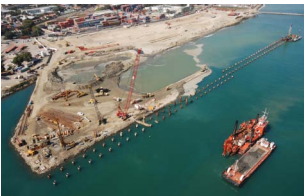




**CORPORATE
GOVERNANCE REPORT**

2012



Cover: Port of La Guaira | Venezuela

Corporate
Governance Report **2012**

Teixeira Duarte, S.A.

LISTED COMPANY

Head Office: Lagoas Park, Edifício 2 - 2740-265 Porto Salvo

Share Capital: € 210,000,000

Single Legal Person and Registration number 509234526 at Cascais Commercial Register (Oeiras)

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Teixeira Duarte, S.A.

BOARD OF THE GENERAL MEETING OF SHAREHOLDERS

Chairman	Mr. Rogério Paulo Castanho Alves
Deputy Chairman	Mr. José Gonçalo Pereira de Sousa Guerra Constenla
Secretary	Mr. José Pedro Poiares Cobra Ferreira

BOARD OF DIRECTORS

Chairman	Mr. Pedro Maria Calainho Teixeira Duarte
Directors	Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte
	Mr. Joel Vaz Viana de Lemos
	Mr. Carlos Gomes Baptista
	Mr. Diogo Bebiano Branco de Sá Viana Rebelo

SUPERVISORY BOARD

Chairman	Mr. António Gonçalves Monteiro
Member	Mr. Mateus Moreira
Member	Mr. Miguel Carmo Pereira Coutinho
Alternate	Mr. Horácio Lisboa Afonso

CHARTERED ACCOUNTANT

Mariquito, Correia & Associados
Chartered Accountants Firm, represented by
Mr. António Francisco Escarameia Mariquito - ROC

COMPANY SECRETARY

Permanent	Mr. José Pedro Poiares Cobra Ferreira
Alternate	Mrs. Maria António Monteiro Ambrósio

REPRESENTATIVE FOR MARKET RELATIONS

Mr. José Pedro Poiares Cobra Ferreira

Teixeira Duarte - Engenharia e Construções, S.A.

BOARD OF THE GENERAL MEETING OF SHAREHOLDERS

Chairman	Mr. José Pedro Poiares Cobra Ferreira
Secretary	Mrs. Maria Filipa Rebelo Pereira de Matos

BOARD OF DIRECTORS

Chairman	Mr. Pedro Maria Calainho Teixeira Duarte
Directors	Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte
	Mr. Joel Vaz Viana de Lemos
	Mr. Jorge Ricardo de Figueiredo Catarino
	Mr. Carlos Gomes Baptista
	Mr. João José de Gouveia Capelão
	Mr. João José do Carmo Delgado

STATUTORY AUDITOR

Permanent	Mariquito, Correia & Associados Chartered Accountants Firm, represented by Mr. António Francisco Escarameia Mariquito - ROC
Alternate	Júlio Alves, Mário Baptista & Associados Chartered Accountants Firm, represented by Mr. Júlio Lourenço Alves

COMPANY SECRETARY

Permanent	Mr. José Pedro Poiares Cobra Ferreira
Alternate	Mrs. Maria António Monteiro Ambrósio

TEIXEIRA DUARTE ORGANIZATIONAL CHART 2012

BOARD OF DIRECTORS

Adviser to the Board of Directors

Mr. António Costeira Faustino

Markets	
Portugal	South Africa
Angola	Cape Verde
▪ Delegation Mr. Valdemar Marques	China
Algeria	Morocco
▪ Delegation Mr. Ricardo Acabado	Namibia
Brazil	Russia
▪ Delegation Mr. João Delgado	São Tomé and Príncipe
Spain	Ukraine
▪ Delegation Mr. António Carlos Teixeira Duarte	
Mozambique	
▪ Delegation Mr. Carlos Timóteo	
Venezuela	
▪ Delegation Mr. Luís Alves	

Corporate Centre

Central Departments

Juridical

Mrs. Maria António Ambrósio

Management Systems and Technology

Mr. Agripino Fonseca
Mr. Ivo Rosa

Human Resources and Administrative Services

Mr. Ginja Sebastião
Mrs. Isabel Amador

Information Technology

Mr. José Gaspar

Finance and Accounting

Mr. Martins Rovisco

Procurement

Mr. Leal da Silva

Corporate Services

Corporate Secretariat

Mr. José Pedro Cobra Ferreira

Accounts Consolidation

Mr. Alexandre de Jesus

Internal Audit

Mr. Mário Ferreira Faria

Activity Sectors

Construction

Central Departments

Geotechnics and Rehabilitation

Mr. Magalhães Gonçalves
Mr. Hélder Matos
Mr. João Pedro Lopes
Mr. Duarte Nobre

Edifications

Mr. Paulo Araújo
Mr. Luís Mendonça
Mr. Fernando Martins
Mr. Luís Santos
Mr. Pedro Costa
Mr. Carlos Guedes

Infrastructures

Mr. Sampayo Ramos
Mr. Sousa Barros
Mr. Moreira da Silva
Mr. Pedro Plácido
Mr. Oliveira Rocha
Mr. Rosa Saraiva
Mr. Fernando Frias
Mr. Correia Leal

Mechanical Engineering

Mr. Henrique Nicolau

Shuttering and Prestressing Operating Centre

Mr. Marques dos Santos

Equipment

Mr. Rodrigo Ouro

Participated Companies

Underground Works

▪ **E.P.O.S., S.A.**
Mr. Costa Simões
Mr. Dias de Carvalho

Railway Works Maritime Works

▪ **SOMAFEL, S.A.**
▪ **OFM, S.A.**
Mr. Viana de Lemos
Mr. Magalhães Gonçalves
Mrs. Isabel Amador

Central Departments

Planning and Studies

Mr. Garcia Fernandes
Mr. Luís Menezes
Mr. Pedro Nunes

Electromechanical Instalations

Mrs. Helena Galhardas

Infrastructure Studies

Mr. João Torrado

Projects

Mr. Baldomiro Xavier

Proposals

Mrs. Maria António Ambrósio

Concessions and Services

▪ TDGI, S.A.

Mr. Rogério Fonseca
Mr. Rodolfo Valentim

▪ RECOLTE, S.A.

Mr. Magalhães Gonçalves
Mr. Luís Carreira
Mr. Angel Rodriguez

▪ SATU-OEIRAS, E.M., S.A.

Mrs. Helena Galhardas

▪ TDHOSP, S.A.

Mr. Diogo Rebelo

▪ EDUCARE, Lda.

Mr. Viana de Lemos

Real Estate

Mr. Diogo Rebelo
Mr. Alfredo Silva
Mr. Paulo Monteiro

Hotel Services

Mr. Manuel Maria Teixeira Duarte
Mr. Luís Vicente

Distribution

Mr. Diogo Rebelo
Mr. Manuel Lopes

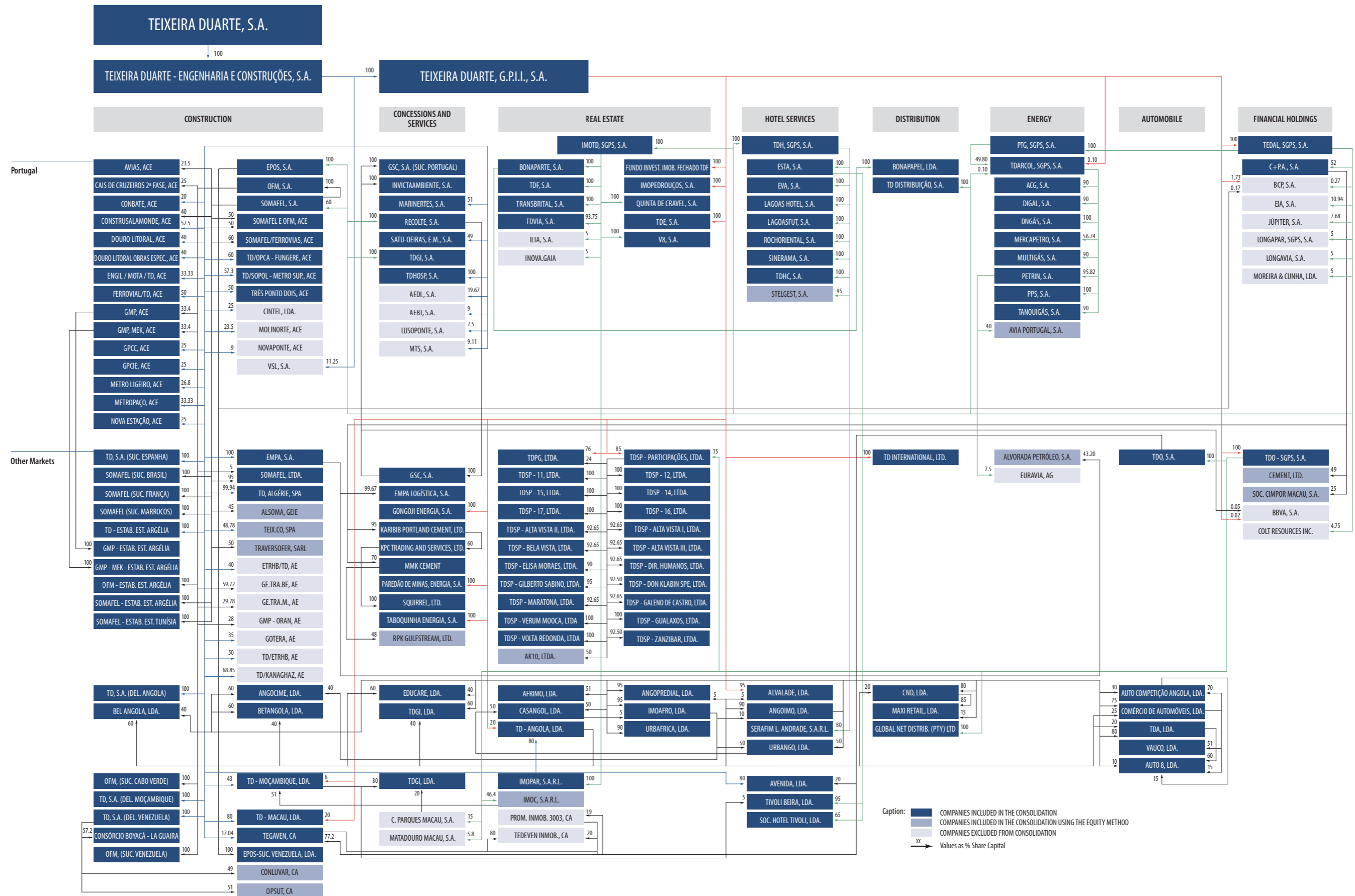
Energy

Mr. Artur Caracol

Automobile

Mr. Diogo Rebelo
Mr. Silva Pereira

TEIXEIRA DUARTE GROUP 2012



■ COMPANIES INCLUDED IN THE CONSOLIDATION
 ■ COMPANIES INCLUDED IN THE CONSOLIDATION USING THE EQUITY METHOD
 ■ COMPANIES EXCLUDED FROM CONSOLIDATION
 xx Values as % Share Capital

CORPORATE GOVERNANCE REPORT

Pursuant to the applicable provisions, namely article 245-A of the Securities Market Code and Regulation number 1/2010 of the Securities Market Commission (CMVM), TEIXEIRA DUARTE, S.A. (TD,SA) presents its Corporate Governance Report relative to the financial year of 2012, complying with all the requirements of the model attached to the abovementioned Regulation.

Being a Group with over 90 years of history, Teixeira Duarte has, for many years, been concerned with the subject more recently known as Corporate Governance and has adopted practices reflecting values that are currently safeguarded by the regulations on this matter, always being attentive to the development of national and international rules and recommendations.

TD,SA complies with all its corporate obligations, namely as an issuer of shares listed for trading on regulated markets, and takes on its due responsibility to find a balance between the content of the different recommendations issued by the various entities and the Group's reality, its structure, history, markets and operating sectors.

STRUCTURE AND ORGANISATION OF THE REPORT:

TD,SA has organised this Report in accordance with the model presented in Annex I to CMVM Regulation number 1/2010, and, through suggestion of the CMVM, has included in Chapter 0 a table describing all of the 54 Recommendations in the Corporate Governance Code issued by this regulating entity, indicating therein which ones have been adopted or not by the Company and also including reference to the points of this text where such matters are addressed or explanation of the reason for their non-adoption.

The objectives of these options concerning the structure and inclusion of this table right at the beginning of the text are not only the strict compliance with the applicable rules, but also our interest in following-up the intention expressed by the CMVM of the standardisation of these Reports and their easier analysis and consultation by the Market.

CHAPTER 0

Compliance Statement

0.1. Indication of the location where the texts on corporate governance codes to which the issuer is subject and, if applicable, those which it has voluntarily chosen to subject itself, are available to the public

Apart from the applicable rules and regulations, namely the Commercial Companies Code, the Securities Market Code and Regulations of the CMVM, especially Regulation number 1/2010, TD,SA has chosen not to adopt any Corporate Governance Code other than that issued by the CMVM on January 2010, which is available for consultation at www.cmvm.pt.

0.2. List of the recommendations, adopted and not adopted, presented in the Corporate Governance Code of the CMVM or other that the company has decided to adopt, under the terms of the CMVM Regulation number 1/2010. For the effect, recommendations that are not followed entirely are considered as not adopted.

0.3. Without prejudice to the provisions in the previous number, the company can also make an overall assessment, provided that there are reasonable grounds to do so, of the degree of adoption of groups of recommendations of inter-related subjects.

0.4. When the corporate governance structure or practices differ from the recommendations of the CMVM or other codes to which the company subscribes or has voluntarily adhered, the parts of each code which are not complied with or which the company considers are not applicable should be explained, as well as the respective grounds and other relevant observations, in addition to clear indication of the part of the Report where the description of this situation can be found.

Points 0.2, 0.3, and 0.4 are developed simultaneously, since they are interrelated.

Of the 54 Recommendations comprising the abovementioned Corporate Governance Code of the CMVM, the Company does not adopt 17, that is they are not fully complied with.

The table below provides the reproduction of the text of these Recommendations with the same numbering of the aforementioned Corporate Governance Code, followed by an indication of their adoption or not and reference to the point in this Report where such matter is described or where, observing the principle of "comply or explain", any non-adoption is justified.

	Recommendation	Adoption	Reference
I.	GENERAL MEETING		
I.1	BOARD OF THE GENERAL MEETING		
I.1.1.	The Chairman of the Board of the General Meeting must be provided with the supporting human and logistic resources appropriate to his/her needs, considering the economic situation of the company.	Yes	CHAPTER I
I.1.2.	The remuneration of the Chairman of the Board of the General Meeting must be disclosed in the Annual Corporate Governance Report.	Yes	I.3.
I.2.	PARTICIPATION IN THE GENERAL MEETING		
I.2.1.	The period of time given in advance for the receipt, by the Board, of the statements of deposit or blocking of shares for participation in the General Meeting must not exceed five business days.	Yes	I.4.
I.2.2.	In the case of the suspension of the General Meeting, the company should not impose the blocking to remain during the entire period until the session is resumed, with the ordinary period of time in advance required in the first session being sufficient.	Yes	I.5.
I.3.	VOTING AND THE EXERCISE OF VOTING RIGHTS		
I.3.1.	The companies must not establish any statutory restriction to voting by correspondence and, when adopted and permissible, to voting through electronic correspondence.	Yes	I.9.
I.3.2.	The statutory period of time in advance for the receipt of votes issued by correspondence must not exceed three business days.	Yes	I.11.
I.3.3.	Companies should ensure proportionality between voting rights and shareholder participation, preferably through a statutory provision according to which one share corresponds to one vote. Proportionality is not to be followed by companies which, namely: i) have shares which do not confer the right to vote; ii) establish that rights to vote above a certain number are not to be counted, when issued by a single shareholder or by shareholders related to the former.	Yes	I.6. I.7.
I.4.	DELIBERATIVE QUORUM		
I.4.	Companies must not establish a deliberative quorum greater than that established by Law.	Yes	I.8.

