequately reciprocates the responsibilities assumed, availability and expertise made available to the company; ii) which ensures that actions are aligned with long-term shareholder interests, promoting the company's sustainability; and iii) which rewards performance. 		
29	V.2.1. The company should establish a remuneration committee, whose composition ensures independence vis-à-vis the management; said committee may be the remuneration committee referred to in article 399 of the Commercial Companies Code.	Yes	Points 66 and 67
30	V.2.2. The remuneration committee, or the general meeting of shareholders by proposal of this committee, should be responsible for determining remuneration.	Yes	Points 66 and 67
31	V.2.3. For each term of office, the remuneration committee, or the general meeting of shareholders by proposal of this committee, should also approve a ceiling on all compensation payable to a member of any company board or committee at the time of his/her dismissal/termination, disclosing this situation and its amounts in the corporate governance report or in the remuneration report.	Yes	Points 83 and 84 In view of the mandatory legal ceiling on compensation for undue dismissal, there is absolutely no practical advantage in establishing contractual restraints to the amount payable to a director in the event of consensual termination of duties. Furthermore, there are no agreements at NOVABASE for the payment of compensation to members of the Board of Directors in the event of resignation, nor has compensation of any kind been paid to any member of the Board of Directors or company committee due to dismissal/termination, beyond that provided for by law.
32	V.2.4. With a view to providing information and clarifications to shareholders, the chairperson of the remuneration committee, or another member of this committee in the event of his/her impediment, should attend the annual General Meeting of Shareholders and any other meetings whose agenda includes matters related to the remuneration of members of the company's boards and commissions, or when such attendance has been requested by shareholders.	Yes	Point 67 The Chairperson of NOVABASE's Remuneration Committee was present at the 2020 General Meeting of Shareholders, via telematic means, to provide information and clarifications to shareholders.
33	V.2.5. Within the company's budgetary limits, the remuneration committee should be able	Yes	Point 67

	to freely decide on the company's hiring of consulting services, as needed or convenient for carrying out its duties.		NOVABASE's Remuneration Committee acts with complete autonomy, and may freely decide on NOVABASE's hiring of consulting services, as needed or convenient for carrying out its duties. The Remuneration Committee did not employ any natural or legal person to support it in performing these duties.
34	V.2.6 The remuneration committee must ensure that the services are provided independently, and that the service providers in question will not be hired to provide other services to the company, or to other companies in a group or control relationship with it, without the committee's express authorization.	Yes	Point 67
35	V.2.7 With a view to aligning interests between the company and executive directors, part of their remuneration should be variable, reflecting the company's sustained performance and discouraging the assumption of excessive risks.	Yes	Points 70 and 71
36	V.2.8. A significant part of the variable remuneration component should be partially deferred for a period not less than three years, so as to clearly associate it with sustainable performance, pursuant to the company's internal regulations.	Yes	Points 70, 72 and 74
37	V.2.9. When variable remuneration includes options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred for at least three years.	No	Points 70 and 74 NOVABASE stock options attributed under the Plan for Options to Allot Shares may be exercised once exactly two years after their date of attribution (maturity date), notwithstanding the ability to exercise them exactly one year after their date of attribution, at which time the participant may exercise 50% or 100% of the batch of options attributed to him/her. Even so, it should be noted that the number of NOVABASE shares to be attributed under the plan, or the corresponding amount in cash under the net cash settlement option, is dependent upon the price of NOVABASE shares on the relevant dates for participants to exercise options, thus making this remuneration component conditional upon the NOVABASE's continued positive performance. Furthermore, the shares representing NOVABASE's share capital corresponding to 50% of the options which may be exercised will be retained by NOVABASE for three years following the exercise date, and their ownership will not be transferred to the participant until the end of this period, conditional upon NOVABASE's positive performance during this time. As such, NOVABASE believes that, even though the options' exercise period is not deferred for at least three years, this remuneration component generally serves the company's long-

