

**GENERAL SHAREHOLDERS' MEETING OF THE 31<sup>ST</sup> OF MAY 2014**

**PROPOSAL PRESENTED WITHIN THE SCOPE OF THE FOURTH ITEM OF THE AGENDA**

Within the scope of the Fourth Item of the Agenda of the General Shareholders' Meeting of "Teixeira Duarte, S.A.", the Remunerations Committee, pursuant to Law nr. 28/2009, of the 19<sup>th</sup> of June, presents to the General Shareholders' Meeting, for its approval, the following,

**STATEMENT ON THE REMUNERATION POLICY OF THE MANAGING AND SUPERVISORY  
BODIES MEMBERS OF TEIXEIRA DUARTE, S.A.**

**I. LEGAL FRAMEWORK:**

Under the provisions of Law nr. 28/2009, of the 19<sup>th</sup> of June and of Article Eleven of the Company's By-Laws, this Committee has the duty to present, yearly, for the approval by the Shareholders' Meeting, a statement on the remuneration policy of this Company's managing and supervisory bodies members, taking into account, besides the Law mentioned above, the provisions of article 399 of the Portuguese Companies Code and of the Corporate Governance Code issued by the Portuguese Securities Market Commission in 2013 (Recommendations).

**II. SCOPE OF THE STATEMENT:**

Considering the corporate model adopted by "Teixeira Duarte, S.A." the present statement covers all members of the Board of Directors, the Supervisory Board and the Statutory Audit Firm.

### **III. INTRODUCTION:**

Since, as a result of a restructuring process within Teixeira Duarte Group, in 2010, “Teixeira Duarte, S.A.” has succeeded to “Teixeira Duarte – Engenharia e Construções, S.A.” as the Group’s leading company listed on the stock exchange, the historical facts and the background of this matter which has been witnessed in this latter company through the years will be taken into consideration when defining this Remuneration Policy.

### **IV. BOARD OF DIRECTORS:**

With regard to the Board of Directors, the Remuneration Committee shall determine the values of the fixed and variable component of their remunerations, according to guidelines that bind them to the Company’s performance and results as a whole, as well as to the overall activities of the management body, in view of the outlined goals, taking into account the conditions and amounts of remuneration of the other employees of “Teixeira Duarte, S.A.” and of the fully-owned company “Teixeira Duarte – Engenharia e Construções, S.A.”.

The remunerations policy and its execution under the terms described hereunder shall take into consideration the company’s long-term performance, the fulfillment of the provisions applicable to the undertaking’s activity, containment in terms of risk taking and the knowledge of the market.

The variable amount is paid to each member of the Board of Directors by way of additional remuneration and performance bonuses, and that component has nothing to do with the trend in the prices of the Company’s shares, but depends on the development of the Company’s business, financial indicators such as net debt and financial autonomy, the effort on the execution of each member’s tasks and goals, as well as on the results of the financial

year and the correspondent policy on its application that has privileged the Company's equity, assuring the permanent and balanced dividend distribution to the shareholders.

No Director is entitled to receive the variable component of their remuneration until it has been specifically granted by this Remuneration Committee and the variable component of the remuneration is not foreseen to be paid, in total or in part, after the financial year's accounts corresponding to the entire term have been established. There will be no mechanisms for limiting the variable remuneration in case the results show a relevant downfall in the Company's performance in the last financial year or if that is expected to take place in the current year.

However, the Committee may consider if a significant part of the variable component of the remuneration shall be deferred for a period not inferior to three years and if the correspondent payment shall be dependent on the continuation of the Company's good performance during that period, provided that at least one of the following facts occur:

- Equity increase;
- Average EBITDA for the financial years of 2014 to 2016 superior to the EBITDA registered in 2013;
- Average Net Consolidated Profit for the financial years of 2014 to 2016 superior to the Net Consolidated Profit registered in 2013.

There is no plan for the allotment of shares and/or rights to acquire stock options and/or any other share incentive scheme.

In the overall remuneration of members of the Board of Directors, no amount is paid in the form of profit-sharing.

The Directors of “Teixeira Duarte, S.A.” shall not receive remuneration, of any nature whatsoever, paid by companies that are in a control or group relationship with it.

There are no other significant non-cash benefits besides those fixed by this Committee.

Allowances will be paid to the Directors within the terms and the amounts settled for the remaining collaborators of “Teixeira Duarte, S.A.” and of “Teixeira Duarte – Engenharia e Construções, S.A.”, namely those concerning travelling on duty.

No amounts regarding Directors’ dismissal or renunciation have been paid or are foreseen to be chargeable.

**V. SUPERVISORY BOARD:**

All members of the Supervisory Board, under the current scheme set out in the Portuguese Companies Code, shall receive a fixed remuneration for performing the duties inherent to their positions, determined by this Remuneration Committee, and none of them shall receive any other remuneration from “Teixeira Duarte, S.A.” or from any other company with which it has a control or group relationship, especially for any other services provided to these companies.

Similarly, and as mentioned above for the Board of Directors, there is no plan for the allotment of shares and/or rights to acquire stock options and/or any other share incentive scheme and no amount is paid in the form of profit-sharing or any other significant non-cash benefits.

**VI. STATUTORY AUDIT FIRM:**

The remuneration of the Statutory Audit Firm is determined considering the volume and quality of services provided within its tasks established under the Law and the By-laws.

In the case of “Teixeira Duarte, S.A.”, this supervisory body is responsible for conducting all examinations and inspections required for the statutory auditing and accounting of the Company, for which an amount shall be set as the total annual amount to be paid under the terms and within the deadlines defined with the Board of Directors in accordance with their sensibility and monitoring of business and of the activities of this Supervisory Body.

It should be noted, in this regard, that the same Statutory Audit Firm also provides services, exclusively of the same kind of statutory auditing and accounting services, to other companies within Teixeira Duarte Group, earning from those companies the corresponding remuneration, which total amount shall be disclosed within the terms set forth in the law, specially through the publication of the Corporate Governance Report.

Since the Supervisory Board has been playing an increasingly active role on guiding the work of the Statutory Audit Firm, said Supervisory Body shall be consulted regarding the remuneration to be paid to the Statutory Audit Firm.

## **VII. CONCLUSION:**

It is therefore based on the remuneration policy set out above that this Committee shall fix, specifically, the exact amounts of remuneration payable to members of the company’s management and supervisory boards mentioned above, in accordance with the personal assessment of the members of the Committee, expressed in a resolution transcribed in the minutes and which content is then submitted to the Board of Directors for implementation, under the strict terms defined therein.

Such amounts will be annually disclosed whenever the law so requires, especially within the Corporate Governance Reports.

In conclusion, we hereby reinforce that several of the guidelines mentioned above are intended to fulfill the requirements set forth in the legal framework referred in the beginning of the document, and that those guidelines may be altered as result of changes in such legal framework.

Lagoas Park, the 30<sup>th</sup> of April 2014

The Remunerations Committee

Pedro Maria Calainho Teixeira Duarte

António Carlos Calainho de Azevedo Teixeira Duarte

Maria da Conceição Maia Teixeira Duarte