I.5.	MINUTES AND INFORMATION ON ADOPTED DELIBERATIONS		
I.5.	Excerpts from the minutes of the General Meetings or documents of similar content should be available to the shareholders on the company's website within five days after the General Meeting, even if they do not constitute privileged information. The disclosed information should cover the deliberations taken, share capital represented and voting results. This information must be kept on the company's website for at least three months.	No	I.13. I.14.
I.6.	MEASURES RELATIVE TO CORPORATE CONTROL		
I.6.1.	Any measures adopted with a view to preventing the success of public takeover bids should respect the interests of the company and its shareholders. Any articles of association of companies which, respecting this principle, set a limit on the number of votes which may be held or exercised by a single shareholder, individually or jointly with other shareholders, must also establish the commitment that at least every five years the maintenance or not of this statutory provision will be subject to deliberation at the General Meeting - with no requirement of a quorum larger than that legally established - and that in this deliberation all the votes cast will be counted, without the application of the above limit.	Yes	I.7.
I.6.2.	Defensive measures must not be adopted if they cause an automatic erosion of company assets in the event of the transfer of control or change of the composition of the management board, thereby jeopardising the free transferability of shares and the free assessment by the shareholders of the performance of members of the management board.	Yes	I.20. I.21. I.22.
II.	MANAGEMENT AND SUPERVISORY BODIES		
II.1.	GENERAL SUBJECTS		
II.1.1.	STRUCTURE AND COMPETENCE		
II.1.1.1.	The management board should assess the adopted model in its annual Governance Report, identifying any constraints to its functioning and proposing measures of action that, in its opinion, are suitable to overcome them.	Yes	II.1.
II.1.1.2.	Companies should create internal risk control and management systems to safeguard their value and enhance the transparency of their corporate governance, permitting the identification and management of risks. These systems should include at least the following components: i) establishment of strategic corporate objectives on matters of risk-taking; ii) identification of the main risks related to the specific activity exercised and any events which might imply risks; iii) analysis and measurement of the impact and probability of the occurrence of each potential risk; iv) risk management with a view to the alignment of the risks effectively incurred with the company's strategic risk-taking; v) mechanisms for the control of the execution of the adopted risk management measures and their effectiveness; vi) adoption of internal mechanisms of information and communication on the different components of the system and risk warnings; vii) periodic assessment of the implemented system and adoption of any necessary changes.	No	II.5.
II.1.1.3.	The management board should ensure the creation and functioning of the internal control and risk management systems, with the supervisory board being responsible for assessing the functioning of these systems and proposing any necessary adjustment to the company's needs.	No	II.6

II.1.1.4.	Companies should, in their annual Corporate Governance Report: i) identify the main economic, financial and legal risks to which the company is exposed during the exercise of its activity; ii) describe the action and effectiveness of the risk management system.	Yes	II.5. II.9.
II.1.1.5	The management and supervisory bodies must have functioning regulations, which must be disclosed on the company's website.	No	II.7.
II.1.2.	INCOMPATIBILITIES AND INDEPENDENCE		
II.1.2.1.	The Board of Directors must include a sufficient number of non-executive members so as guarantee effective capacity to manage, supervise and assess the activities of the executive members.	No	II.1. II.8.
II.1.2.2.	Amongst the non-executive Directors, there should be an adequate number of independent Directors, taking into consideration the size of the company and its shareholder structure, which cannot under any circumstances, be less than one quarter of the total number of Directors.	No	II.1. II.8.
II.1.2.3.	The assessment of the independence of the non-executive members made by the management board must take into account the legal and regulatory rules in force on the independence requirements and incompatibility system applicable to members of the other governing bodies, ensuring systematic and temporal coherence in the application of independence criteria to the entire company. A Director should not be considered independent if she/he cannot hold this capacity in another governing body through force of the applicable rules.	No	II.1. II.8.
II.1.3.	ELIGIBILITY AND APPOINTMENT		
II.1.3.1.	According to the applicable model, the Chairman of the Supervisory Board, Audit Committee or Financial Matters Committee must be independent and possess adequate competences to perform the respective duties.	Yes	II.21. II.22.
II.1.3.2.	The process of selection of candidates to non-executive Directors must be designed in such a way as to prevent interference by the executive Directors.	No	II.16.
II.1.4.	POLICY ON THE COMMUNICATION OF IRREGULARITIES		
II.1.4.1.	The company must adopt a policy of communication of any internal irregularities which have allegedly occurred within the organisation, with the following elements: i) indication of the means which may be used for the internal communication of irregular practices, including the persons with legitimacy to receive the communications; ii) indication of the treatment to be made of the communications, including confidential treatment, if this is wished by the declarant.	Yes	II.35.
II.1.4.2.	The general guidelines of this policy must be disclosed in the Corporate Governance Report.	Yes	II.35.

II.1.5.	REMUNERATION		
II.1.5.1.	<p>The remuneration of the members of the management board should be structured in order to allow the alignment of their interests with those of the company's long term interests, based on the assessment of performance and discouraging excessive risk-taking. For this effect, the remunerations should be structured as follows:</p> <p>i) the remuneration of the Directors holding executive positions must include a variable component whose determination depends on performance assessment, conducted by the competent bodies of the company, in accordance with predetermined measurable criteria, which consider the company's real growth and wealth effectively created for the shareholders, its long term sustainability and the risks taken, as well as compliance with the rules applicable to the company's activity.</p> <p>(ii) The variable component of the remuneration should be reasonable in relation to the fixed component of the remuneration, and maximum limits should be established for all the components.</p> <p>(iii) A significant part of the variable remuneration should be deferred for a period not less than three years, and its payment should be subject to the continued positive performance of the company over this period.</p> <p>(iv) The remuneration of the members of the management board should not sign contracts, either with the company or third parties, which have the effect of mitigating the risk inherent to the variability of their remuneration established by the company.</p> <p>(v) Until the end of their term of office, the executive Directors should keep the company shares that they have obtained through variable remuneration schemes, up to the limit of twice the value of the annual total remuneration, with the exception of any which might need to be disposed of in order to pay taxes arising from the benefit of these same shares.</p> <p>(vi) When the variable remuneration includes the attribution of options, the beginning of the period of exercise should be deferred for a period not less than three years.</p> <p>(vii) Appropriate legal instruments should be established so that the compensation set for any form of unfair dismissal of a Director is not paid if the dismissal or termination by agreement is due to the inadequate performance of the Director.</p> <p>(viii) The remuneration of the non-executive members of the management board should not include any component whose value depends on the company's performance or value.</p>	No	II.32. II.33.
II.1.5.2.	<p>The statement on the policy of remuneration of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, should, in addition to the content referred to therein, present sufficient information: i) on which groups of companies whose remunerative policy and practices were taken as comparative elements for the establishment of remuneration; ii) on payments relative to dismissal or termination by agreement of the duties of Director.</p>	Not applicable	II.30.
II.1.5.3.	<p>The remuneration policy statement referred to in article 2 of Law number 28/2009 should also include the remunerations of the senior managers in observance of number 3 of article 248-B of the Securities Market Code and whose remuneration contains an important variable component. The statement should be detailed and the presented policy should take into account the company's long term performance, compliance with the rules applicable to the company's activity and restraint on excessive risk-taking.</p>	Not applicable	II.30.

II.1.5.4.	The proposal regarding the approval of plans to attribute shares and/or share purchase options, or based on variations in the price of the shares, to members of the management and supervisory bodies and other senior managers should be submitted to the General Meeting of Shareholders, in observance of number 3 of article 248-B of the Securities Market Code. The proposal should contain all the elements necessary for an appropriate assessment of the plan. The proposal should be accompanied by the regulations of the plan or, if it has not yet been prepared, the general conditions that it must follow. Likewise, the main characteristics of the retirement benefits scheme established in favour of the members of the administrative and supervisory bodies and other senior managers, should be approved at the General Meeting of Shareholders, in observance of number 3 of article 248-B of the Securities Market Code.	Not applicable	I.17. III.10.
II.1.5.6.	At least one representative of the remuneration committee must be present in the General Meeting of Shareholders.	Yes	I.15.
II.1.5.7.	The value of the remunerations received, as a whole and individually, from other companies of the group and the pension rights acquired during the year in question must be disclosed in the annual Corporate Governance Report.	Yes	II.30. II.31. II.33.
II. 2.	BOARD OF DIRECTORS		
II.2.1.	Within the limits established by the Law for each management and supervisory structure, and unless as a result of the small size of the company, the Board of Directors must delegate the daily management of the company, with the delegated competences being identified in the annual Corporate Governance Report.	No	II.3.
II.2.2.	The Board of Directors must ensure that the company acts in accordance with its objectives, and must not delegate its competence, namely, with respect to: i) defining the general strategy and policy of the company; ii) defining the corporate structure of the group; iii) decisions which should be considered strategic due to their value, risk or special characteristics.	Yes	II.3.
II.2.3.	Should the Chairman of the Board of Directors perform executive functions, the Board of Directors must find efficient mechanisms to coordinate the work of the non-executive members, which ensure, in particular, that they can make decisions in an independent and informed manner. These mechanisms should be duly explained to the shareholders in the Corporate Governance Report.	Not applicable	II.8.
II.2.4.	The Annual Management Report should include a description of the activity developed by the non-executive Directors, in particular referring to any constraints faced.	Not applicable	II.8.
II.2.5.	The company should explain its policy of rotation of the areas of responsibility within the Board of Directors, namely of the person responsible for financial matters, and provide information on this in the annual Corporate Governance Report.	No	II.11.
II.3.	CHIEF EXECUTIVE OFFICER, EXECUTIVE COMMITTEE AND EXECUTIVE BOARD OF DIRECTORS		
II.3.1.	When requested by other members of the governing bodies, the Directors who perform executive duties should provide, in due time and in a form appropriate to the request, any information requested by them.	Yes	II.1.

II.3.2.	The Chairman of the Executive Committee should send, respectively, to the Chairman of the Board of Directors and, when applicable, the Chairman of the Supervisory Board or Audit Committee, the call notices and minutes of the respective meetings.	Not applicable	II.13.
II.3.3.	The Chairman of the Executive Board of Directors should send to the Chairman of the Supervisory Board and to the Chairman of the Financial Matters Committee the call notices and minutes of the respective meetings.	Not applicable	II.13.
II.4.	GENERAL AND SUPERVISORY BOARD, FINANCIAL MATTERS COMMITTEE, AUDIT COMMITTEE AND SUPERVISORY BOARD		
II.4.1.	The General and Supervisory Board, in addition to performing the supervisory duties to which it is committed, should also carry out an advisory role and ensure the follow-up and continuous assessment of the company's management by the Executive Board of Directors. Amongst the matters on which the General and Supervisory Board should issue opinions, are the following: i) the definition of the general strategy and policy of the company; ii) the corporate structure of the group; iii) decisions which should be considered strategic due to their value, risk or special characteristics.	Not applicable	II.1.
II.4.2.	The Annual Reports on the activity developed by the General and Supervisory Board, Financial Matters Committee, Audit Committee and Supervisory Board should be disclosed on the company's website, together with the presentation of accounts.	Yes	II.4.
II.4.3.	The Annual Reports on the activity developed by the General and Supervisory Board, Financial Matters Committee, Audit Committee and Supervisory Board should include the description of the supervisory activities developed referring to any constraints which have been encountered.	Yes	II.4.
II.4.4.	The Financial Matters Committee, Audit Committee and Supervisory Board, according to the applicable model, should represent the company, for all effects, before the external auditor, being responsible, namely, for proposing the provider of this service and its remuneration, ensuring the existence of the appropriate conditions for the provision of the services within the company, as well as being the spokesperson of the company and first receiver of the respective reports.	No	II.24.
II.4.5.	The Financial Matters Committee, Audit Committee and Supervisory Board, according to the applicable model, should assess the external auditor on an annual basis and propose his/her dismissal to the General Meeting whenever there are fair grounds for the effect.	No	II.24.
II.4.6.	The internal audit services and the services ensuring compliance with the rules applied to the company (<i>compliance services</i>) should report functionally to the Audit Committee, General and Supervisory Committee or, in the case of companies adopting the Latin model, to an independent Director or the Supervisory Board, independently of the hierarchical relation of these services with the company's executive management.	No	II.5.

II.5.	SPECIALISED COMMITTEES		
II.5.1.	<p>Unless as a result of the small size of the company, the Board of Directors and General and Supervisory Board, according to the adopted model, should create the committees which prove necessary to:</p> <p>i) ensure a competent and independent assessment of the performance of the executive Directors and for the assessment of their own overall performance, as well as that of the various existing committees;</p> <p>ii) reflect on the adopted governance system, verify its effectiveness and propose to the competent bodies the measures to take with a view to its improvement;</p> <p>iii) identify, in due time, potential candidates with the high profile necessary for the performance of the duties of Director.</p>	No	II.2. II.36.
II.5.2.	The members of the Remuneration Committee or equivalent should be independent from the members of the management board and include at least one member with knowledge and experience on matters of remuneration policy.	No	II.38.
II.5.3.	No legal or natural person who has provided, during the last three years, services to the any structure directly under the Board of Directors, to the company's Board of Directors or which/who has an current relationship with any consultant of the company should be contracted to support the Remuneration Committee. This recommendation is also applicable to any natural or legal person which is related to such persons through a work or service contract.	Yes	II.39.
II.5.4.	All the committees should prepare minutes of the meetings they hold.	Yes	II.38.
III.	INFORMATION AND AUDITS		
III.1.	GENERAL INFORMATION DUTIES		
III.1.1.	Companies should ensure the existence of a permanent contact with the market, respecting the principle of shareholder equality and taking precautions against asymmetries in access to information on the part of investors. For this purpose, the company should have an investor support office.	Yes	CHAPTER III
III.1.2.	<p>The following information available on the company's website should be disclosed in English:</p> <p>a) The corporate name, capacity as a public company, head office and other elements mentioned in article 171 of the Commercial Companies Code;</p> <p>b) Articles of Association;</p> <p>c) Identity of the members of the governing bodies and representative for market relations;</p> <p>d) Investor Support Office, respective duties and contacts;</p> <p>e) Documents presenting the accounts;</p> <p>f) Six-monthly calendar on corporate events;</p> <p>g) Proposals presented for discussion and voting at the General Meeting;</p> <p>h) Notice of meetings relative to the General Meeting.</p>	Yes	CHAPTER III
III.1.3.	Companies should promote the rotation of the auditor at the end of every two or three terms of office, according to whether they last four or three years. Their maintenance beyond this period should be justified by a specific opinion of the supervisory board which explicitly reflects on the conditions of independence of the auditor and advantages and costs of the auditor's replacement.	Yes	III.18.
III.1.4.	The external auditor should, under its competences, verify the application of the remuneration policies and systems, the effectiveness and functioning of the internal control mechanisms and report any flaws to the company's supervisory board.	Yes	III.17.

III.1.5.	The company must not contract from the external auditor, or from any entities in a holding relationship or which are part of the same network, any services other than audit services. If there are reasons to contract such services, which should be approved by the supervisory board and explained in its annual Corporate Governance Report, they should not amount to more than 30% of the total value of the services provided to the company.	Yes	III.17.
IV.	CONFLICT OF INTERESTS		
IV.1.	RELATIONS WITH SHAREHOLDERS		
IV.1.1.	The company's business with qualifying shareholders or with entities in any relation with them, under the terms of article 20 of the Securities Market Code, should be carried out under normal market conditions.	Yes	III.12.
IV.1.2.	Any business of significant relevance with qualifying shareholders or with entities in any relation with them, under the terms of article 20 of the Securities Market Code, should be submitted to the prior opinion of the supervisory board. This board should establish the necessary procedures and criteria for the definition of the relevant level of significance of this business and the other terms of its intervention.	No	III.13.

CHAPTER I

General Meeting

The General Meeting of the Company represents all its shareholders, and its deliberations, when taken under the terms of the Articles of Association and Law, are binding to all shareholders, even those absent, in disagreement or incapable of action.

The General Meeting is composed of shareholders with voting rights as well as persons who, entitled or not to such rights, hold positions as permanent members of the Governing Bodies and the Company Secretary.

The Board of the General Meeting is composed by a Chairman, a Deputy Chairman and a Secretary.

The Chairman of the Board of the General Meeting is responsible for calling the General Meetings and directing their agenda, as well as performing any other duties entrusted by the Law, the Articles of Association or through delegation of the actual General Meeting. The Deputy Chairman shall replace the Chairman in the latter's absence or impediment, as well as whenever requested by the latter, and is responsible for advising the Chairman in the performance of the latter's duties. The Secretary is responsible for assisting the Chairman in the performance of the latter's duties and ensuring the completion of all the administrative work relative to the General Meeting.

Furthermore, and with the support of the Company Secretary and other services of the Company, the Chairman of the Board of the General Meeting is provided with the appropriate human and logistic resources for the suitable performance of the Chairman's duties, namely for the preparation and dissemination of the call notices and other preparatory information, as well as for the receipt, processing and filing of share certifications, letters of intention to participate, letters of representation, proposals for submission to the assessment and voting of the shareholders, attendance list, as well as for the organisation of the General Meetings, namely the welcoming of the Shareholders and other members of the governing bodies.

I.1. Identification of the members of the Board of the General Meeting.

Currently, the Board of the General Meeting is composed of the following members:

Chairman: Mr. Rogério Paulo Castanho Alves, lawyer, with professional domicile at Largo de S. Carlos, n.º 3, 1200-410 Lisboa, Portugal

Deputy Chairman: Mr. José Gonçalo Pereira de Sousa Guerra Costenla, lawyer, with professional domicile at Largo de S. Carlos, n.º 3, 1200-410 Lisboa, Portugal; and

Secretary: Mr. José Pedro Póiares Cobra Ferreira, lawyer, with professional domicile at Lagoas Park, Edifício 2, 2740-265 Porto Salvo, Oeiras, Portugal.