			term interests, and discourages excessive risk assumption.
38	V.2.10. The remuneration of non-executive directors should not include any component whose value is subject to the performance or the value of the company.	No	Point 77 The remuneration of non-executive directors may include a variable component. The performance of remunerated duties by these members of the Board of Directors allows NOVABASE to leverage their extensive know-how acquired as company founders and accumulated over more than 20 years, especially since these directors continue to have major responsibilities in the Group. For this reason, this remuneration is fully justified.
	V.3. Appointments		
	<p>Principle:</p> <p>Regardless of the means of designation, the profile, knowledge and background of the members of corporate and managing boards should be suited to the duties to be performed.</p>		
39	V.3.1. The company should, pursuant to terms deemed adequate and by demonstrable means, ensure that proposals for the election of company board members include a justification of the suitability of the profile, knowledge and background vis-à-vis the duties to be performed by each applicant.	No	Point 16 Following the entry into force of the Portuguese Corporate Governance Institute (IPCG) Corporate Governance Code, NOVABASE held an elective General Meeting of Shareholders on 10 May 2018, which approved the election of corporate board members for the three-year period of 2018-2020. Also in 2019, the appointment of a new member to the Board of Directors was approved at the General Meeting of Shareholders held on 26 September 2019. With regard to the 2018 General Meeting of Shareholders, although proposals for the election of corporate board members were not accompanied by the justification referred to in this recommendation, these proposals nonetheless included the applicants' CVs, which are available at all times at NOVABASE's website. Furthermore, when the proposals for the election of corporate board members were submitted (13 April 2018), these recommendations from the IPCG Corporate Governance Code had only recently entered into force. The proposal to elect a new NOVABASE executive director, approved in the General Meeting of Shareholders held on 26 September 2019, was accompanied by an explanation of the background of the candidate's proposal. In addition, the company made an advance announcement to the market on his future job duties and segment of focus under NOVABASE's updated strategy

			(2019+ Strategic Update). These factors, combined with the candidate's CV accompanying the election proposal, were aimed at justifying, to the extent possible in the context of adapting to these recommendations, the proposal pursuant to this recommendation.
40	V.3.2. Unless not justified by the company's size, the function of monitoring and supporting management staff appointments should be allocated to an appointment committee.	No	Given the low number of directors (new) and the company's size and shareholder structure, NOVABASE has no appointment committee with the powers of monitoring and supporting management staff appointments. Furthermore, within the context of NOVABASE's corporate governance model, its various corporate boards contribute towards this function: the Board of Directors is responsible for determining the composition of the Executive Committee and its assigned spheres of responsibility, the Audit Board is charged with hiring the Statutory Auditor and, finally, the General Meeting of Shareholders has the final say in electing members of the corporate boards.
41	V.3.3. This committee includes a majority of non-executive independent members.	n/a	Since the company has no appointment committee, this recommendation does not apply to NOVABASE.
42	V.3.4. The appointment committee should provide its terms of reference and should have, to the extent of its powers, transparent selection processes with effective means of identifying potential applicants, choosing to propose those of most merit, best suited to the position's requirements and affording the organization with sufficient diversity, including gender diversity.	n/a	Since the company has no appointment committee, this recommendation does not apply to NOVABASE. Even so, bearing in mind the growing importance of equal opportunities, together with the corporate understanding of diversity's role in contributing towards improved performance and competitiveness, NOVABASE approved a diversity policy for its managing and supervisory boards so as to better match applicants to the demands of their positions and foster diversity in these boards. More information on this topic can be found in point 16.
Chapter VI. INTERNAL CONTROL			
<p>Principle:</p> <p>Based on its medium and long-term strategy, the company should have a system for risk management and control and internal auditing to foresee and minimize the risks inherent to its business.</p>			
43	VI.1. The managing board should discuss and approve the company's strategic plan and risk policy, including the setting of limits with regard to risk exposure.	Yes	Points 50 and 54 On 13 December 2018, NOVABASE's Board of Directors approved a formal risk policy for the company. In the wake of in-depth strategic reflection beginning in 2018 on the company's future, in 2019 the Board of

