

Corporate Governance at Critical Software

1. Goals and principles

Mission Develop innovative and reliable technologies for critical systems

Vision To be a global leader in intelligent, imaginative and trusted technologies for critical systems

Critical Software (CSW) believes that a bright future depends on its ability to position itself as a company that:

- Delivers high-quality services and products
- Looks after and delivers value to clients and partners
- Treats its employees well, nurtures them and builds a solid community around them
- Respects the privacy and security of clients and partners
- Acts with social responsibility and provides value to the communities in which it operates
- Minimises its impact on the environment
- Adheres to a strict code of ethics
- Is committed to diversity

A company is more than a business. It is a community. Only a strong community can make for a strong company. A strong community means unity, solidarity, shared values and a common set of basic principles on how to relate with the world at large. A strong community takes pride in its accomplishments and wider impacts.

To achieve these goals, the company needs good corporate governance.

Governance at CSW is approved and regularly reviewed by the Board of Directors and at General Meetings and is based on the following basic principles:

- Honesty and transparency
- Fairness, meritocracy, equal opportunities and equal treatment
- Trust and autonomy, as enablers of initiative and creativity
- Responsibility and accountability at all levels
- Sustainability of the company, of society and of the wider planet

2. Shareholders and general meetings

The quorum of General Meetings is the one established by law, with no further restrictions. Shareholders can participate digitally in the General Meetings.

The Board of Directors and the Audit Committee are appointed at the shareholders General Meeting, for four-year terms.

3. Non-executive management, monitoring and supervision

The Board of Directors approves the strategy, the main policies and the business structure, and monitors the activities of the company, verifying that its set objectives are satisfied. Non-Executive Directors are a full part of the preparation and decision process, as well as of the assessment of the accomplishment of these actions. A Non-Executive Director is a board member without responsibilities for the daily management or operations of the company.

The Audit Committee supervises the company's activity, implementing mechanisms and procedures of periodic control.

The Board of Directors and the Audit Committee closely follow the main risk variables of the company's activities and take corrective action whenever necessary.

The Board of Directors meets at least once a month and the Audit Committee meets at least once every two months. Audit Committee members participate in the Board of Directors meeting as observers that can intervene.

4. Executive management

The Board of Directors appoints the Executive Directors that constitute the Management Board, and delegates to them the executive management of the company. A Chief Executive Officer, also appointed by the Board of Directors, heads the Management Board.

The Management Board guarantees that all information needed to assess the activities of the company is made available to the Board of Directors and Audit Committee, so that they are able to monitor performance and identify any deviations from what is expected.

The Management Board meets weekly. As a way to stay close to the community, it invites to these meetings people from across different hierarchical levels of the company regularly, and the meetings take place in different company locations.

5. Evaluation of performance, remuneration and appointment

The Management Board continuously assesses the company's performance. The Board of Directors independently validates and verifies such an assessment.

The Board of Directors defines the general compensation policy of the company and appoints a Compensation Committee that oversees all the decisions related to remuneration in the company.

Critical Software operates according to the rule that the largest salary in the company must not be greater than 10 times that of the lowest salary. Critical Software believes that this is central for the company's long-term competitiveness and sustainability.

The company shares profits annually with its management and employees in the form of a base bonus distributed to every person in the company, dependent on overall company goals but independently of individual performance. On top of that, managers receive an additional bonus based on the achievement of key objectives. Sales people receive bonuses exclusively based on sales performance.

The Audit Committee has the responsibility of assessing the company's activities, particularly its financial plans, and those relating to budget and risk management.

6. Risk management

The Board of Directors defines the risk management guidelines and regularly monitors them. The Management Board also identifies risks and defines mitigation plans. The Audit Committee monitors risk management activities.

7. Financial statements and accounting

The Board of Directors analyses the company's financial information regularly. The Audit Committee, working in close cooperation with the statutory auditor, validates that information.

The company believes in transparency and accountability and is committed to providing business and financial information to its employees on a regular basis. The Management Board has the responsibility of organising a Business Update meeting on at least a quarterly basis, open to all employees, to share key business events and high-level financial information for the quarter. Additionally, once a year, the company shares with its employees the key business events and facts for the year, high-level financial statements, and how the company stands regarding its annual goals.

8. Metanational organisation

The internal organisation of Critical Software is based on a metanational structure. This structure seeks to breakdown traditional geographical boundaries which often can stand in the way of a truly collaborative global working environment and focuses instead on establishing functions within the business which support all people and operations across all locations – wherever talent lies.

This means that the company is structured in different functional areas whose scope is the entire organisation, independent of geographies and subsidiaries. The goals of each functional area always concerns the entire organisation, and the heads of each functional area may come from any of the subsidiaries. Management Board members are typically selected from the heads of the company's different functional areas.

9. Membership of the boards

The chair of the General Meeting is João Amaro da Luz, and the secretary is Ana Rita Roque.

The Statutory Auditor is EY - Ernest & Young.

Board of Directors				
GONÇALO QUADROS Chairman	JOÃO CARREIRA Director	PEDRO MURTINHO Director	JORGE RODRIGUES Director	JOÃO GABRIEL SILVA Non-Exec. Director

Management Board		Audit Committee		
JOÃO CARREIRA CEO	PEDRO MURTINHO CFO	ABEL PINTO Chair	JOÃO FIGUEIRAL Member	CARLOS BARROS Member
YIANNAKI LOIZOU CMO	JOÃO BRITO Division Director			
MATT BRAKE Division Director	MONICA SOBREIRA Division Director	Compensation Committee		
NEIL ARIES People Director	JORGE RODRIGUES Operations Director	PEDRO MURTINHO Chair	GONÇALO QUADROS Member	NEIL ARIES Member
LUÍS GARGATÉ Director				