The members of the Board of the General Meeting fully comply with the requirements of independence, and there is no situation of incompatibility for the performance of these duties by any of them, in strict observance of the applicable regulations (article 414 and 414-A, through article 374-A, all of the Commercial Companies Code).

Without prejudice to the above, we disclose that the Secretary of the Board of the General Meeting is also the Company Secretary and employee of an entity included in the Teixeira Duarte Group.

I.2. Indication of the date of commencement and termination of office.

All the identified members of the Board of the General Meeting were elected at the General Meeting held on 21 May 2011, to perform duties in this body during the four-year period 2011/2014.

I.3. Indication of the remuneration of the chairman of the Board of the General Meeting.

With the exception of the said Secretary of the Board of the General Meeting, the remaining members of this Board, under the current system established in the Commercial Companies Code, namely the provisions in 422-A, through number 3 of article 374-A, receive a fixed remuneration for the performance of the duties inherent to the respective positions, determined by the Remuneration Committee established in article 11 of the Articles of Association.

Under the terms and for the effect of the applicable regulatory and recommended provisions, it is disclosed that the remuneration of the Chairman of the Board of the General Meeting, during 2012, was EUR 5,000 (five thousand Euro).

I.4. Indication of the time in advance required for the deposit or blocking of shares for participation in the General Meeting.

As established in the actual Articles of Association (article 13), only shareholders with at least one voting right, on the registration date, corresponding to 0 hours (GMT) of the 5th business day prior to the date of the General Meeting, may participate in the General Meeting and discuss and vote therein. The exercise of these rights is not jeopardised by the transfer of the shares after the registration date, nor does it depend on their blocking between this date and the date of the General Meeting.

Anyone wishing to participate in the General Meeting should state this intention, in writing, addressed to the Chairman of the Board of the General Meeting and to the financial broker where the individualised registration has been opened up to the day prior to the date mentioned above, and may, for the effect, use electronic mail. In turn, the financial broker which is informed of its customer's intention to participate in the General Meeting should send the Chairman of the Board of the General Meeting, by the 5th business day prior to the date of the General Meeting, information on the number of shares registered on behalf of its customer, with reference to the registration date, and may, for the effect, use electronic mail.

Anyone who has stated the intention to participate in the General Meeting and transfers the ownership of the shares between the registration date and the end of the General Meeting, should immediately communicate this fact to the Chairman of the Board of the General Meeting and to the CMVM.

The Chairman of the Board of the General Meeting has no established restrictions to accepting statements received after the statutorily stipulated dates, provided that they refer to ownership of shares as at the date indicated above and that this lateness does not interfere with the preparation of the documents relative to the General Meeting.

I.5. Indication of the rules applicable to the blocking of shares in the case of the suspension of the General Meeting.

In the case of the suspension of the General Meeting, the company should not impose the blocking of shares to remain during the entire period until the session is resumed, although it is necessary that the shareholders once again confirm their capacity, under the terms described in point 1.4 above, by obtaining new statements and sending them to the Chairman of the Board of the General Meeting under the terms and within the periods indicated therein.

I.6. Number of shares corresponding to one vote.

Under the terms of article 13 of the Articles of Association, each share corresponds to one vote.

I.7. Indication of the statutory rules establishing the existence of shares which do not confer the right to vote or which establish that rights to vote above a certain number should not be counted, when issued by a single shareholder or by shareholders related to the former.

Although the Articles of Association foresee, in article 7, the possibility of shares without voting rights, the truth is that there are no, and have never been any, shares without voting rights.

There are no statutory provisions which limit the number of votes, when issued by a single shareholder or by shareholders related to the former, or that establish that rights to vote above a certain number should not be counted, regardless of being issued by a single shareholder or by shareholders related to the former.

I.8. Existence of statutory rights on the exercise of voting rights, including constitutive and deliberative quorums or systems privileging rights related to assets.

Pursuant to article 13 of the Articles of Association, and as described in 1.4, only shareholders with at least one voting right, on the registration date, corresponding to 0 hours (GMT) of the 5th business day prior to the date of the General Meeting, may participate in the General Meeting

and discuss and vote therein. The exercise of these rights is not jeopardised by the transfer of the shares after the registration date, nor does it depend on their blocking between this date and the date of the General Meeting.

Anyone wishing to participate in the General Meeting should state this intention, in writing, addressed to the Chairman of the Board of the General Meeting and to the financial broker where the individualised registration is open up to the day prior to the date mentioned in number 1 of the present article, and may, for the effect, use electronic mail. In turn, the financial broker which is informed of its customer's intention to participate in the General Meeting should send the Chairman of the Board of the General Meeting, by the 5th business day prior to the date of the General Meeting, information on the number of shares registered on behalf of its customer, with reference to the registration date, and may, for the effect, use electronic mail.

Anyone who has stated the intention to participate in the General Meeting and transfers the ownership of the shares between the registration date and the end of the General Meeting, should immediately communicate this fact to the Chairman of the Board of the General Meeting and to the CMVM.

In the case of the joint ownership of shares, only one of the owners, empowered to represent the others, may participate in the General Meetings.

Shareholders who are natural persons, with voting rights, may be represented at the General Meetings by means of a document issued under the terms of the Law.

Shareholders who are incapable of acting and legal persons, with voting rights, may be represented by persons legally empowered for such.

For this purpose, the Company provides, on its website and at its head office, a power of attorney form, in compliance with the provisions in article 23 of the Securities Market Code, which may be used by shareholders wishing to be represented at the General Meeting.

All the representations indicated above must be communicated to the Chairman of the Board of the General Meeting through letter, duly signed and received at the head office up to three calendar days before the date scheduled for the respective General Meeting.

In the case of General Meetings attended by all the shareholders or unanimous deliberations in writing, the period of time in advance described above will not be applicable in relation to the availability of the shares and receipt of the respective certifications, as well as the letters of representation.

Regarding the existence of provisions on constitutive quorums, article 15 of the Articles of Association establishes that the General Meeting may deliberate validly, on first call, whenever shareholders are present or represented owning shares corresponding to more than half of the share capital and, on second call, regardless of the number of shareholders present or represented and the percentage of their share capital, subject to the exceptions determined by compulsory Law.

The deliberations of the General Meeting are taken by the majority of the votes cast, without prejudice to the legal provisions which, in certain cases, might require qualifying majorities or establish other forms of acceptance of the proposals.

There are no restrictions on voting rights, namely limits on the exercise of voting rights subject to ownership of a number or percentage of shares, hence the periods imposed for the exercise of voting rights are the only limitations that are indicated below for the case of voting by correspondence. There are no special systems of rights related to assets and the Article of Association do not establish any limit to the number of votes which can be held or exercised by a single shareholder, individually or in a concerted manner with other shareholders.

I.9. Existence of statutory rules on the exercise of the right to vote by correspondence.

The Articles of Association establish that shareholders with voting rights who intend to exercise them by correspondence, apart from complying with all the conditions and periods of time referred to above in order to demonstrate this capacity, should send a letter addressed to the Chairman of the Board of the General Meeting and which must be received at the head office within the period of time stipulated in the call notice, expressing therein their intention to exercise this right and indicating their identification, domicile and number of shares owned, which will be confirmed through the information certified by the financial institution where these shares are registered, where the latter will prevail.

This letter should also contain the authenticated signature of the shareholder or person binding the former, or in the case of natural persons, accompanied by a legible photocopy of the shareholder's identity card or equivalent document.

Together with the abovementioned letter, the shareholders should include, in closed envelopes, their voting statements regarding each of the points of the Agenda, in a clear and unambiguous manner, followed by their signature, in a manner identical to that in the cover letter. The envelopes should be marked with the following: "Contains voting statement on point number (indication of the respective number) on the Agenda".

For the execution of the procedures indicated above, the Company provides drafts of the letter and voting ballot on its website and at its head office.

The envelopes containing the explanations of vote cast under the terms described above will be opened and considered by the Chairman of the Board of the General Meeting at the time of the voting on each point on the Agenda, where any votes included in explanations of vote which are not accepted will be counted as not cast.

Votes by correspondence are counted as negative in relation to proposals for deliberation presented after they have been cast.

The presence or representation at the General Meeting of any shareholder who has exercised the right to vote by correspondence determines the revocation of votes expressed in this manner previously.

The authenticity of voting by correspondence, its confidentiality up to the time of voting and respective processing will be ensured by the Chairman of the Board of the General Meeting.

Regardless of the means chosen for this effect, whether in the text of the call notices for the General Meetings, or in the prior information provided for this purpose, the terms and conditions for the exercise of voting rights are always clearly and completely explained, including voting by correspondence.

I.10. Provision of a model for the exercise of the right to vote by correspondence.

For the exercise of the right to vote by correspondence and for the good execution of the procedures indicated above, the Company provides drafts of the letter and voting ballot, as well as instructions for their respective completion, on its website and at its head office.

I.11. Requirement of a period of time between the receipt of votes cast by correspondence and the date of the General Meeting.

The Articles of Association establish that shareholders with the right to vote who intend to exercise it by correspondence, should send a letter addressed to the Chairman of the Board of the General Meeting and that it should be received at the head office within the period of time stipulated in the call notice. The established period of time between the receipt of votes cast by correspondence and the date of all the General Meetings of 2012 was one day.

I.12. Exercise of the right to vote through electronic means.

TD,SA believes that the specific security requirements inherent to the voting process through electronic means are very significant, namely with respect, on the one hand, to the technical means necessary to verify the authenticity of the corresponding explanations of vote, as well as to guarantee the integrity and confidentiality of the respective contents, and, likewise, recognises the high level of security and operational reliability required in the receipt of these explanations of vote.

The considerations referred to above and the fact that the General Meetings of the leading listed company of the Teixeira Duarte Group traditionally has a very high representation of share capital, underlie the reason why the Company has not implemented the possibility of the exercise of voting rights through electronic means.

I.13. Possibility of the shareholders accessing excerpts of the minutes of the General Meetings on the company's website during the five days after the General Meeting.

The minutes relative to the only two General Meetings held during 2012 were provided on the Company's website, pursuant to the applicable recommendations and regulatory provisions, although this was not carried out immediately during the subsequent five days due to the organisation of priorities of the teams and persons involved in the execution of this task in such a short period of time.

Furthermore, on the actual day of the General Meetings, or on the immediately subsequent day, various informative elements were disclosed to the market on these meetings, including not only the deliberations taken, but also the share capital represented and results of the voting.

I.14. Existence of an historical record on the company's website, with the deliberations taken in the company's General Meetings, the share capital represented and results of the voting, relative to the previous 3 years.

The Company's website provides the historical record of the attendance and represented share capital, results of the voting and deliberations taken relative to all the General Meetings of TD,SA relative to the previous 3 years.

I.15. Indication of the representative(s) of the remuneration committee present at the General Meetings.

All the members of the Remuneration Committee in office on that date were present at the only two General Meetings of 2012, held on 17 May and 19 October of that year.

I.16. Information on the intervention of the General Meeting relative to the company's remuneration policy and assessment of the performance of the management board members and other senior managers.

The intervention of the General Meeting relative to the company's remuneration policy and assessment of the performance of the members of the governing bodies and other senior managers (when applicable) is conducted, in the first place, through the analysis and approval of the documents presenting the accounts at the General Meeting and through the general appraisal of the management, under the terms and taking the effect established in the combined provisions of articles 376 and 455 of the Commercial Companies Code, carried out every year at the meeting of shareholders, as well as through the election of its members and selection and appointment of the members of the Remuneration Committee which, in accordance with its assessment of performance and other criteria described below, establishes the remuneration of each member of the Governing Bodies, including the Board of Directors.

Furthermore, the General Meeting also performs the key role of being responsible for the approval of the remuneration policy statement which should be followed and disclosed annually in the Corporate Governance Report, submitted for the assessment of the shareholders.

In 2012, the Remuneration Committee submitted the remuneration policy statement for the appraisal of the shareholders, relative to the Company's senior managers, in observance of number 3 of article 248-B of the Securities Market Code, which was approved at the General Meeting of 17 May 2012, with 98.7069% of the votes in favour, 0.00007% abstentions and 1.2930% of the votes against.

I.17. Information on the intervention of the General Meeting regarding the proposal of plans to attribute shares and/or share purchase options, or based on variations in the price of the shares, to members of the management and supervisory bodies and other senior managers, in observance of number 3 of article 248-B of the Securities Market Code, as well as on the elements presented at the General Meeting with a view to the proper assessment of these plans.

There are no plans to attribute shares, and/or share purchase options or based on variations in the price of the shares.

Consequently, there was no intervention of the General Meeting on this matter.

I.18. Information on the intervention of the General Meeting regarding the approval of the main characteristics of the retirement benefits system extended to the members of the management and supervisory bodies and other senior managers, in observance of number 3 of article 248-B of the Securities Market Code.

The Remuneration Committee is responsible for establishing all the amounts paid in this context to any retired former Directors, under all circumstances.

The Remuneration Committee is also responsible for establishing the supplementary pension schemes, under the terms of the provisions in article 22 of the Articles of Association.

The General Meeting reserves the right to appoint the members of the Remuneration Committee which is exclusively competent to decide on these matters.

I.19. Existence of a statutory rule establishing the duty to subject, at least every five years, to the General Meeting, the maintenance or elimination of the statutory rule establishing the limitation of the number of votes which can be held or exercised by a single shareholder individually or in a concerted manner with other shareholders

There is no statutory rule with these characteristics (see I.7).

I.20. Indication of defensive measures which have the effect of automatically leading to a serious erosion of company assets in the event of the transfer of control or change of the composition of the management board.

There are no measures with these characteristics.

I.21. Significant agreements of which the company is a party and which enter into force, are altered or cease in the event of a change of control of the company, as well as the respective effects, unless, due to their nature, their disclosure would be seriously harm the company, except if the company is specifically obliged to disclose this information due to other legal requirements.

There are no agreements with these characteristics.

I.22. Agreements between the company and members of the management board and senior managers, in observance of number 3 of article 248-B of the Securities Market Code, which establish compensation in the case of resignation, unfair dismissal or termination of the work relation following a change in the control of the company.

There are no agreements with these characteristics. The Company follows the policy of not undertaking any payments related to the early termination of the exercise of duties by the Directors or other senior managers, as well as not signing any agreements relative to these matters.

CHAPTER II

Management and Supervisory Bodies

Section I - General Issues

II.1. Identification and composition of the governing bodies.

Since its incorporation in 30 November 2009, the Company adopted a Corporate Governance model known as the Latin unitary board structure or one-tier model, whose governing bodies comprise, in addition to the General Meeting and its respective Board, a Board of Directors and two autonomous Supervisory Bodies: the Supervisory Board and Chartered Accountants Firm.

On this issue, it is important to note the collaboration between all these structures of the Group, as well as the advantages arising from these synergies, reflected in the privileged and effective manner of the achievement of objectives undertaken by all as collection action.

In this context and in compliance with recommendation number II.1.1.1 of the Corporate Governance Code of the CMVM, the Board of Directors discloses that the adopted corporate governance model fully complies with its base objectives, that is, of ensuring that the Company maintains good levels of operation and efficiency in the performance of duties by each governing body, both independently and jointly.

Indeed, the Board of Directors is exclusively composed of executive members, which is reflected in the effectiveness, operationality and proximity of the matters entrusted to them. At the same time, the total independence and compatibility of the members of the Supervisory Board allows for impartial and useful intervention in the supervision of the Company's activity, not only from an accounting point of view - where it benefits from the regular intervention of the Chartered Accountants Firm - but also from a policy perspective, in this case with the appropriate limits and scope essential to safeguard compliance with the legal and regulatory rules in force, all with a view to achieving constant transparency and proper levels of disclosure of information to the market in general and to the shareholders, especially at the General Meeting.

TD,SA has chosen to maintain all its Directors in executive duties since the duties which would have been entrusted to any non-executive Directors - namely regarding supervision, monitoring and assessment of the activity of the executive members - are carried out, with full effectiveness, by the Supervisory Board, Remuneration Committee and General Meeting.

The non-adoption of the provisions in Recommendation II.1.2.3 - which establish the assessment of the independence of its non-executive members conducted by the management body - arises only from the fact that there are no non-executive directors, for the reasons which have been described above.

Particular note should also be made of the good interrelations between all the governing bodies, not only between the Chartered Accountants Firm and the Supervisory Board, which hold periodic meetings, but also between these bodies and the Board of Directors, whereby all the Directors have provided the information requested by the other members of the governing bodies in due time and in an appropriate manner.

This model has also proved to be suitable to the modus operandi of the Company, its structures and members comprising the governing bodies, particularly those of the Board of Directors.

Under the terms of number 1 of article 17 of the Articles of Association, the Board of Directors is composed on a minimum of five and maximum of eleven members elected at the General Meeting, who must appoint, from amongst them, the member who will perform the duties of Chairman.