			<p>Directors decided to approve an updated strategy for 2019 and beyond (2019+ Strategic Update), whose key features were announced to the market on 25 July 2019.</p> <p>The principles of this policy have been defined and implemented by NOVABASE's Board of Directors, namely with regard to determining acceptable risk levels.</p>
44	VI.2. The supervisory board should organize itself internally, implementing periodic control procedures and mechanisms to ensure that the risks actually taken by the company are consistent with the managing board's goals.	Yes	Points 33 and 51
45	VI.3. The internal control system, including the functions of risk management, compliance and internal auditing, should be structured appropriately to the company's size and the complexity of the risks associated with its business; the supervisory board should evaluate it and, within the scope of its powers of overseeing the efficacy of the system, propose the adjustments deemed necessary.	Yes	Points 33, 50, 51 and 54
46	VI.4. The supervisory board should give its opinion on the working plans and resources allocated to the services of the internal control system, including the functions of risk management, compliance and internal auditing, with the ability to propose the adjustments deemed necessary.	Yes	Points 33, 50, 51 and 54
47	VI.5. The supervisory board should receive the reports produced by internal control services, including the functions of risk management, compliance and internal auditing, at least in the case of matters related to the provision of accounts, identifying or resolving conflicts of interest and detecting potential irregularities.	Yes	Point 33
48	VI.6. Based on its risk policy, the company should have a risk management function, identifying (i) the main risks to which it is exposed in its business, (ii) the likelihood of their occurrence and respective impacts, (iii) instruments and measures to mitigate them and (iv) procedures for monitoring them.	Yes	Points 53 and 54
49	VI.7. The company should establish procedures for overseeing, periodically evaluating and adjusting the internal control system, including an annual assessment of the degree of internal compliance and the performance of the system, including from the standpoint of changing the previously defined risk framework.	Yes	Points 50 and 54
	Chapter VII. FINANCIAL INFORMATION		
	VII.1 Financial information		

	<p>VII.A. The supervisory board should, in an independent and diligent manner, ensure that the managing board fulfils its responsibilities in choosing appropriate accounting criteria and policies, and in establishing adequate financial reporting systems for risk management, internal control and internal auditing.</p> <p>VII.B. The supervisory board should properly coordinate internal auditing work with the legal review of the accounts.</p>		
50	<p>VII.1.1. The supervisory board's internal regulations should require this board to oversee the adequacy of the process for preparing and disclosing financial information by the managing board, including the suitability of accounting policies, estimates, judgements, relevant disclosures and their consistent application between years, in a duly documented and properly communicated manner.</p>	Yes	Point 33 b)
	VII.2 Legal account review and oversight		
	<p>Principle:</p> <p>The supervisory board is responsible for establishing and monitoring formal, clear and transparent procedures with regard to the company relationship with the statutory auditor, and with regard to overseeing the statutory auditor's fulfilment of rules for independence, as required by law and professional standards.</p>		
51	<p>VII.2.1. The supervisory board should determine, through internal regulations and in accordance with the applicable legal scheme, oversight procedures aimed at ensuring the independence of the statutory auditor.</p>	Yes	Point 33 b)
52	<p>VII.2.2. The supervisory board should be the main spokesperson of the company's statutory auditor and the first recipient of the relevant reports, and is responsible for proposing relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company.</p>	Yes	Point 33 b)
53	<p>VII.2.3. The supervisory board should annually evaluate the work done by the statutory auditor, including its independence and suitability to perform its duties, proposing to the competent body that it be dismissed, or that its service provision agreement be terminated, whenever there are justified grounds for this purpose.</p>	Yes	Point 33 b)

3. Other information

The company should provide any additional information or items not addressed in the above points and relevant to understanding the governance model and practices used.

ANNEXES

Remuneration Committee Report

NOVABASE

REPORT OF THE REMUNERATIONS COMMITTEE



Report of the Remunerations Committee regarding the 2020 Financial Year

The Remunerations Committee of Novabase SGPS (RC) met once in the 2020 financial year, at the company's office, on May 22, 2020.

This Remunerations Committee (RC) is composed by Francisco Luís Murteira Nabo (Chairman) and the members Pedro Rebelo de Sousa and João Quadros Saldanha. All members were present at the meeting referred to above.

The RC's work was guided in this financial year by the remuneration policies applicable to the corporate bodies that were approved by the shareholders at the General Meetings.

This report summarizes the decisions of the remunerations committee taken during the 2020 financial year.

Prior Note:

As usual, the remunerations committee clarifies that the decisions regarding variable remunerations mentioned in this report relate to decisions taken by the RC in 2020 and, therefore, such decisions were taken with reference to the directors' performance in 2019.

After this clarification, below is a summary of the decisions taken by the RC.

AT THE MEETING OF MAY 22, 2020:

About the remuneration for the 2020 financial year of the members of the board of the General Meeting of Shareholders of Novabase SGPS

It was resolved to attribute to the members of the board of the General Meeting a remuneration corresponding to attendance fees per each General Meeting of Shareholders made. For the Chairman, António Menezes Cordeiro, the amount determined was of EUR 3,000 (three thousand) euros and for the Secretary, Madalena Paz de Oliveira, EUR 2,000 (two hundred) euros for each General Meeting of Shareholders. These values were not updated in comparison with the previous year. This resolution was unanimously taken.

