

**RULES OF PROCEDURE OF
THE AUDIT BOARD OF PORTUCEL, S.A.**

1.

(Composition)

The Audit Board comprises three full members, one of whom shall be the Chairman, and two alternate members, elected at the General Meeting, for a four-year term of office.

2.

(Responsibilities)

1 – The Audit Board shall oversee the management of the Company.

2 – In the course of its duties, without prejudice to the other powers and responsibilities assigned to it by law, the Audit Board shall, in particular:

- a) Oversee the management of the company;
- b) Ensure compliance with the law and the articles of association;
- c) Draw up an annual report on its audit activities and issue its opinion on the report, accounts and proposals tabled by the directors;
- d) Monitor the effectiveness of the risk management system, the internal control system and the internal audit system, if any;
- e) Receive reports of irregularities (whistleblowing) submitted by shareholders, company employees or others;
- f) Oversee the process of drafting and disclosure of financial information;
- g) Propose to the general meeting the appointment of the statutory audit firm;
- h) Oversee the auditing of the company's financial statements and reports;
- i) Monitor the independence of the statutory audit firm, namely with regard to the provision of additional services;
- j) Confirm whether the report on corporate governance structure and practices includes the information required by Article 245-A of the Securities Code;
- k) Monitor transactions between the Company and holders of qualifying holdings or entities related to it in any way, as required by law.

3.

(Powers)

1. In the exercise of its duties, and without prejudice to any other powers assigned to it by law, the members of the Audit Board, acting jointly or individually, may:
 - a) Require the directors to submit, for examination and verification, the company's books, records and documents, and also check stocks of any type of valuables, including cash, securities and goods;
 - b) Obtain from the board of directors or any of the directors information or clarification concerning the course of the company's operations or affairs or concerning any of its business;
 - c) Obtain from third parties who have carried out operations on behalf of the company the information they need to properly clarify such operations;
 - d) Attend meetings of the board of directors, whenever they see fit.
2. The audit board may be assisted by technical staff especially appointed for this purposes and also by a specialist audit firm, and may resolve to contract the services of experts to assist one or more of its members in the exercise of their duties.

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(Duties)

1. In the exercise of its responsibilities, and without prejudice to any other duties imposed on it by law, the members of the Audit Board shall:
 - a) Take part in board meetings and attend general meetings, as well as meetings of the board of directors which the respective chairman calls on them to attend or at which the accounts for the period are assessed;
 - b) Exercise conscientious and impartial oversight;
 - c) Keep secret the facts and information of which they learn in the course of their duties, without prejudice to the duty set out in paragraph 2 of this article;
 - d) Report to the directors on the checks, inspections and investigations they have carried out and the respective findings;
 - e) Inform the next general meeting held of all irregularities and inaccuracies they detect and also whether they obtained the clarifications they needed to perform their duties;
 - f) Keep written records of all checks, inspections, denunciations received and investigations carried out, and of the respective findings;
 - g) Inform the board of directors of the findings of the legal audit of the accounts and explain how this contributed to the integrity of the process of preparing and disclosing financial information, and also the role that the audit body played in this process;

- h) Monitor the process of preparing and disseminating financial information and submit recommendations or proposals to assure the integrity of this information;
 - i) Conduct checks of the effectiveness of the internal quality control and risk management systems and, if applicable, the internal audit system, with regard to the process of preparing and disclosing financial information, without undermining its independence;
 - j) Monitor the legal audit of the annual individual and consolidated accounts, and in particular execution of the audit;
 - k) Verify and monitor the independence of the statutory audit firm and, in particular, confirm the adequacy of and approve the provision of other services, in addition to audit services;
 - l) Select the statutory audit firms to be proposed to the general meeting for election and submit recommendations, providing grounds for its preference for one of them.
2. The members of the audit board shall report to the Public Prosecution Service (*Ministério Público*) any offences of which they may learn and which constitute public crimes.
 3. Whenever circumstances are discovered that point to difficulties in the normal pursuit of the company objects, any member of the audit board shall immediately report them to the board of directors and to the statutory audit firm.