The members of the governing bodies to hold office during the four-year period 2011/2014 were elected at the General Meeting of 20 May 2011, where all the members of the Board of the General Meeting and Supervisory Board were re-elected, as was the case of the Chartered Accountants Firm which has held this position since the incorporation of TD,SA in 2009, with changes merely having been made to the structure

and composition of the Board of Directors which, as noted at the appropriate time and place (namely in the Corporate Governance Report of 2011), was henceforth composed as follows at the end of 2012 and is still maintained up to date:

Chairman:

Mr. Pedro Maria Calainho Teixeira Duarte (re-elected)

Directors:

Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte (re-elected)

Mr. Joel Vaz Viana de Lemos (re-elected)

Mr. Carlos Gomes Baptista (re-elected)

Mr. Diogo Bebiano Branco de Sá Viana Rebelo

The Supervisory Board is composed of three permanent members – a Chairman and two members – and an alternate member, who fully comply with all the requirements of independence in relation to whom there is no incompatibility for the performance of their duties, under the terms established in the Commercial Companies Code.

The composition of the Supervisory Board, since its full re-election at the General Meeting of 20 May 2011 and at the end of 2012, was as follows:

Chairman: Mr. António Gonçalves Monteiro

Members: Mr. Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Alternate: Mr. Horácio Lisboa Afonso

The Chartered Accountants Firm, also re-elected at the General Meeting of 20 May 2011 to perform duties during the four-year period 2011/2014, "MARIQUITO, CORREIA & ASSOCIADOS, SROC", is represented by Mr. António Francisco Escarameia Mariquito and currently also acts in the capacity of External Auditor registered at the CMVM under number 2.235, in these contexts being entrusted with all the examinations and verification required for the review and legal certification of the Company's accounts. The Chartered Accountants Firm mentioned above fully complies with all the independence requirements, with no incompatibility being observed in relation to its exercise of the respective positions, under the applicable legal provisions.

II.2. Identification and composition of other specialised committees constituted with competences in the company's management or supervision matters.

Currently, there are no specialised Committees on management or supervisory matters – the specified Executive Committee cannot even be constituted under article 20 the Articles of Association – although some members of the Board of Directors maintain frequent contact and sectorial meetings and hold weekly meetings together, accompanied by other members of the Board of Directors of TEIXEIRA DUARTE – Engenharia e Construções, S.A. and the advisor to the Board of Directors.

Indeed, and in view of the adopted model and the structure and composition of the members of the Governing Bodies, it is not considered

necessary to create specific committees, namely for the effect of a competent and independent assessment of the performance of the executive Directors and for the assessment of the overall performance of the actual Board of Directors, since these duties are explicitly entrusted to the General Meeting, Supervisory Board and Remuneration Committee.

Likewise, the creation of a specific committee to reflect on the adopted governance system, verify its effectiveness and propose to the competent bodies the measures to take with a view to its improvement, has been concluded as irrelevant. These duties are performed and developed by each of the Governing Bodies which, better than any other body created only for this effect, are successful in identifying any constraints and difficulties which might have been encountered, and in the same way, collaborate together in the assessment of the adopted corporate governance model, reporting and overcoming any operational and interconnection difficulties.

Moreover, it was also not considered necessary to entrust any type of committee with the duty to identify, in due time, potential candidates with the high profile required for the performance of duties of Director, considering that the reference shareholders possess the necessary and relevant knowledge on the market and senior staff who collaborate with the Company, which allows them to identify, whenever necessary, the candidates they deem suitable for the corporate positions in question.

II.3. Organisational charts or flowcharts relative to the distribution of competences between the different governing boards, committees, commissions and/or departments of the company, including information on the scope of the delegation of competences, in particular with respect to the delegation of the daily management of the company, or distribution of areas of responsibility amongst the members of the management or supervisory boards, and list of matters which are not able of being delegated and of competences effectively delegated.

The General Meeting is the governing body representing the entire group of shareholders, while the Board of Directors is responsible for the management of the Company's activities and conduct of all its business, and the Supervisory Board and Chartered Accountants Firm is entrusted with supervising corporate activity.

It is important to note at this point and with respect to the performance of TD,SA in its different business sectors and markets, the close collaboration between all the structures of the Group, identified in the organisational chart at the beginning of this Report, as well as the particular benefit arising from these synergies, which are reflected in the privileged and efficient means of achieving collectively undertaken objectives.

Particular note should be made, on the one hand, of the existence, in the context of the Group, of Central Departments with special responsibilities of transversal support to the action developed in the different business sectors integrated in the Corporate Centre, entrusted with promoting a standardisation of procedures and providing support to the structures operating abroad in these areas common to various businesses. In view of this transversal role played by the Corporate Centre and the importance of its duties, the meeting held in 2012 for the staff of its Central and Service Departments was dedicated to the theme of the identity of the actual Corporate Centre and identification of the five main areas of action of its employees, which are "knowing", "complying", "understanding", "contributing" and "convincing".

The Group's Operating Structures are organised by Activity Sector and tend to cover responsibility for all the teams and operations of these business areas, independently of the geographical market in which they operate, thus also acting to draw the technical and human central resources of the Group closer to those operating in the different markets of TD,SA.

TEIXEIRA DUARTE - Engenharia e Construções, S.A., as the leading company of the Group in the Construction sector, develops its activity through Operating Centres, which divide up the production and equipment areas and are essential in the training of the senior management and in the follow-up of their career, as well as through a series of Central Departments with specific scope of action in terms of specialised support to the Operating Centres, in particular in the areas of Studies and Projects.

Notwithstanding the above, there is no delegation of competences by any of the governing bodies, namely by the Board of Directors, in any specific committees, in particular in an Executive Committee.

This circumstance arises essentially from the fact that the Board of Directors is composed exclusively of executive members, which, as noted above in the assessment of the corporate model (see II.1 above) is reflected in effectiveness of operationality and proximity to the matters of their competence, whereby any delegation in this regard would be redundant and counterproductive.

Without prejudice to the legal and statutory provisions which determine the collective functionality and collegial character of the Board of Directors and without reducing the operationality applied in an ongoing manner of permanent contact and consultation between all its members, with the areas of responsibility were distributed to the Directors during 2012, under the terms indicated below:

The Chairman of the Board of Directors, Mr. Pedro Maria Calainho Teixeira Duarte, performed the duties inherent to this position, under the terms and with the attributions defined in the Law and Articles of Association, monitoring the Company's current business and ensuring the daily management and execution of the resolutions of the Board of Directors, monitoring of the activity developed by the Delegates of "Teixeira Duarte - Engenharia e Construções, S.A." in the different countries, and was responsible for monitoring the financial holdings in "Banco Comercial Português, S.A." and "Banco Bilbao Vizcaya Argentaria, S.A."

Regarding the Corporate Centre:

Mr. Pedro Maria Calainho Teixeira Duarte monitors the action of the Central Legal Department which is supervised, under "Teixeira Duarte - Engenharia e Construções, S.A.", by Mr. João José de Gouveia Capelão.

Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte was entrusted with supervising the activities developed by the Central Department for Finance and Accounting, as well as the Corporate Secretariat, Consolidation of Accounts and Internal Audit Services.

Mr. Joel Vaz Viana de Lemos was entrusted with the supervision of the activities developed by the Central Departments for Safety, Quality and the Environment, Human Resources and Administration, Information Technology and Procurement Services, as well as the management of the participation of the Group's Companies operating in the Construction sector in the Associations to which they are linked, namely representing them or providing for their representation.

Regarding the Group's activities:

Mr. Pedro Maria Calainho Teixeira Duarte monitors:

- a) the activity developed in the Infrastructures Operating Centres, supervised by Mr. Jorge Ricardo de Figueiredo Catarino, under the action of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";
- b) the activity of the participated companies "MTS - Metro, Transportes do Sul, S.A.", "AEDL - Auto-estradas do Douro Litoral, S.A." and "AEBT - Auto-estradas do Baixo Tejo, S.A, followed by Mr. Jorge Ricardo de Figueiredo Catarino, under the action of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";
- c) the activities developed by the Central Departments for Planning and Studies, Infrastructure Studies, Electromechanical Installations, Special Studies of Projects and Proposals, supervised by Mr. João José de Gouveia Capelão, under the action of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";
- d) the activities of coordination and representation of "TEIXEIRA DUARTE - Engenharia e Construções, S.A." in the commercial area, in this company under the responsibility of Mr. João José de Gouveia Capelão; and

- e) the activity of the participated companies "SATU OEIRAS - Sistema Automático de Transporte Urbano, E.M." and "LUSOPONTE - Concessionária para a Travessia do Tejo, S.A.", followed by Mr. João José de Gouveia Capelão, under the action of "TEIXEIRA DUARTE - Engenharia e Construções, S.A."

Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte was entrusted with:

- a) supervising the action of the Hotel sector;
- b) monitoring the action developed in the Energy sector; and
- c) monitoring the management of the financial holdings owned in the companies "E.I.A. - Ensino, Investigação e Administração, S.A.", "IMOCIPAR - Imobiliária, S.A.", "JÚPITER - Indústria Hoteleira, S.A." and "LONGAPAR, SGPS, S.A."

Mr. Joel Vaz Viana de Lemos was entrusted with:

- a) supervising the activities developed by "TEIXEIRA DUARTE - Engenharia e Construções, S.A." relative to the Geotechnical and Rehabilitation, Mechanical Engineering Operation Centres, and the Shuttering and Prestressing Operation Centre (COC), as well as the Equipment Department; and
- b) supervising the activities of the participated companies "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.", "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.", "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.", "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called "RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A."), "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.", "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" (formerly called "GSC - Compañía General de Servicios y Construcciones, S.A. Sociedad Unipersonal") and "EDUCARE - Atividades Educativas e Culturais Lda."

Mr. Carlos Gomes Baptista was entrusted with:

- a) supervising the activity developed by "TEIXEIRA DUARTE - Engenharia e Construções, S.A." relative to the Buildings Operating Centres;
- b) supervising the activity of the subsidiary "TDGI - Tecnologia de Gestão de Imóveis, S.A."; and
- c) monitoring the activity developed by the Central Department for Planning and Studies.

Mr. Diogo Bebiano Branco de Sá Viana Rebelo was entrusted with:

- a) supervising the action developed in the Real Estate, Distribution and Automobile sectors;
- b) monitoring the activity of "TDHOSP - Gestão de Edifício Hospitalar, S.A."

II.4. Reference to the fact that the annual reports on the activity developed by the General and Supervisory Board, Financial Matters Committee, Audit Committee and Supervisory Board include a description of the supervisory activity carried out, noting any constraints encountered, and are disclosed on the company's website, together with the documents presenting the accounts.

Under the terms and for the effect of the CMVM Recommendations on this matter, the Annual Reports on the activity developed by the Supervisory Board, including the description on the supervisory activity developed and referring to any constraints encountered, were disclosed on the Company's website, together with the documents presenting the accounts, in observance of the rules and periods of time established in the Law and other applicable regulations.

II.5. Description of the internal control and risk management systems implemented in the company, namely, relative to the process of disclosure of financial information, mode of functioning of this system and its effectiveness.

The procedures implemented in terms of internal control and risk management are characterised by promoting the autonomy of the Company's senior staff in the management and monitoring of matters, instilling an attitude of responsibility and strong stimulus to entrepreneurial behaviour.

This consistent relationship between autonomy and responsibility imposes, in a realistic manner, careful and strict compliance with the tasks allocated to each employee, thus representing, in itself, a solid, sustained and effective risk control system that delivers extremely satisfactory practical results.

The importance of weighing the cost of control in relation to the matters that are to be controlled is always taken into account. The assessment of the Company, of the way it is managed, of the composition of its staff and managers of the companies included in the Teixeira Duarte Group and of the fundamental principles and concepts that are applied, leads to the conclusion that the efficiency and control costs related to the creation of any control committees would greatly outweigh the costs of the matters to be controlled. The mere creation of committees for the effect, from a formal point of view, would eventually imply more bureaucratic obstacles that would not be reflected in their practical implementation.

Although the internal control and risk management system implemented in the Company does not comply with the requirements listed in Recommendation II.1.1.2, TD,SA remains firmly convinced of its choice for the model described above, because it believes that the basic assumptions of this recommendation are inappropriate for the regular operation of the Company, and may even create various obstacles from the merely formal and bureaucratic point of view that are incompatible with the execution of the procedures which have already been implemented and with the accountability of the Group's organisational structures.

However, and even so, particular note should be made of the important role played in this matter by the Internal Audit Department, which has pursued the development of its action, as well as the performance of the Corporate Service for the Consolidation of Accounts of the Group in the process of disclosure and reporting of information.

As at 31 December 2012, these services were under the hierarchical and operational dependence of Director Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte, who was not considered independent under the applicable rules and regulations, thus constituting non-compliance with CMVM Regulation number II.4.6.

Nevertheless, it is considered that this Director is not under any circumstances capable of affecting his impartiality in analysis and decision-making.

It should be added that, since its creation within the internal organisation of the Teixeira Duarte Group, the Internal Audit Department has not only always been under the hierarchical dependence of the Board of Directors, but has always reported functionally to the Director responsible

for the financial area. This model has proved to be appropriate, since this not only facilitates the communication, collaboration and exchange of information between the said Departments within the company's organisational structure, and the Director responsible for the area, but also, it should be stressed, has ensured that none of their impartiality has ever been placed in question.

II.6. Responsibility of the management board and supervisory board in the creation and functioning of the company's internal control and risk management systems, as well as in the evaluation of their operation and adjustment to the company's needs

Regarding the Company's internal control and risk management systems, the Board of Directors is responsible, in the first place, for knowing and assessing the most important risks faced by the Company, as well as for the promotion of the necessary initiatives for their respective prevention.

In this context, the Board of Directors is responsible for designing and planning the internal control and risk management systems which prove necessary and appropriate for the different situations which are identified, as well as monitoring their respective implementation, supervising and assessing their operation, all under the terms and for the purposes described above in II.5.

Furthermore, the Board of Directors is also responsible - rather than the supervisory bodies - for the assessment of the operation of these systems and for proposing their respective adjustment to the needs of TD,SA, since this matter is, due both to its nature and the particularities described above, falls under the specific scope of action of the Board of Directors and under this body's control and supervision of the different Departments of the Group's companies, a system that has proved suitable for its respective purposes.

This reality is, however, followed closely by the members of the supervisory bodies which, in addition to the regular monitoring of the Group's activity, are represented at the monthly meetings held by the Board of Directors where a vast series of elements are provided of different nature with reporting information and forecasts on the Group's action in its different markets and sectors.

II.7. Indication of the existence of regulations on the operation of the governing bodies, or other rules relative to incompatibilities defined internally and the maximum number of positions which can be accumulated, and place where they may be consulted.

Formally speaking, there are no regulations on the operation of the governing bodies, code of conduct or any other rules relative to incompatibilities defined internally, nor a maximum number of positions which can be accumulated.

In view of the chosen corporate model, the composition of the management (all executive members) and supervisory bodies of the Company (all independent and relative to whom none are in any situation of incompatibility, in accordance with the legal rules) and the fact that the competences and responsibilities of each are very well defined and cannot be delegated to any other bodies, specialised committees or departments, the mode of operation of the Board of Directors, Supervisory Board and Chartered Accountant is rather simplified.

In this regard, it should be noted that the fact that the number of members in these bodies is not large enough to justify the stipulation, in regulations, of additional rules on operations, and likewise, the interaction between these entities is maintained in a regular manner under the legally established terms, considered sufficient for the effect.

Section II - Board of Directors

II.8. Should the chairman of the management board perform executive duties, indication of the mechanisms for the coordination of the work of the non-executive members which ensure the independent and informed character of their decisions.

Considering that all the members of the Board of Directors perform executive duties, the present rule is not applicable to TD,SA.

II.9. Identification of the main economic, financial and legal risks to which the company is exposed during the exercise of its activity.

The main economic, financial and legal risks to which the company is exposed during the exercise of its activity are as follows:

- alterations in the economic and business conditions in Portugal, as well as in the economic and business conditions of the Group's operations abroad, namely in Angola, Algeria, Brazil, and Venezuela;
- fluctuations and volatility of interest rates, credit spreads and exchange rates;
- alterations in government policies;
- regulatory and financial framework of banking activity;
- alterations in the competitive environment of the activity sectors in which the Teixeira Duarte Group operates; and
- fluctuations in stock markets in general and in particular the stock market price of BCP shares.

Furthermore, the activity of the Teixeira Duarte Group is dependent on the economic environment and on the consequences which certain macroeconomic situations might have on the levels of confidence of the different economic agents, on investment volumes, exports and global trade, as well as on employment levels and consumption patterns.

The evolution of the activity areas in which the Group operates, namely the construction area, but also, for example, the real estate, hotel and energy areas, is historically correlated, more or less directly, with the macroeconomic performance of the countries or markets in which the Teixeira Duarte Group operates, in particular, with the evolution of Gross Domestic Product (GDP). Therefore, the Group's activity and its results may be significantly affected by the performance of the economies where the Teixeira Duarte Group operates, mainly through the effect of the growth or retraction of the construction market, the most representative business area in the Group's operating income (44.8% in 2012).