About the fixed remuneration of the Directors of Novabase SGPS for the 2020 financial year.

RC unanimously decided to maintain the fixed remuneration of Novabase SGPS directors for the 2020 financial year, despite:

- of the exceptional performance of the company in 2019;
- the increasing competition for talent, including in the most senior and management ranks, given the favorable environment of the technology sector.

This committee considers that the most effective way of addressing the above issues - rewarding and building team loyalty - should be much more through variable remuneration - due to its deferral in time - than through a permanent increase in the company's cost structure, particularly given the current context we are experiencing.

In relation to the Chairman of the Board of Directors and since his function was maintained on a full time basis, with the attributions already defined in previous reports, it was determined a remuneration equal to the remuneration of the CEO.

Thus, it was unanimously resolved to determine the following annual gross amounts for each director, to be paid in 12 monthly installments, in light of the features of each director's functions:

- Luis Paulo Cardoso Salvado (Chairman of the Board of Directors on a full-time basis / full-time Chairman) – EUR 293,700 (two hundred and ninety-three thousand and seven hundred euros);
- João Nuno da Silva Bento (Chairman of the Executive Committee / CEO) – 293,700 (two hundred and ninety-three thousand and seven hundred euros);
- Álvaro José da Silva Ferreira (executive director) – EUR 200,520 (two hundred thousand and five hundred and twenty euros);
- María del Carmen Gil Marín (executive director) – EUR 144,420 (one hundred and forty four thousand, four hundred and twenty euros);
- Francisco Figueiredo Morais Antunes (executive director) – EUR 126,000 (one hundred and twenty six thousand euros);
- Paulo Jorge de Barros Pires Trigo (executive director) – EUR 156,000 (one hundred and fifty six thousand euros);
- José Afonso Oom Ferreira de Sousa – EUR 42,000 (forty two thousand euros);
- Pedro Miguel Quinteiro Marques de Carvalho – EUR 42,000 (forty two thousand euros);
- Marta Isabel dos Reis Graça Rodrigues do Nascimento – EUR 42,000 (forty two thousand euros).

Variable remuneration of the Directors of Novabase SGPS, related to performance in the 2019 financial year.

The General Meeting of April 2009 established the general conditions for the remuneration of the directors. This decision was reiterated in the several General Meetings held in the last years.

Regarding the key indicators for shareholder value creation, Novabase registered in 2019 a particularly positive and remarkable performance: it achieved the best net results ever - in its 30 years of existence - and obtained a shareholder return of 60%, the best among all the listed companies in Euronext Lisbon. Even more significantly, and from a qualitative point of view, the Board of Directors designed and started the implementation of a new strategic guidance, successfully achieving several important milestones, which allowed not only the excellent results mentioned above, but others, whose effects have been materializing in 2020.

In this light, and given the net profits in the 2019 financial year of 20,4 Million Euros, compared to 4.7 Million Euros in the preceding financial year, the RC unanimously decided to grant to each of the following directors in office in 2019, and without prejudice to the next section below, the following amounts:

- Luis Paulo Cardoso Salvado (Chairman of the Board of Directors on a full-time basis / full-time Chairman) – EUR 591,127 (five hundred and ninety one thousand, one hundred and twenty seven euros);
- João Nuno da Silva Bento (Chairman of the Executive Committee / CEO) - EUR 591,127 (five hundred and ninety one thousand, one hundred and twenty seven euros);
- Álvaro José da Silva Ferreira (executive director) – EUR 370,440 (three hundred and seventy thousand, four hundred and forty euros);

- María del Carmen Gil Marín (executive director) – EUR 295,564 (two hundred and ninety five thousand, five hundred and sixty-four euros);
- Paulo Jorge de Barros Pires Trigo – EUR 53,370 (fifty three thousand, three hundred and seventy euros);
- Francisco Figueiredo Morais Antunes (executive director) – EUR 295,564 (two hundred and ninety five thousand, five hundred and sixty four euros);
- José Afonso Oom Ferreira de Sousa – EUR 118,225 (one hundred and eighteen thousand, two hundred and twenty five euros);
- Pedro Miguel Quinteiro Marques de Carvalho – EUR 118,225 (one hundred and eighteen thousand, two hundred and twenty five euros);

The total variable remuneration of the Directors of Novabase SGPS for their performance in the 2019 financial year corresponds, therefore, to EUR 2,433,641 (two million four hundred and thirty three thousand, six hundred and forty one euros), which is equivalent to twice the sum of the fixed annual amounts of these directors, amount defined by RC as the upper limit to be paid, given that by the mechanism used in previous years, the amount to be attributed would be higher, both globally and per director.

