

## **Annual evaluation of the Board of Directors and Board Committees**

An evaluation of our Board of Directors, its members and its Chairman, as well as the Board Committees, is conducted on an annual basis to assess the performance of our management against the best corporate governance practices. The reelection of members of the Board of Directors and Committees takes into account their performance during the period, their pattern of attendance to meetings during the prior term and their experience and level of independence.

### **Evaluation process**

The evaluation process consists of the following stages: self-evaluation of the members of the Board of Directors, cross-evaluation of the members of the Board (Board members evaluate each other), evaluation of the Board itself by its members, evaluation of the Chairman by the Board members and evaluation of the Board committees by their members

The evaluation process is structured taking into consideration the specific features/responsibilities of the Board of Directors, its members, its Chairman, and each of the Board's committees, with a view to achieve a high level of expertise during the evaluation. The evaluation process is conducted by an independent person, responsible for providing specific questionnaires to the Board of Directors and to each of the Board committees, as well as for interviewing members of the Board of the Directors and those of the Board committees individually. Such independent person is also responsible for analyzing the answers and benchmark them to prior year findings to identify and address any gaps relating to the Board of Directors or the Board committees that may be revealed by this process.

In summary, as a result of the last evaluation cycle, the Board concluded that they follow up the business performance at an appropriate level of detail, ensuring that the financial statements are complete and the accounting, tax, legal, regulatory and internal regulation requirements are complied with. Regarding points for improvement, the term to provide information and documents prior to meetings improved, but changes close to the meeting date sometimes are still made. The definition of the agenda is also a challenge that has been enhanced.

### **Methodology support and independent evaluation**

The Appointments and Corporate Governance Committee provides methodology and procedural support to the evaluation process. This Committee also discusses the results of the evaluation as well as the composition and succession plan for the Board of Directors. In addition to the Appointments and Corporate Governance Committee's support, an independent person is responsible for carrying out the evaluation process.