Considering that the construction business is the core activity of the Teixeira Duarte Group, in particular in the sub-branches of Geotechnics and Rehabilitation, Buildings, Infrastructures, Mechanical Engineering, Underground, Railway and Maritime Works, below is a description of the main risks inherent to this business.

Large-scale construction business involves a major allocation of human and material resources, which implies a high fixed cost structure not only due to the necessary need to invest in the teams and their training, but also the significant investment required in the acquisition, maintenance and adaptation of equipment.

The costs associated to many of the tenders, both in the preparation of proposals and in the insurance, guarantees and completion bonds which are sometimes necessary to provide, also constitute another risk factor inherent to the activity, especially taking into account the penal-

ties very often related to the large public contract works in which the Teixeira Duarte Group participates.

Moreover, the retraction of public investment, as well as private investment to a lesser extent, has affected revenue, which is also sometimes penalised by the deadlines and delays in payments.

On the other hand, the nature of the service provided often implies alterations of the circumstances that were initially negotiated, as a result of the vicissitudes of the contract work in question (climate change; discovery of adverse and unexpected characteristics; natural, social and economic phenomena arising from the impact of the work) and alterations of projects, very often due to new choices by the owner of the work which calls for great flexibility in the efficiency of their execution.

Yet another important aspect arises from the significant number of suppliers of goods and equipment and service providers with which the Company deals in this area of action and which might imply risks due to actions or omissions imputable to them, including interruptions or delays in the service or supply of goods.

From a commercial point of view, globalisation has enabled the entry of other major Construction Groups into the main and oldest markets of action of TEIXEIRA DUARTE - especially Portugal and Angola - forcing greater effort in the presentation of solutions and proposals, as well as the optimisation of costs to enable meeting the competitive strength of these entities.

Concessions are normally long term projects which involve increasingly more areas, such as those linked to planning, design, construction, financing and operation and, which, both due to their complexity and need for partners and the longevity of the processes, imply heavy risk in the evaluation of assets and projects in the long term, in an increasingly more dynamic world characterised by unexpected changes.

The Real Estate sector was at the origin and core of the *sub-prime* crisis and the reflections of this international situation are still experienced in Portugal, where the requirements for new projects have increased at all levels (administrative, economic, social, environmental, amongst others), and the increasingly greater evidence of excess supply has led to price decreases and demand is greatly affected by the increasing restrictions to credit.

The Hotel sector in the Algarve has been heavily hit by the new destinations which are now accessible and changes of routes of the major international agencies, where the hotels in Africa are naturally exposed to the idiosyncrasies of the respective countries and the increasing competition, at an unprecedented scale. Moreover, and in view of the levels of indebtedness of some of the subsidiary companies operating in this sector, the net income and, consequently, the net worth of these companies may suffer adverse impacts as a result of unfavourable evolutions in interest rates.

Distribution in Angola is very exposed due to the specific circumstances of the country and logistic difficulties related to supply, transport and travel.

The Automobile sector operates in a very saturated market, where at an international level major *players* have entered bankruptcy and were strongly affected, with inevitable consequences at a global level and which had already led the Teixeira Duarte Group to dispose of the activity developed in this area in Portugal.

In Angola, competitiveness is becoming much heavier and the investment made by the Group implies strong optimisation of processes and costs, in a market which is increasingly more expensive and difficult.

The Energy sector of the Teixeira Duarte Group is exposed to two risks of different nature, according to whether we address the activity in Portugal (where the operation concerns the area of distribution and marketing of liquid fuel and gas) or Brazil (where an indirect participated company has interests related to oil prospecting).

Indeed, in the national market the risks are concentrated around three aspects: (i) the minor market share in the area of liquid fuel; (ii) the fact that the main suppliers are simultaneously the main competition, with major market shares; and (iii) the delicate management of the credit granted to re-distributors, namely through the consignment of delivered products.

In Brazil, risk is concentrated on the uncertainty of obtaining product and lack of definition as to when production could occur, as well as the fact that, once the product is obtained, the activity's success is dependent on the product's quantity, quality and marketing conditions, as well as fluctuations on international markets.

Common to these two realities - Portuguese and Brazilian - has been the strong disturbance of the fuel market, especially as a consequence of the speculation around the price of oil.

Regarding the financial holdings, in particular the qualifying holding owned in Banco Comercial Português, S.A., the risk arises from the current fragility of the financial markets and possible impact of the volatility of the respective stock market prices on the accounts of the Teixeira Duarte Group, which might even, under certain circumstances, affect net income.

The risks described above, should they occur, could have a negative impact on the net income of the Teixeira Duarte Group and its financial situation.

TD,SA is exposed to strategy risks, through the possibility of taking inadequate strategic decisions, failures in the implementation of decisions or lack of response capacity regarding changing market conditions.

The international business of the Teixeira Duarte Group represents a significant portion of the Group's total turnover (74.2% in 2012). It is impossible to guarantee the full success of operations on the foreign markets in which the Group operates. Moreover, these operations are exposed to risks arising from possibly adverse economic developments in the countries where they are established. These factors could adversely affect the activity, financial situation and net income of the Teixeira Duarte Group. Some of the Group's international operations are also exposed to exchange rate risks.

The Teixeira Duarte Group operates in various activity sectors, in particular, due to its contribution to the Group's operating income, the Construction sector, but also in others such as Distribution, Energy and Automobile. The sectors referred to above represent 81.3% of the Group's operating income and are highly competitive sectors. This competition environment, when associated to negative cycles in the activity areas in which the Group operates, may have a negative impact on the Company's marketing margins and on its net income and, consequently, on its financial situation.

The capacity of the Teixeira Duarte Group to successfully implement its strategy depends on its ability to recruit the most qualified and competent employees for each position. Although the human resources policy of the Teixeira Duarte Group is directed towards the achievement of these objectives, it is impossible to guarantee that, in the future, there will be no limitations in this area. Such circumstances could obstruct or delay the execution of the defined strategy, which could have a negative effect on the Group's activity, financial situation, and net income.

The deterioration of global economic conditions or adversities that affect the economies at a local scale could result in the inability of the Group's customers to meet their obligations or significantly delay their payment, leading to the existing credit lines entering into a situation of *default*. This scenario would result in losses affecting the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group might, in the future, be part of a number of disputes related to its activity, including those where the sentence has been favourable, totally or partially, and which might be subject to appeal or action for annulment by the counterparts under the terms of the applicable procedural rules and until the reading of the final judgement on these same sentences. The Teixeira Duarte Group cannot guarantee that it will win any lawsuits relative to its activities and a negative decision in this area might have an adverse effect of significance to the activity, financial situation and net income of the Teixeira Duarte Group.

The activities of TD,SA require investments. The Group finances part of these investments through the cash flow generated by its operating activities. However, TD,SA and its subsidiaries finance most of their investments through external sources, including bank loans and offers in capital markets.

The Teixeira Duarte Group is exposed to a series of risks, such as liquidity risks, interest rate risks and exchange rate risks, amongst others, and in the event of exceptionally adverse scenarios, the policies and procedures used by TD,SA to identify, monitor and manage risks might not prove to be totally effective.

As is the case of any other economic group integrated in a competitive environment, the Teixeira Duarte Group is also subject to risks related to liquidity. The Group believes that it is suitably equipped with the necessary means to exercise effective control of the risks of its activity, that the action developed by the management is effective, based on information provided by the Consolidation of Accounts and Internal Audit Services and by the Central Department for Finance and Accounts which, under the direct supervision of a Director responsible for this area, is specially committed to controlling the liquidity of the Teixeira Duarte Group.

TD,SA manages the Group's liquidity risk in two ways: ensuring that the Group's financial debt has a high component of medium and long term maturities suitable to the expected capacity of generation of funds and the use of credit facilities, available in various cases in the form of current account credit lines.

During its normal business, the Group is subject to certain operating risks, including interruption or delays in the provision of services, frauds, omissions, errors and delays in the implementation of requirements for risk management. These risks are monitored by the Group in an ongoing manner through administrative and information systems, amongst others, with some of the operating risks being covered by insurance policies.

The operations developed by the Teixeira Duarte Group are dependent on computer processing. The computer processing involves the maintenance of records, financial reporting and other systems, including systems for the monitoring and control of the different operations of the Group, in particular in human resources management, accounts, logistics, administration and storage. Notwithstanding the assessment which has been made of the computer systems and the belief that their capacities are appropriate, it is impossible to guarantee the full identification and correction in due time of all the problems related to the information technology systems, nor systematic success in the implementation of technological improvements.

The cost of the vast majority of the financial debt incurred by the Teixeira Duarte Group is indexed to variable reference rates, whereby TD,SA is, through this means, exposed to interest rate risk.

However, in order to manage these variations, the financial area of the Teixeira Duarte Group permanently follows market development, and is able to use financial instruments to mitigate the effects of interest rate volatility. These instruments are contracted by considering the risks affecting the assets and liabilities and after checking which of the instruments available on the market are the most appropriate to cover those risks. These operations are permanently monitored, particularly through the analysis of various indicators regarding these instruments, in particular the evolution of their market value and sensitivity of forecast cash flows and of the actual market value to changes in key variables that condition the structures, for the purpose of evaluating their financial effects. Derivative financial instruments are recorded in accordance with the provisions of IAS 39 and measured at fair value, which is based on assessments made by financial institutions. These are qualified as hedging instruments or instruments held for trading, in compliance with the provisions of IAS 39.

The variation of the exchange rate of the Euro relative to other currencies, in particular the US Dollar, Angolan Kwanza, Algerian Dinar, Brazilian Real, Mozambican Metical and Venezuelan Bolivar might have an impact on the financial situation of TD,SA. The Teixeira Duarte Group operates in various markets, records revenue in foreign currency and has monetary assets and liabilities denominated in currencies other than the Euro and, therefore, in this way, is exposed to variations in the respective currencies.

In indirect terms, note should also be made of the fact that the Teixeira Duarte Group acquires a variety of materials, of special importance in the construction, distribution and automobile areas in currencies other than those in which the final products are subsequently sold, namely in Angola, which could partially influence the net income achieved by the Group in the activity developed in these sectors.

Particular note should be made of the import and export of materials for construction and products which are essentially consumables to the companies established under Angolan law which operate in the area of distribution, as well as automobile vehicles, spare parts and equipment for the different local participated companies in the automobile sector in Angola, involving, amongst others, the brands Nissan, Honda, Chevrolet, Renault, Peugeot, JMC, Mahindra and SsangYong.

Adverse variations in the price of oil and other commodities might also significantly affect the net income and financial situation of the Teixeira Duarte Group.

The volatility of the price of commodities constitutes a risk for the Teixeira Duarte Group, affecting the operating activity of the construction business area, although this is on occasions mitigated through supplier contracts with fixed prices and customer contracts which enable reflecting these alterations in the prices paid by these customers.

In particular, the Teixeira Duarte Group is indirectly exposed to the price of oil. The Group's capacity to reflect increases in the price of oil in the prices of its final products and services is minor, therefore, negative consequences might arise in the direct margins of the final products sold and in the net contribution of the services rendered. Furthermore, an increase in the price of oil has a direct impact on the transport costs associated to the development of the Group's activity, therefore, adverse variations in the price of oil could have a negative material impact on the Group's activity, financial situation and net income.

More specifically, the evolution in the price of oil could significantly affect the net income of the Teixeira Duarte Group for three reasons:

- directly, through the margin generated in Energy, a business area which represented 9.4% of the operating income of the Teixeira Duarte Group in 2012;
- the cost of transport is one of the most important cost items in the Group's operating accounts;
- energy costs are of some significance in the price of external supplies and services.

Any increase in taxes or reduction in tax benefits could have an adverse effect on the activity of the Teixeira Duarte Group.

The Teixeira Duarte Group could be affected negatively by changes in the legislation and other tax regulations applicable in Portugal, in the European Union and in the different countries in which the Group operates.

The financial statements of the Teixeira Duarte Group might be influenced by the change in value of the financial stakes owned.

The net worth, equity and even, in certain situations the impairment, net income of the Teixeira Duarte Group might be influenced by the change in value of the financial stakes owned, which, in the case of the holdings in companies listed for trading on regulated markets, depends directly on the stock market prices of the respective shares.

The entities of the Teixeira Duarte Group are subject to the risks inherent to any economic activity, which is the case of accidents, breakdowns or natural catastrophes that might lead to losses in the Group's assets or temporary interruptions in the respective activity. Likewise, these risks might affect the main customers and suppliers of the Teixeira Duarte Group, which would have a significant impact on profitability where it is not possible to find replacement customers in order to guarantee the turnover level or suppliers to enable maintaining the same cost structure.

II.10. Powers of the management board, namely with respect to deliberations to increase share capital.

In addition to the other duties and competences entrusted by the Law, Articles of Association or through delegation of the General Meeting, the Board of Directors is responsible for:

- a) exercising the full powers of management of the Company and carrying out all the acts and operations pertinent to the achievement of its corporate object;
- b) negotiating and granting all contracts, independently of their scope, form and nature, where the Company is a party;
- c) representing the Company in and out of court, actively and passively, promoting, contesting, transacting or waiving in any proceedings and engaging in all types of arbitration;
- d) preparing, if deemed appropriate, its internal regulations, defining the rule and procedures relative to its operation;
- e) proceeding with the distribution of areas of responsibility amongst its members and entrusting any of the members with specific matters of the competence of the Board of Directors;
- f) empowering any of its members sufficiently to, jointly or individually, perform certain tasks or specific actions;
- g) appointing attorneys or mandataries of the Company to carry out certain acts or categories of acts, with the powers and duties defined in the respective powers of attorney which it has granted for the effect;
- h) appointing the Company Secretary and his Alternate;
- i) moving the head office to another location, within national territory, as well as creating, transferring or extinguishing delegations, agencies, branches or any other forms of corporate representation, in the country or abroad, under the terms, where and when deemed convenient;
- j) deliberating that the Company acquire, dispose and encumber any fixed assets and industrial property rights, licenses and permits, as well as quotas, shares, bonds or other securities;
- k) deliberating that the Company participate in the constitution, subscription of share capital, assume interests or take part in other companies, complementary business groups or associations of any type and cooperate, collaborate or enter into consortium with other entities, as well as the provision of technical services related to administration and management or support in terms of human resources to subsidiary companies or entities with which a subordination contract has been signed; and
- l) providing bonds and personal or real guarantees on behalf of the Company, namely sureties or securities.

The Articles of Association of the Company do not confer any powers to the Board of Directors relative to any share capital increases.

II.11. Information on the policy of rotation of the areas of responsibility within the Board of Directors, namely of the person responsible for financial matters, as well as on the rules applicable to the appointment and replacement of members of the management and supervisory bodies.

As described in II.3, notwithstanding the collegial exercise of duties conferred to the Board of Directors, each of its members is more specifically responsible for certain operating areas or particular businesses.

There is no policy of rotation of areas of responsibility in the Board of Directors, namely of the person responsible for the financial area. The supervision of the different areas and sectors was attributed to each Director taking into consideration the training, experience and acquired competences of each within the Teixeira Duarte Group on the different matters, a situation which is not compatible for the concept of a policy of rotation of areas of responsibility.

The redistribution of the business areas amongst the various members of the Board of Directors will always take place when necessary and appropriate.

Regarding the rules applicable to the appointment and replacement of the members of the management and supervisory bodies, it should be recalled that the members of the Board of Directors are elected at the General Meeting, through the list system, for four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and with the legally established limits, and take up office as soon as they are elected, without further formalities.

Under the special election rules established in the Law, the Company adopted the systems which enables a Director to be elected amongst the persons proposed in lists which are undersigned and presented by groups of shareholders, provided that none of these groups own shares representing more than twenty percent and less than ten percent of the share capital. Pursuant to this choice, any Director elected in this manner automatically replaces the one last on the list who would have fallen due in the election of the Directors.

The Articles of Association do not foresee the existence of any alternate Director, but rather establish five as the number of absences to meetings, consecutively or interpolated, without justification accepted by the Board of Directors, per term of office, as leading to the situation of definitive absence of the Director, with the consequences established in the Law.

Apart from the circumstances referred to above, the Articles of Association do not foresee any specific rule for the replacement of the members of the Board of Directors, so the general system established in the Commercial Companies Code on this matter is applicable, that is, the Board of Directors may replace any Director who fails to perform duties for any of the reasons laid down in the Law, namely due to resignation or the accumulation of absences, and hence, should this be deemed appropriate and under the applicable terms and conditions, proceed with the corresponding co-optation, which must be ratified at the first following General Meeting.

As is the case with the other governing bodies, the members of the Supervisory Board are elected at the General Meeting, through the list system, for four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and with the legally established limits, and take up office as soon as they are elected, without further formalities. When electing the members of the Supervisory Board, the General Meeting must, mandatorily, elect one of them to perform the duties of Chairman.

The members of the Supervisory Board were elected at the General Meeting of 20 May 2011 to perform duties during the four-year period 2011/2014.