The variable remuneration of the directors José Afonso Oom Ferreira de Sousa and Pedro Miguel Quinteiro de Marques Carvalho is justified by the multiple missions they have performed at the service of the company, far beyond what is usual or expected in non-executive functions. In particular, it should be noted their great involvement and fundamental contribution in the discussion and design of the new strategic guidance, which has produced, to date, very positive results for the company.

As resolved in a meeting of this committee held on October 1, 2019, the executive director Paulo Jorge de Barros Pires Trigo, with the responsibility for the Next- Gen business segment, was granted 400,000 (four hundred thousand) options over Novabase SGPS shares, under the Regulation of the Stock Option Plan Regulation approved in the General Meeting held on September 26, 2019. Any new attribution of Options over the Shares of the company is postponed to a future date, under the terms and in accordance with the referred Regulation.

On differing of the payment of part of the amounts attributed as variable remuneration

It was also unanimously decided to pay in 2020 only half of the amount granted to each director in office in 2019, as variable remuneration, and delay the remaining 50% for payment during the next three years (2021, 2022 and 2023). In each of these years, 1/3 of this second half of the amount now granted will be paid, subject to the positive performance of the company during such periods, in line with what was resolved and implemented from 2011 to 2019.

Given the current context caused by the COVID19 pandemic, the relevance of an additional deferral on the payment of the variable remuneration was assessed. After discussion and careful analysis, it was unanimously decided that the deferral considered above is already adequate in view of the situation. This decision was based on the analysis of several dimensions, being the most relevant: the high financial and liquidity capacity of the company and the clearly positive performance of the company in the first three months of the year - as disclosed to the market on May 14, 2020.

Given the very special situation in which we live, the RC will permanently monitor the company's performance, in order to be able to promptly meet and deliberate on possible adjustments in all matters within its remit, should the context so justify and with the objective of maintaining or reinforcing the company's sustainability.

On pension supplements for directors receiving variable remuneration

In light of the current and foreseeable economic environment for the national economy in the medium and long term, which shows that great difficulties will remain due to the weight of external private and public debt, in addition to, in the short term, a very significant demographic pressure, which will accentuate the viability and sustainability risks affecting pensions systems (national and European), it is a prudent practice to channel the funds attributed under the abovementioned resolution on the variable remuneration of the directors of Novabase SGPS (as well as those previously deferred) to the strengthening of the contributions to the capitalization insurance currently in force in the company, in substitution of the payment of the variable remuneration. This resolution was unanimously approved.

On the remuneration of the members of Novabase SGPS' Audit Board for the 2020 financial year

In line with article 422.º-A of the Companies Code, the remuneration of the members of the supervisory bodies should correspond to a fixed amount.

Therefore, the following annual fixed remunerations were granted for the 2020 financial year:

- Álvaro José Barrigas do Nascimento (Chairman) – EUR 9,000 (nine thousand euros);
- Fátima do Rosário Piteira Patinha Farinha – EUR 7,000 (seven thousand euros);
- Miguel Tiago Perestrelo da Câmara Ribeiro Ferreira – EUR 7,000 (seven thousand euros).

These values have not been updated compared to the previous financial year.

On the remuneration of the Statutory Auditor for the 2020 financial year

The RC unanimously resolved that the Statutory Auditor was remunerated in accordance with normal market remuneration practices and conditions for the type of services in question, in accordance with the service agreement entered into with the Statutory Auditor following the proposal made for such purpose by the Company's Audit Board.

On the enforceability or unenforceability of payments related to dismissal or termination of the office of directors

In this context, as this matter is already duly foreseen and regulated by law, it was unanimously resolved not to grant to the Company's directors any right to receive compensation or indemnity beyond what is provided for by law, nor to set out any generic prohibition to the Company establishing such compensations in the future, if and when it deems convenient.

Lisbon, April 6, 2021

The Remunerations Committee

Francisco Luís Murteira Nabo (Chairman)

Pedro Rebelo de Sousa (Member)

João Quadros Saldanha (Member)