5

(Meetings and resolutions)

1. The Audit Board shall meet at least once a quarter.
2. The Audit Board shall hold ordinary meetings every quarter, attended by the representatives of the directors, the department and committee, or of other Companies bodies set up to support the Board of Directors and whose cooperation is deemed important for the functioning of the Audit Board, in order to examine the financial statements for the previous quarter, as soon as these are received from the Board of Directors, and the ordinary meeting held in the first quarter shall be given over to assessment of the accounts for the previous financial year.
3. Every half year, these meetings shall also be attended by representatives of the statutory audit firm.
4. The Audit Board shall hold extraordinary meetings when called by its chairman or requested by any of its members, who shall propose the date and agenda for this purpose.
5. The Audit Board may meet without complying with the prior formalities, provided all its members are present, and may also adopt unanimous resolutions by email, which shall be ratified at the next formal meeting.

6. The resolutions of the Audit Board shall be adopted by a majority of votes cast, and dissenting members shall have the reasons for their dissent recorded in the minutes.
7. Minutes shall be drawn up of each meeting in the respective book, signed by all those taking part in the meeting.
8. The minutes shall in all cases indicate the members present at the meetings, a summary of the most significant checks conducted by the Audit Board or any of its members, and the resolutions adopted.
9. Draft minutes shall be sent out by email to all Board members for approval, and a formal resolution on minutes shall only be adopted at the following meeting if a consensus cannot be reached by email.

6.

(Agenda)

1. The agenda is set by the Chairman of the Audit Board.
2. Any member of the Board may request the inclusion of items in the agenda, which request shall be addressed to the Chairman as far in advance as possible of the date of the meeting, accompanied by the respective supporting documentation or information.
3. The supporting documents for the different items on the agenda shall be distributed to all members of the Board as far in advance of the meeting as necessary for the documents to be examined in due time, preferably with the notice of meeting.

7.

(Attendance)

In addition to its members, meetings of the Audit Board may be attended by the company secretary, representatives of the company's directors, its departments and committees, the statutory audit firm or even third parties, when invited by the Chairman or whoever substitutes him at such meeting, and when their presence is appropriate in view of the matters to be discussed.

8.

(Absences)

1. Whenever possible, members of the Audit Board not attending meetings shall notify the chairman, or whoever substitutes him, in advance.
2. When it has sufficient information, the Audit Board shall pronounce at the meeting in question on whether the absence is justified.

9.

(Liaison with the Board of Directors)

1. The Audit Board and the Board of Directors shall liaise through the Chairman of the Audit Board and the executive director designated by the Board of Directors for this purpose.
2. Members of the Audit Board who attend meetings of the Board of Directors under Articles 421 and 422 of the Companies Code shall inform the other members of their intention to attend and shall subsequently report to the other members on the matters, dealt with at such meetings, relevant to the responsibilities of the Audit Board.

10.

(Liaison with the Committees supporting the Board of Directors)

1. The Audit Board shall liaise through its Chairman with the Committees or other Company bodies set up to support the Board of Directors, whose cooperation is deemed importance for the functioning of the Audit Board.
2. The members of the Committees or other Company bodies set up to support the Board of Directors, referred to in the preceding paragraph, may, on the request of the Chairman of the Audit Board, attend meetings of this board dealing with matters where their participation is relevant.

11.

(Communication of Irregularities [Whistleblowing])

The Audit Board recognises, accepts and adopts the Regulations on Communication of Irregularities (Whistleblowing) approved by the Board of Directors.

12.

(Supporting Services)

1. The Company Secretary is responsible for supporting the functioning of the Audit Board; all requests for clarification and information of an administrative nature shall be addressed to the Company Secretary.
2. All the members of the Audit Board shall provide the Company Secretary with their up-to-date telephone numbers, addresses and email addresses, including contact details which may be used in emergency situations.

13.

(Final Provisions)

1. In all matters not especially provided for in these regulations, the provisions of the law and the articles of association, as currently in force, shall apply.
2. These Regulations enter into force immediately.