Although in this case, an alternate member of the Supervisory Board was elected at the General Meeting on 20 May 2011, the Articles of Association do not foresee any specific rule for the replacement of the members of this board, hence the general system established in the Commercial Companies Code will be applicable on this matter, that is, any permanent members of the Supervisory Board who are temporarily prevented from holding office or whose duties have terminated will be replaced by alternates under the terms and conditions established therein.

II.12. Number of meetings of the management and supervisory bodies and other committees constituted with competence on matters of management and supervision during the year in question.

During 2012, the Board of Directors of TD,SA held 17 meetings, of which the Chairman of the Supervisory attended 14 and the representative of the Chartered Accountants Firm attended 15.

The Supervisory Board of TD,SA held 4 meetings.

II.13. Indication of the number of meetings of the Executive Committee or Executive Board of Directors, and reference to the drawing up of the minutes of these meetings and their remittance, accompanied by the call notices, as applicable, to the Chairman of the Board of Directors, to the Chairman of the Supervisory Board or of the Audit Committee, to the Chairman of the General and Supervisory Board and to the Chairman of the Financial Matters Committee.

The present rule is not applicable to TD,SA, because, as described above, there is no Executive Committee, Audit Committee, General and Supervisory Board or Financial Matters Committee, and all the members of the Board of Directors currently perform executive duties, including the respective Chairman.

However, it should be noted that the Directors provide all the information requested by other members of the governing bodies, in due time and in a manner suitable to the request. Moreover, all the minutes of the meetings of the Board of Directors are sent to the Chairman of the Supervisory Board.

II.14. Distinction between the executive and non-executive members and, amongst them, discrimination between the members which would comply, if the rules of incompatibilities established in number 1 of article 414-A of the Commercial Companies Code were applicable to them, with the exception laid out in subparagraph b), and the criteria of independence established in number 5 of article 414, both in the Commercial Companies Code.

Considering that all the members of the Board of Directors perform executive duties, the present rule is not applicable to TD,SA.

Nevertheless and on this issue, it is important to disclose, with respect to the independence of its members, that the Board of Directors considers that none are under any circumstances capable of affecting their impartiality in analysis and decision-making.

In view of the adopted corporate model, the composition and mode of operation of its governing bodies - namely the executive character of the Board of Directors and the independence of the Supervisory Board and Chartered Accountants Firm, without their being any delegation of competences, either amongst them or to other Committees - TD,SA considers that the appointment of non-executive members to perform duties within the Board of Directors would not result in any significant benefits to the good operation of the adopted model, which has proved suitable and efficient.

II.15. Indication of the legal and regulatory rules and other criteria underlying the assessment of the independence of its members made by the management board.

Not applicable, as described in the previous number.

II.16. Indication of the rules of the process of selection of candidates to non-executive Directors and way they ensure the non-interference of the executive Directors in this process.

Not applicable, as described in the previous two numbers.

II.17. Reference to the fact that the company's annual management report should include a description of the activity developed by the non-executive Directors and any constraints which have been detected.

Not applicable, considering that all the members of the Board of Directors perform executive duties.

II.18. Professional qualifications of the members of the Board of Directors, indication of the professional activities carried out by them, at least, over the past five years, number of company shares they own, date of their first appointment and end of the term of office.

Chairman of the Board of Directors: Mr. Pedro Maria Calainho Teixeira Duarte

Licentiate degree in Business Administration from "Universidade Católica Portuguesa" in 1977.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, since 1987 he has been a member of the Board of Directors of the Group's leading company (which was TEIXEIRA DUARTE - Engenharia e Construções, S.A. until 2010, at which time this role was transferred to TD, SA).

Over the last five years, his professional activity has also included the holding of the following positions:

Chief Executive Officer of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Chairman of the Board of Directors of "PASIM - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of "PACIM - Sociedade Gestora de Participações Sociais, S.A.".

Director of "CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.".

Manager of "F+P - IMOBILIÁRIA, LDA.".

Member of the Advisory and Strategy Board of "E.I.A. - Ensino, Investigação e Administração, S.A.".

Deputy Chairman of the Board of Directors of "BANCO COMERCIAL PORTUGUÊS, S.A.".

Deputy Chairman of the Board of Directors of "Fundação Millennium bcp".

Deputy Chairman of the General and Supervisory Board of "BANCO COMERCIAL PORTUGUÊS, S.A.".

Member of the General and Supervisory Board of "BANCO COMERCIAL PORTUGUÊS, S.A.".

Deputy Chairman of the Board of Governors of "BANCO COMERCIAL PORTUGUÊS, S.A.".

Member of the Remunerations and Welfare Board of "BANCO COMERCIAL PORTUGUÊS, S.A.".

Member of the Supervisory Board of "MILLENNIUM BANK, S.A. (Poland)".

As at 31 December 2012, this member directly and indirectly held 3,612,550 shares representing the share capital of TD,SA.

Director: Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

Licentiate degree in Law from the "Faculdade de Direito da Universidade de Lisboa", in 1989.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, since 2005 he has been a Director of the Group's leading company (which was TEIXEIRA DUARTE - Engenharia e Construções, S.A. until 2010, at which time this role was transferred to TD, SA).

Over the last five years, his professional activity has also included the holding of the following positions:

Chairman of the Board of Directors of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Chairman of the Board of Directors of "C+P.A. - Cimento e Produtos Associados, S.A.".

Chairman of the Board of Directors of "ESTA - Gestão de Hotéis, S.A.".

Chairman of the Board of Directors of "EMPA, S.A. Serviços de Engenharia".

Chairman of the Board of Directors of "EVA - Sociedade Hoteleira, S.A.".

Chairman of the Board of Directors of "IMOPEDROUÇOS - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.".

Chairman of the Board of Directors of "LAGOAS HOTEL, S.A.".

Chairman of the Board of Directors of "LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.".

Chairman of the Board of Directors of "MARTINS & ESTEVES, S.A.".

Chairman of the Board of Directors of "NGDI - Gestão e Investimentos Imobiliários, S.A.".

Chairman of the Board of Directors of "PARCAUTO - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of "PTG - Sociedade Gestora de Participações Sociais, S.A.".

Chairman of the Board of Directors of "QUINTA DE CRAVEL - Imobiliária, S.A.".

Chairman of the Board of Directors of "ROCHORIENTAL - Sociedade Hoteleira, S.A.".

Chairman of the Board of Directors of "SEIUR - Sociedade de Empreendimentos Imobiliários e Urbanísticos, S.A.".

Chairman of the Board of Directors of "SINERAMA - Organizações Turísticas e Hoteleiras, S.A.".

Chairman of the Board of Directors of "STELGEST - Gestão Hoteleira, S.A.".

Chairman of the Board of Directors of "TD VIA - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of "TDCM - S.G.P.S., S.A.".

Chairman of the Board of Directors of "TDE - Empreendimentos Imobiliários, S.A.".

Chairman of the Board of Directors of "TDEMPA - Gestão de Participações e Investimentos, S.A.".

Chairman of the Board of Directors of "TDH - Sociedade Gestora de Participações, S.A.".

Chairman of the Board of Directors of "TDHC - Instalações para Desporto e Saúde, S.A.".

Chairman of the Board of Directors of "TDO - Sociedade Gestora de Participações Sociais, S.A.".

Chairman of the Board of Directors of "TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.".

Chairman of the Board of Directors of "TEDAL - Sociedade Gestora de Participações Sociais, S.A.".

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A.".

Chairman of the Board of Directors of "TEJO VILLAGE - Promoção Imobiliária, S.A.".

Chairman of the Board of Directors of "TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.".

Chairman of the Board of Directors of "V-8 - Gestão Imobiliária, S.A.".

Chairman of the Board of Directors of "VTD - Veículos Automóveis, S.A.".

Director of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia".

Director of "EUROGTD - Sistemas de Informação, S.A.".

Director of "GRATAC - Sociedade Gestora de Participações, S.A.".

Director of "ILTA - Urbanizadora da Ilha de Tavira, S.A.".

Director of "MARINERTES, S.A.".

Director of "PTG - Sociedade Gestora de Participações Sociais, S.A.".

Director of "Votorantim Macau Investimentos S.A." (formerly called "Sociedade de Investimento Cimpor Macau, S.A.").

Director of "TDARCOL - Sociedade Gestora de Participações Sociais, S.A.".

Director of "TDG - Sociedade Gestora de Participações Sociais, S.A.".

Director of "TDHOSP - Gestão de Edifício Hospitalar, S.A.".

Director of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.".

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Manager of "BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda.".

Manager of "GFF - Empreendimentos Imobiliários, Lda.".

Manager of "TEIXEIRA DUARTE - Engenharia e Construções (Macau), Limitada".

Member of the Remuneration Committee of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Member of the Remuneration Committee of "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.".

Member of the General and Supervisory Board of "E.I.A. - Ensino, Investigação e Administração, S.A.".

Member of the Remuneration Committee of "Gomes & Oliveira, S.A.".

Member of the Remuneration Committee of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.").

Member of the Remuneration Committee of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.".

Member of the Remuneration Committee of "TDGI - Tecnologia de Gestão de Imóveis, S.A.".

Member of the Remuneration Committee of "TDO - Investimento e Gestão, S.A.".

Secretary of the Board of the General Meeting of "HAB - Cooperativa de Construção e Habitação C.R.L.".

As at 31 December 2012, this member held 5,149,575 shares representing the share capital of TD,SA.

Director: Mr. Joel Vaz Viana de Lemos

Licentiate degree in Civil Engineering from the "Faculdade de Engenharia da Universidade do Porto", in 1977.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, since 2005 he has been a Director of the Group's leading company (which was TEIXEIRA DUARTE - Engenharia e Construções, S.A. until 2010, at which time this role was transferred to TD, SA).

Over the last five years, his professional activity has also included the holding of the following positions:

Chairman of the Board of Directors of "G.E.TRA.BE - Groupement d'Entreprises de Travaux de Bejaia".

Chairman of the Board of Directors of "G.E.TRA.M - Groupement d'Entreprises de Travaux Maritimes de Bejaia".

Chairman of the Board of Directors of "GMP - Grupo Marítimo Português, ACE".

Chairman of the Board of Directors of "GMP MEK - Grupo Marítimo Português Mers El Kebir, ACE".

Chairman of the Board of Directors of "GMP MKD - Grupo Marítimo Mers El Kebir Dragagens, ACE".

Chairman of the Board of Directors of "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.".

Chairman of the Board of Directors of "MARINERTES, S.A.".

Chairman of the Board of Directors of "NOVA TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Chairman of the Board of Directors of "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.".

Chairman of the Board of Directors of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.).

Chairman of the Board of Directors of "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.".

Deputy Chairman of the Board of Directors of "Novaponte - Agrupamento para a Construção da Segunda Travessia do Tejo, ACE".

Director of "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.".

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia".

Director of "BEL - ERE - Engenharia e Reabilitação de Estruturas, S.A.".

Director of "Groupement Maritime Portugais Gmp - ORAN".

Director of "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" (formerly called "GSC - Compañía General de Servicios y Construcciones, S.A. Sociedad Unipersonal").

Director of "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A. - Branch in Cape Verde".

Director of "SOMAFEL e FERROVIAS, ACE".

Director of "TDARCOL - Sociedade Gestora de Participações Sociais, S.A.".

Director of "TDEMPA - Gestão de Participações e Investimentos, S.A.".

Director of "TEISOMAR - Obras Marítimas, ACE".

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Director of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A.".

Member of the Remuneration Committee of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Member of the Remuneration Committee of "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A.".

Member of the Remuneration Committee of "Gomes & Oliveira, S.A.".

Member of the Remuneration Committee of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.").

Member of the Remuneration Committee of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.".

Member of the Remuneration Committee of "TDGI - Tecnologia de Gestão de Imóveis, S.A.".

Member of the Remuneration Committee of "TDO - Investimento e Gestão, S.A.".

As at 31 December 2012, this member held 433,862 shares representing the share capital of TD,SA.

Director: Mr. Carlos Gomes Baptista

BSc in Engineering from "Instituto Industrial de Lisboa", in 1973.

Appointed for the first time for the position in 2009, at the time of the incorporation of the company, with the current term of office ending in 2014.

Furthermore, since 2005 he has been a Director of the Group's leading company (which was TEIXEIRA DUARTE - Engenharia e Construções, S.A. until 2010, at which time this role was transferred to TD, SA).

Over the last five years, his professional activity has also included the holding of the following positions:

Chairman of the Board of Directors of "BEL-ere - Engenharia e Reabilitação de Estruturas, S.A.".

Chairman of the Board of Directors of "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A.".

Chairman of the Board of Directors of "TDGI - Tecnologia de Gestão de Imóveis, S.A.".

Member of the Board of Directors of "EMPA, S.A. - Serviços de Engenharia".

Director of "GSC - Compañía General de Servicios y Construcción, S.A. - Branch in Portugal".

Director of "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" (formerly called "GSC - Compañía General de Servicios y Construcciones, S.A. Sociedad Unipersonal").

Director of "NOVA TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Director of "TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque da Nações em Lisboa 3.ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE".

As at 31 December 2012, this member held 25,634 shares representing the share capital of TD,SA.

Director: Mr. Diogo Bebiano Branco de Sá Viana Rebelo

Licentiate degree in Civil Engineering from "Instituto Superior Técnico", in 1992.

Appointed for the first time for the position in 2011, through deliberation of the General Meeting, with the current term of office ending in 2014.

Over the last five years, his professional activity has also included the holding of the following positions:

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Distribuição, S.A.".

Chairman of the Board of Directors of "TDO - Investimento e Gestão, S.A.".

Director of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Director of "IMOPEDROUÇOS - Sociedade Imobiliária, S.A.".

Director of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.".

Director of "MARTINS & ESTEVES, S.A.".

Director of "PARCAUTO - Sociedade Imobiliária, S.A.".

Director of "QUINTA DE CRAVEL IMOBILIÁRIA, S.A.".

Director of "TD VIA - Sociedade Imobiliária, S.A.".

Director of "TDE - Empreendimentos Imobiliários, S.A.".

Director of "TDHOSP - Gestão de Edifício Hospitalar, S.A.".

Director of "TDPG - Empreendimentos Imobiliários e Hoteleiros, Ltda.".

Director of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A.".

Director of "TEJO VILLAGE - Promoção Imobiliária, S.A.".

Director of "TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.".

Director of "V8 - Gestão Imobiliária, S.A.".

Manager of "BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.".

Manager of "GFF - Empreendimentos Imobiliários, Lda.".

As at 31 December 2012, this member held 31,160 shares representing the share capital of TD,SA.

II.19. Positions that members of the management board hold in other companies, detailing those held in other companies of the same group.

Chairman of the Board of Directors: Mr. Pedro Maria Calainho Teixeira Duarte

As at 31 December 2012, he held the following **position in a company outside the Teixeira Duarte Group:**

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

As at 31 December 2012, he held the following **positions in other companies, all outside the Teixeira Duarte Group:**

Chairman of the Board of Directors of "PASIM - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of "PACIM - Sociedade Gestora de Participações Sociais, S.A.".

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.".

Member of the Advisory and Strategy Board of "E.I.A. - Ensino, Investigação e Administração, S.A.".

Deputy Chairman of the Board of Directors of "BANCO COMERCIAL PORTUGUÊS, S.A.".

Director: Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

As at 31 December 2012, he held the following **positions in companies outside the Teixeira Duarte Group:**

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Chairman of the Board of Directors of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Chairman of the Board of Directors of "C+P.A. - Cimento e Produtos Associados, S.A.".

Chairman of the Board of Directors of "ESTA - Gestão de Hotéis, S.A.".

Chairman of the Board of Directors of "EVA - Sociedade Hoteleira, S.A.".

Chairman of the Board of Directors of "IMOPEDROUÇOS - Sociedade Imobiliária, S.A.".

Chairman of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A."

Chairman of the Board of Directors of "LAGOAS HOTEL, S.A."

Chairman of the Board of Directors of "LAGOASFUT - Equipamento Recreativo e Desportivo, S.A."

Chairman of the Board of Directors of "PTG - Sociedade Gestora de Participações Sociais, S.A."

Chairman of the Board of Directors of "QUINTA DE CRAVEL - Imobiliária, S.A."

Chairman of the Board of Directors of "ROCHORIENTAL - Sociedade Hoteleira, S.A."

Chairman of the Board of Directors of "SINERAMA - Organizações Turísticas e Hoteleiras, S.A."

Chairman of the Board of Directors of "STELGEST - Gestão Hoteleira, S.A."

Chairman of the Board of Directors of "TD VIA - Sociedade Imobiliária, S.A."

Chairman of the Board of Directors of "TDE - Empreendimentos Imobiliários, S.A."

Chairman of the Board of Directors of "TDEMPA - Gestão de Participações e Investimentos, S.A."

Chairman of the Board of Directors of "TDH - Sociedade Gestora de Participações, S.A."

Chairman of the Board of Directors of "TDHC - Instalações para Desporto e Saúde, S.A."

Chairman of the Board of Directors of "TDO - Sociedade Gestora de Participações Sociais, S.A."

Chairman of the Board of Directors of "TEDAL - Sociedade Gestora de Participações Sociais, S.A."

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários, S.A."

Chairman of the Board of Directors of "TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A."

Chairman of the Board of Directors of "V-8 - Gestão Imobiliária, S.A."

Member of the Board of Directors of "EMPA, S.A. Serviços de Engenharia"

Director of "MARINERTES, S.A."

Director of "TDARCOL - Sociedade Gestora de Participações Sociais, S.A."

Director of "TDHOSP - Gestão de Edifício Hospitalar, S.A."

Manager of "BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos Unipessoal, Lda."

Manager of "TEIXEIRA DUARTE - Engenharia e Construções (Macau), Limitada"

Member of the Remuneration Committee of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.".

Member of the Remuneration Committee of "TDGI - Tecnologia de Gestão de Imóveis, S.A.".

Member of the Remuneration Committee of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.).

Member of the Remuneration Committee of "TDO - Investimento e Gestão, S.A.".

As at 31 December 2012, he held the following **positions in other companies, all outside the Teixeira Duarte Group**:

Chairman of the Board of Directors of "NGDI - Gestão e Investimentos Imobiliários, S.A.".

Chairman of the Board of Directors of "SEIUR - Sociedade de Empreendimentos Imobiliários e Urbanísticos, S.A.".

Director of "ILTA - Urbanizadora da Ilha de Tavira, S.A.".

Director of "TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.".

Secretary of the Board of the General Meeting of "HAB - Cooperativa de Construção e Habitação C.R.L.".

Member of the General and Supervisory Board of "E.I.A. - Ensino, Investigação e Administração, S.A.".

Director: Mr. Joel Vaz Viana de Lemos

As at 31 December 2012, he held the following **positions in companies outside the Teixeira Duarte Group**:

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Chairman of the Board of Directors of "G.E.TRA.BE - Groupement d'Entreprises de Travaux de Bejaia".

Chairman of the Board of Directors of "G.E.TRA.M - Groupement d'Entreprises de Travaux Maritimes de Bejaia".

Chairman of the Board of Directors of "GMP - Grupo Marítimo Português, ACE".

Chairman of the Board of Directors of "GMP MEK - Grupo Marítimo Português Mers El Kebir, ACE".

Chairman of the Board of Directors of "MARINERTES, S.A.".

Chairman of the Board of Directors of "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.".

Chairman of the Board of Directors of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.).

Chairman of the Board of Directors of "SOMAFEL - Engenharia e Obras Ferroviárias, S.A.".

Deputy Chairman of the Board of Directors of "Novaponte - Agrupamento para a Construção da Segunda Travessia do Tejo, ACE".

Director of "E.P.O.S. - Empresa Portuguesa de Obras Subterrâneas, S.A."

Member of the Board of Directors of "EMPA, S.A. - Serviços de Engenharia"

Director of "Groupement Maritime Portugais Gmp - ORAN"

Director of "GSC - Compañía General de Servicios y Construcción, S.A. Sociedad Unipersonal"

Chairman of the Board of Directors of "INVICTAAMBIENTE - Recolha de Resíduos e Limpeza Pública, S.A."

Director of "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A. - Branch in Cape Verde"

Director of "PTG - Sociedade Gestora de Participações Sociais, S.A."

Director of "SOMAFEL e FERROVIAS, ACE"

Director of "TDARCOL - Sociedade Gestora de Participações Sociais, S.A."

Director of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A."

Member of the Remuneration Committee of "RECOLTE, Serviços e Meio Ambiente, S.A." (formerly called RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, S.A.).

Member of the Remuneration Committee of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A."

Member of the Remuneration Committee of "TDGI - Tecnologia de Gestão de Imóveis, S.A."

Member of the Remuneration Committee of "TDO - Investimento e Gestão, S.A."

Director: Mr. Carlos Gomes Baptista

As at 31 December 2012, he held the following **positions in companies outside the Teixeira Duarte Group**:

Director of "TEIXEIRA DUARTE - Engenharia e Construções, S.A."

Chairman of the Board of Directors of "TDGI - Tecnologia de Gestão de Imóveis, S.A."

Member of the Board of Directors of "EMPA, S.A. - Serviços de Engenharia"

Director of "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" (formerly called "GSC - Compañía General de Servicios y Construcciones, S.A. Sociedad Unipersonal").

Director of "TEIXEIRA DUARTE/OPCA - Fungere - Parcela 1.18 do Parque da Nações em Lisboa 3.ª Fase - Empreitada de Acabamentos e Instalações Especiais dos Edifícios para o Hotel e Escritórios, ACE"

Director: Mr. Diogo Bebiano Branco de Sá Viana Rebelo

As at 31 December 2012, he held the following **positions in companies outside the Teixeira Duarte Group:**

Chairman of the Board of Directors of "TEIXEIRA DUARTE - Distribuição, S.A.".

Chairman of the Board of Directors of "TDO - Investimento e Gestão, S.A.".

Director of "BONAPARTE - Imóveis Comerciais e Participações, S.A.".

Director of "IMOPEDROUÇOS - Sociedade Imobiliária, S.A.".

Director of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.".

Director of "QUINTA DE CRAVEL IMOBILIÁRIA, S.A.".

Director of "TD VIA - Sociedade Imobiliária, S.A.".

Director of "TDE - Empreendimentos Imobiliários, S.A.".

Director of "TDHOSP - Gestão de Edifício Hospitalar, S.A.".

Director of "TEIXEIRA DUARTE - Gestão de Participações e Investimentos Imobiliários S.A.".

Director of "TRANSBRITAL - Britas e Empreendimentos Imobiliários, S.A.".

Director of "V8 - Gestão Imobiliária, S.A.".

Manager of "BONAPAPEL - Artigos de Papelaria e Equipamentos Informáticos - Unipessoal, Lda.".

Section III - General and Supervisory Board, Financial Matters Committee and Supervisory Board

II.21. Identification of the members of the Supervisory Board, stating compliance with the incompatibility rules established in number 1 of article 414-A and comply with the independence criteria established in number 5 of article 414, both of the Commercial Companies Code. The Supervisory Board carries out the respective self-assessment for the effect.

The Supervisory Board is composed of three permanent members - a Chairman and two members - and an alternate member, who fully comply with all the requirements of independence in relation to whom there is no incompatibility for the performance of their duties, under the terms established in the Commercial Companies Code.

The facts referred to in the previous paragraph are investigated periodically in relation to each member of the Supervisory Board.

The members referred to above, elected at the General Meeting of 20 May 2011, are as follows:

Chairman: Mr. António Gonçalves Monteiro

Members: Mr. Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Alternate: Mr. Horácio Lisboa Afonso

II.22. Professional qualifications of the members of the Supervisory Board, indication of the professional activities carried out by them, at least, over the past five years, number of company shares they own, date of their first appointment and end date of the term of office.

Mr. António Gonçalves Monteiro (Chairman of the Supervisory Board)

Professional Qualifications:

Licentiate degree in Finance from "Instituto Superior de Economia" and diploma in Accounting and Administration from "Instituto Superior de Contabilidade e Administração de Lisboa".

Professional Activities exercised over the last five years:

He is member and Chairman of the Board of Directors of "Moore Stephens & Associados, SROC, S.A.", representing the company in the performance of statutory auditor duties or as a member of supervisory bodies of various companies and other entities.

Chairman of the Board of Directors of "ESTAMO - Participações Imobiliárias, S.A." and "SAGESTAMO - Sociedade Gestora de Participações Sociais Imobiliárias, S.A.".

Chairman of the Accounting Standardisation Committee (CNC).

Current Chairman of the Remuneration Committee of "BANIF - Banco Internacional do Funchal, S.A.".

He was Chairman of the Portuguese Institute of Statutory Auditors (2006-2011) and member of the National Council for Audit Supervision (2009-2011). Former Chairman of the Portuguese Association of Tax Consultants (1998-2005).

Former Chairman of the Supervisory Board of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

He has never exercised any professional activities at TD,SA, although he has represented the Company at the Chartered Accountants Firm which performed the supervisory duties at the companies "SOMAFEL - Engenharia e Obras Ferroviárias, S.A." and "OFM - Obras Públicas, Ferroviárias e Marítimas, S.A.", as well as at the "TDF Closed Real Estate Investment Fund", integrated in the TEIXEIRA DUARTE Group.

Number of Company shares held:

He does not own any shares of TD,SA.

Date of first appointment and date of end of term of office:

Appointed for the first time on 30 November 2009 for the two-year period 2008/2011, with the current term of office ending in 2014.

Mr. Mateus Moreira (Member of the Supervisory Board)

Professional Qualifications:

Licentiate degree in Finance from "Instituto Superior de Ciências Económicas e Financeiras" (1972).

Professional Activities exercised over the last five years:

Retired from Millennium BCP on 30.09.2003, where he held the position of Central Deputy Director.

Member of the Supervisory Board of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Number of Company shares held:

He does not own any shares of TD,SA.

Date of first appointment and date of end of term of office:

Appointed for the first time on 30 November 2009 for the two-year period 2008/2011, with the current term of office ending in 2014.

Mr. Miguel Pereira Coutinho (Member of the Supervisory Board)

Professional Qualifications:

Attendance of the 2nd year of "Instituto Superior de Agronomia" (1952).

Entrepreneur.

Professional Activities exercised over the last five years:

Retired.

Member of the Supervisory Board of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Number of Company shares held:

He is the co-owner of 10,000 shares of TD,SA.

Date of first appointment and date of end of term of office:

Appointed for the first time on 30 November 2009 for the two-year period 2008/2011, with the current term of office ending in 2014.

Mr. Horácio Lisboa Afonso (Alternate of the Supervisory Board)

Professional Qualifications:

Licentiate degree in Finance from "Instituto Superior de Ciências Económicas e Financeiras".

Attendance of various professional specialisation courses, organised by Price Waterhouse, Deloitte, Grant Thornton, Nexia International and other entities, in Portugal and abroad, covering accounting, financial management, financial audits, computer-based audits, time management, personal skills and other specific matters of relevance for corporate governance.

Seven month internship at the Audit Department of Price Waterhouse, in London during the period from October 1978 to April 1979.

Member of the Chartered Accountants Association.

Member of the Economists Association.

Member of the Certified Accountants Association.

Professional Activities exercised over the last five years:

Founding member of "Camacho Palma & Lisboa Afonso - SROC", representative in Portugal of Nexia International, he performs the duties of Chartered Accountant in various companies, being responsible for the Review and Legal Certification of their respective accounts.

Alternate of the Supervisory Board of "TEIXEIRA DUARTE - Engenharia e Construções, S.A.".

Number of Company shares held:

He does not own any shares of TD,SA.

Date of first appointment and date of end of term of office:

Appointed for the first time on 30 November 2009 for the two-year period 2008/2011, with the current term of office ending in 2014.

II.23. Positions that the members of the Supervisory Board hold in other companies, detailing those held in other companies of the same group.

Mr. António Gonçalves Monteiro (Chairman of the Supervisory Board)

As at 31 December 2012, acting as representative of "Moore Stephens & Associados, SROC, S.A.", he performed the duties of Statutory Auditor in various companies and institutions which are not part of the Teixeira Duarte Group.

Mr. Mateus Moreira (Member of the Supervisory Board)

As at 31 December 2012, he did not perform duties in any other companies.

Mr. Miguel Pereira Coutinho (Member of the Supervisory Board)

As at 31 December 2012, he did not perform duties in any other companies.

Mr. Horácio Lisboa Afonso (Alternate of the Supervisory Board)

As at 31 December 2012, he did not hold any positions in other companies within the Teixeira Duarte Group.

In companies outside the Teixeira Duarte Group, he is:

Managing partner of "Camacho Palma & Lisboa Afonso - SROC".

Manager of "NEXIA, CPLA & Associados - SROC, Lda.".

Chairman of the Audit Committee of "Banco Espírito Santo, S.A.".

Chairman of the Supervisory Board of "PARTRAN - SGPS, S.A.".

Member of the Supervisory Board of "SOMINCOR - Sociedade Mineira de Neves-Corvo, S.A.".

II.24. Reference to the fact that the Supervisory Board assesses the external auditor on an annual basis and regarding the possibility of proposing, to the General Meeting, the dismissal of the auditor on fair grounds.

The action of the External Auditor has been assessed by all the governing bodies of TD,SA, and there have been any circumstances that could justify his dismissal on fair grounds.

The Board of Directors of TD,SA and the services under this board have assumed the commitment to ensure the existence of appropriate conditions for the provision of services by the external auditor within the Company, since the Board of Directors and its services are placed directly within the operating structure of TD,SA, and ensure that they have the necessary physical means, information and documentation in order to provide the external auditor with the appropriate conditions for the performance of its duties.

The Company's interlocutor and first receiver of the external auditor's reports is the Board of Directors, since, as was described above, this is the body which is placed directly within the company's operating structure, facilitating the communication and disclosure of information between the different bodies and entities, where under no circumstances has the independence of the auditor ever been hindered.

The Supervisory Board follows the activity exercised by the auditor, ensuring that it is informed on the procedures that are implemented and respective overall conclusions. At the end of each financial year, an appraisal is made of the annual report of the actions that have been carried out, including an overall assessment.

The remuneration of the external auditor is established by the Company's Remuneration Committee, under the terms stipulated in the Article of Association, as is the case for all the other governing bodies, and up to this date, no grounds have been found to suggest the interference of the Supervisory Board in this matter.

This model, implemented some years ago under the Teixeira Duarte Group, has proved to be appropriate to the good operation of the governing bodies and guaranteed transparency.

Points II.25, II.26, II.27, II.28 and II.29 are not applicable to TD,SA because they refer to specific matters of the General and Supervisory Board, a body that does not exist in the corporate model adopted by the Company.

Section IV - Remuneration

II.30. Description of the policy of the remuneration of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June.

The Remuneration Committee of TD,SA issued the respective remuneration policy statement relative to the members of the Management and Supervisory Bodies, which was approved at the General Meeting of this company, held on 17 May 2012, with 98.7069% of the votes in favour and 0.00007% abstentions and 1.2930% of the votes against, where the contents of this statement are reproduced below:

I. REGULATORY FRAMEWORK

Pursuant to the provisions in Law number 28/2009, of 19 June, this Committee is responsible for the annual submission, for the approval of the General Meeting, of a statement on remuneration policy of the members of the management and supervisory bodies of this Company, which should take into consideration, in addition to this diploma, the combined provisions of articles 399 of the Commercial Companies Code and 248-B of the Securities Market Code, as well as the Recommendations of the Securities Market Commission on the Governance of Listed Companies (2010).

II. SCOPE OF THE STATEMENT:

Pursuant to the adopted corporate model, the Management and Supervisory bodies of "Teixeira Duarte, S.A." are the Board of Directors, the Supervisory Board and the Chartered Accountants Firm.

Based on the statement submitted by the Board of Directors for this effect, the only employees who, while not being members of the management and supervisory bodies of "Teixeira Duarte, S.A.," have regular access to privileged information and participate in decisions on management and negotiation strategy are the members of the Board of Directors of the 100% controlled company "Teixeira Duarte - Engenharia e Construções, S.A.," in other words, Mr. Jorge Ricardo de Figueiredo Catarino, Mr. João José de Gouveia Capelão and Mr. João José do Carmo Delgado.

Hence, the present statement covers the members of the Management and Supervisory bodies of "Teixeira Duarte, S.A." as well as these three directors, who are included pursuant to number 3 of article 248-B of the Securities Market Code.

III. INTRODUCTION:

Since, under a corporate restructuring process of the Teixeira Duarte Group, in 2010, "Teixeira Duarte, S.A." succeeded "Teixeira Duarte - Engenharia e Construções, S.A." as the Group's leading company, the definition of this Remuneration Policy takes into account the historical reality and context of the subject experienced in relation to this latter company over the years. No remunerative policy or practice of other groups of companies is taken as a comparative element for the establishment of remuneration.

IV. BOARD OF DIRECTORS:

Regarding the Board of Directors, the Remuneration Committee should determine the values of the fixed and variable component of their remunerations in accordance with guidelines that link them to the performance and results of the Company as a whole, as well as the overall activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of the company 100% held by it, "Teixeira Duarte - Engenharia e Construções, S.A."

The remuneration policy and its implementation under the terms described herein should take into account the company's long term performance, compliance with the rules applicable to the company's activity, restraint in excessive risk-taking and market knowledge.

The variable amount should be established for each member of the Board of Directors as supplementary remuneration and performance bonus, where this component is totally unrelated to the evolution of the stock market price of the Company's shares, but rather depends on the evolution of corporate business, financial indicators such as net indebtedness and financial autonomy, dedication by each member to the achievement of the tasks and objectives inherent to their respective duties, as well as the net income for the year and corresponding policy on its appropriation, which has progressively favoured the reinforcement of the Company's equity and ensuring the continued and balanced distribution of dividends to shareholders.

No Director is entitled to any right to the variable component of his remuneration until its specific attribution by this Remuneration Committee. Likewise, there is no provision stipulating the possibility of the payment of the variable component taking place, totally or partially, after the calculation of the accounts for the years corresponding to the entire term of office. Furthermore, there are no mechanisms limiting the variable remuneration, in the event of the net income showing a considerable deterioration in the company's performance in the last reported year or when such is expected for the year in progress.

However, the Committee should consider whether a significant part of the variable remuneration should be deferred for a period not less than three years, and if its payment should be subject to the continued positive performance of the company over this period, where this is defined as the occurrence of at least one of the following facts:

- *Increased equity;*
- *Average EBITDA for 2012 to 2014 above the EBITDA recorded for 2011;*
- *Average Consolidated Net Income for 2012 to 2014 above the Consolidated net income for 2010.*

There will be no system for the attribution of shares or rights to acquire options on shares or any other share incentive scheme.

For the overall remuneration of the members of the Board of Directors, no sum will be paid in the form of profit-sharing.

The Directors of "Teixeira Duarte, S.A." should not receive any remuneration, of any nature, paid by companies that are in a controlling or group relationship with it.

There should not be any other relevant non-cash benefits, apart from those established by this Committee.

The members of the Board of Directors shall be paid daily allowances under the terms and of the amounts determined for all the other employees of "Teixeira Duarte – Engenharia e Construções, S.A.," namely for deployment under work for the Company.

No sums have been paid, and nor are any payments foreseen, relative to the dismissal or termination of office through agreement of Directors.

V. SUPERVISORY BOARD:

All the members of the Supervisory Board should, pursuant to the current system established in the Commercial Companies Code, receive a fixed remuneration for the performance of the duties inherent to their respective positions, determined by this Remuneration Committee, where none of these members should receive any other retribution from "Teixeira Duarte, S.A." or other company with which it was in a controlling or group relationship, in particular for any other services provided to these entities.

Likewise, and as referred to above on the Management Board, there should not be any scheme for the attribution of shares and/or rights to acquire options on shares and/or any other share incentive scheme, nor any sum paid under the form of profit-sharing, nor any other relevant non-cash benefits.

VI. CHARTERED ACCOUNTANT:

The remuneration of the Chartered Accountants Firm should be determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

In the case of "Teixeira Duarte, S.A.," this supervisory body is responsible for conducting all the examinations and verification required for the review and legal certification of the Company's accounts, for which an amount should be established in the form of an annual overall value to be paid under the terms and within the periods of time defined with the Board of Directors, according to its sensitivity and monitoring of the business and activity of this Supervisory Body.

It should be noted in particular that this same Chartered Accountants Firm also provides legal review of accounts and auditing services, exclusively of the same nature, to other entities included in the Teixeira Duarte Group, receiving the corresponding retributions from these companies, whose overall value shall be disclosed under the terms of the Law, especially through the publication of the Corporate Governance Report.

Since the Supervisory Board has played an increasingly more active role in monitoring the work of the Chartered Accountants Firm, this board should be consulted in order to issue an opinion on the establishment of the remunerations of this firm.

VII. OTHER DIRECTORS:

The three directors included under this regulation are members of the Board of Directors of the participated company "Teixeira Duarte - Engenharia e Construções, S.A.," whose elected Remuneration Committee is composed precisely of these same members as those of "Teixeira Duarte, S.A."

The rules and guidelines defined above for the members of the Board of Directors of "Teixeira Duarte, S.A." are also applicable to all of these three directors, although their remunerations, fixed and variable, are paid by "Teixeira Duarte - Engenharia e Construções, S.A."

CONCLUSION:

Therefore, it shall be based on the remuneration policy presented above that this Committee should, specifically, establish the exact values of the remunerations of the members of the indicated management and supervisory bodies of the company, in accordance with the personal opinion of their members, expressed in a deliberation drawn up in minutes and whose content is then communicated to the Board of Directors for implementation, under the strict terms defined therein.

These amounts shall be disclosed annually whenever so required by the law, especially in the Corporate Governance Reports.

To conclude, it is emphasised that many of the aspects established above seek to comply with the regulations mentioned at the beginning, and may be altered in accordance with any changes that these rules might undergo."

II.31. Indication of the annual value of the remuneration received individually by the members of the management and supervisory bodies of the company, including fixed and variable remuneration and, relative to the latter, mention of its different components, the portion deferred and portion already paid.

During 2012, the remunerations, in a broad sense, received individually by the members of this board, were as follows:

(a) The variable remuneration includes the payment of bonuses (corresponding to 318,000.00 in 2012 and 724,000.00 in 2011), as well as compensation for travel.

Board of Directors	Fixed Remuneration	Variable Remuneration (a)	Total Remuneration
Mr. Pedro Maria Calainho Teixeira Duarte	140,000.00	20,000.00	160,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	137,200.00	90,448.34	227,648.34
Mr. Joel Viana de Lemos	137,200.00	90,546.10	227,746.10
Mr. Carlos Gomes Baptista	137,200.00	85,339.09	222,539.09
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	137,200.00	103,179.20	240,379.20
	688,800.00	389,512.73	1,078,312.73

During 2012, no pension rights were acquired.

Regarding the variable component of the remuneration, it should be noted that the total amount attributed to each member of the Board of Directors included the sum indicated above in the preceding table increased by the amounts indicated in the following table, whose payments were deferred to August 2015 and conditional to the positive performance of the Company over the financial years of 2012 to 2014:

Board of Directors	Variable Remuneration (Bonuses)		
	Paid 2012	Deferred	Total
Mr. Pedro Maria Calainho Teixeira Duarte	20,000.00	25,000.00	45,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	60,000.00	90,000.00	150,000.00
Mr. Joel Viana de Lemos	88,000.00	90,000.00	178,000.00
Mr. Carlos Gomes Baptista	70,000.00	90,000.00	160,000.00
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	80,000.00	90,000.00	170,000.00
	318,000.00	385,000.00	703,000.00

All the members of the Supervisory Board receive, under the current system established in the Commercial Companies Code, and as determined by the Remuneration Committee, fixed remunerations for the performance of the duties inherent to their respective positions.

Thus, during 2012, the remunerations received by the members of the Supervisory Board of TD,SA were distributed as follows:

Supervisory Board	Fixed Remuneration	Variable Remuneration	Total Remuneration
Mr. António Gonçalves Monteiro	30,000.00	0.00	30,000.00
Mr. Mateus Moreira	18,000.00	0.00	18,000.00
Mr. Miguel Carmo Pereira Coutinho	18,000.00	0.00	18,000.00
	66,000.00	0.00	66,000.00

The total value paid to the Chartered Accountants Firm "MARIQUITO, CORREIA & ASSOCIADOS – SROC" was:

	Remuneration
Legal accounts review services for the Group	279,400.00
Other reliability assurance services	-
Tax consulting services	-
Services other than accounts legal review services	-
	279,400.00

All the values listed above relative to the remuneration of the members of the Supervisory Board and Chartered Accountants Firm were paid during 2012, therefore there are no portions whose payment is deferred over time.

II.32. Information on how the remuneration is structured so as to permit the alignment of the interests of the members of the management board with the long-term interests of the company, as well as on how it is based on the assessment of performance and discourages excessive risk taking.

In addition to the obligations inherent to the performance of the actual duties, the remuneration of the Directors also, complementarily, acts to meet the alignment of their interests with those of the Company. Indeed, the remuneration is determined by this Committee elected at the General Meeting, which establishes these values in accordance with guidelines related to the performance and results of the Company as a whole, as well as the overall activity of the management board, relative to the defined objectives, taking into account the conditions and amounts of the remunerations of the other employees of the Company.

On this issue, the points noted above should be recalled, regarding the variable component of the remuneration of the directors, where the total amount attributed to each director included a sum above 50% whose payment was deferred to July 2014 and "conditional to the positive performance of the Company over the financial years of 2011 to 2013":

II.33. Regarding the remuneration of the executive Directors:

Reference to the fact that the remuneration of the executive Directors includes a variable component and information on how this component depends on the assessment of performance;

The payment of the Directors includes a variable component, which is unrelated to the evolution of the stock market prices of the Company's shares, but rather, dependant on the net income for the year and development of corporate business.

In spite of the point made above (II.32.) on the deferral of the payment of part of the variable component attributed by the Remuneration Committee, it is important to note that no Director is entitled to any right to the variable component of his remuneration until a specific allocation is made by the Remuneration Committee, under the terms and on the grounds established by this committee.

Indication of the governing bodies which are competent to carry out the assessment of the performance of the executive Directors;

The competent body for the assessment of the performance of the Company's Directors, all of whom are executive, is the General Meeting, which, under the terms of number 1 of article 376 of the Commercial Companies Code, carries out an annual general assessment of the management and supervision of the Company.

Moreover, the Remuneration Committee assesses the activity developed by each Director for the purpose of establishing the respective remuneration.

Indication of the predetermined criteria for the assessment of the performance of the executive Directors;

There are no predetermined criteria for the assessment of the performance of the Executive Directors. Indeed, all the Directors are assessed in accordance with their respective performance during the year, based on fixed and achievable objectives, the Company's net income and various other parameters which, due to their diversity and variation over the years, are not to be considered exhaustive but rather adaptable to the circumstances of each period and each specific situation, pursuant to the remuneration policy approved annually at the General Meeting.

Even so and relative to the variable component of the remuneration of the members of the Board of Directors, their payments in July 2014 were "conditional to the positive performance of the Company over the financial years of 2011 to 2013".

Detailed explanation of the relative importance of the variable and fixed components of the remuneration of the Directors and indication of the ceilings for each component;

In 2012, the total value of the variable remunerations paid represented 36.1% of the total value received.

As noted in a), the variable component of the remuneration of Director depends on the net income for the year and the development of corporate business. Therefore, there is no ceiling for each component, but rather an attribution in conformity with the parameters identified above and the assessment of the performance and execution of the respective duties by each Director.

Indication of the deferral of the payment of the variable component of the remuneration, mentioning the period of deferral;

The payments of the sums of the variable component indicated above in table 2 were deferred to July 2014 and are "conditional to the positive performance of the Company over the financial years of 2011 to 2013".

Explanation on how the payment of the variable remuneration is subject to the continuation of the positive performance of the company over the period of deferral;

The payments of the sums of the variable component indicated above in table 2 were deferred to July 2014 and are "conditional to the positive performance of the Company over the financial years of 2011 to 2013".

It should be noted that the payment of the variable component of the remuneration of the members of the Board of Directors has been intrinsically dependent on the net income for the year and development of corporate business. In this regard, it is important to remember that the Directors of TD,SA have been "in-house people" for dozens of years, and that their remunerations are placed in the context of a general plan covering all the employees. They are neither managers who have come from other companies or groups, nor do they represent personal interests of shareholders.

Sufficient information on the criteria underlying the attribution of variable remuneration in shares as well as on the holding, by the executive directors, of company shares to which they have had access, on any signing of any contracts relative to these shares, namely, hedge or risk transfer contracts, their respective limit, and their relation to the value of the annual total remuneration;

Not applicable. The variable retribution is not attributed in shares and no contracts have been signed with the characteristics described above.

Sufficient information on the criteria underlying the attribution of variable remuneration in options and indication of the deferral period and price for exercise of the option;

Not applicable. The variable retribution is not attributed through options.

Identification of the main parameters and grounds of any system of annual bonuses and any other non-cash benefits;

As noted above, the Remuneration Committee takes into consideration, apart from the performance of the Directors, the net income of the Company as a whole, as well as the overall activity of the management board, compared with the defined objectives, taking into account the conditions and values of the remunerations of the other employees of the Company.

Furthermore, no relevant non-cash benefits were attributed to the Directors of the Company.

Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for the award of such

bonuses and/or profit-sharing;

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

The members of the Board of Directors are paid a sum as a performance bonus and distribution of profit, as deliberated by the Remuneration Committee which shall consider their performance.

Compensation paid or owed to former executive Directors relative to their termination of office during the financial year;

No compensation has been paid, or is owed, to any former executive Directors relative to their termination of office during the financial year. Furthermore, it should be noted that the Directors who terminated office during 2012 were not paid any compensation, nor is anything owed in that regard.

Reference to the contractual limit established for the compensation payable for the unfair dismissal of a Director and its relationship with the variable component of the remuneration;

There is no contractual limit established for the compensation payable for the unfair dismissal of a member of the Board of Directors, considering, firstly, that no contract was signed for the performance of the duties of the position of Director, nor is any agreement signed on any possible compensation payable for fair or unfair dismissal. The existence of a contractual limit under the terms referred to above would be incoherent, in view of the characteristics of the existing relationship between the Company and the members of its Management board.

The same applies to the existence of appropriate legal instruments so that the compensation established for any form of unfair dismissal is not paid if the dismissal or termination by agreement is due to the inadequate performance of the Director.

Amounts paid, for any reason, by other companies in a controlling or group relationship;

During 2012, the members of the Board of Directors did not receive any remuneration, of any nature, paid by other companies that are in a controlling or group relationship with TD,SA.

Description of the main characteristics of supplementary pension or early retirement schemes for Directors, indicating if they were, or not, subject to the assessment of the General Meeting;

Regarding any retired former Directors, it should be mentioned that the Remuneration Committee is responsible for establishing all the amounts paid in this context, under all circumstances.

As to the attribution of supplementary pension schemes, the actual Articles of Association establish, in article 22, transcribed below, the terms and criteria on which the Remuneration Committee should base the establishment of such amounts:

ARTICLE TWENTY-TWO

ONE - When people who have performed duties as Directors cease to hold office, the Company may grant them a retirement pension for life, whenever they meet one of the following requirements:

- a) Have held that position in this Company for over ten years, counting, for the effect, the years of service under the same position at "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";*
- b) Have provided, even with a shorter period of holding this position, a total of over twenty-five years of service to this Company, counting, for the effect, the years of service at "TEIXEIRA DUARTE - Engenharia e Construções, S.A.";*

TWO - The value of this pension will be determined taking into consideration the time or relevance of the services provided and the situation of the beneficiary, and should be reviewed on an annual basis but can never be greater than the highest remuneration received any given time by the permanent Directors.

THREE - Through delegation of the General Meeting, hereby established, the Remuneration Committee referred to in Article Eleven will be responsible for the assessment of the cases submitted to it and establishing the values and other procedures for the award of pensions.

Estimate of the value of any relevant non-cash benefits considered as remuneration not covered in the previous situations;

There are no other relevant non-cash benefits, apart from those established by this Committee and listed above.

Existence of mechanisms preventing Directors from signing contracts which place in question the underlying rationale of the variable remuneration;

There are no mechanisms of this type, in view of the relationship between the Company and its Directors and the absence of any contractual binding that might place in question the underlying rationale of the variable remuneration, beyond the fact that this component of the remuneration is not attributed based on predetermined criteria, as described above.

II.34. Reference to the fact that the remuneration of the non-executive Directors of the management board does not include variable components.

Not applicable, considering that there are no non-executive Directors.

II.35. Information on the policy on the communication of irregular practices adopted by the company (means of communication, persons with legitimacy to receive the communications, treatment to be made of the communications and indication of the persons and bodies with access to the information and respective intervention in the procedure).

Regarding the policy of communication of irregularities which have allegedly occurred, the Company encourages its employees to provide information, through the means they deem convenient - direct contact, written document, e-mail or telephone - to the respective hierarchies of any detected irregularities. The persons with legitimacy to receive these communications are the respective hierarchical senior staff.

Whenever deemed appropriate to the correct establishment of the facts and responsibilities inherent to their practice, the corresponding proceedings or enquiries are initiated, also safeguarding the necessary confidentiality of the communication when requested by the declarant or deemed convenient by the receiver, without prejudice to this not being followed if the persecution is revealed to be of no value to the organisation.

The proceedings are monitored by the person responsible for the department where the alleged irregularity has occurred, using people who are not involved in the situation in question and, if deemed appropriate, followed by lawyers and the Central Department for Human Resources and Administrative Services.

The proceedings are subject to the decision of the hierarchies involved, which shall be reported to the Board of Directors and any other entities to which it is mandatory that this communication must be made.

In addition to the abovementioned rules and especially from the point of view of the other stakeholders, an Investor Support Office is also available for the reporting of any possible irregularities, and likewise the Company's supervisory bodies, that is, the Supervisory Board and the Chartered Accountants Firm.

SECTION V - SPECIALISED COMMITTEES

II.36. Identification of the members of the committees constituted for the effects of the assessment of the individual and overall performance of the executive Directors, reflection on the system of governance adopted by the company and identification of potential candidates with the profile for the position of Director.

As described in II.2, as a result of the organisational and functional model established for the different governing bodies, it was not considered appropriate to create any committees for the effect of the assessment of the individual and overall performance of the executive Directors, reflection on the system of governance adopted by the company and identification of potential candidates with the profile for the position of Director.

II.37. Number of meetings of the committees constituted with competence in management and supervisory matters during the financial year in question, and reference to the drawing up of the minutes of these meetings.

Not applicable (see II.2. and II.36.).

II.38. Reference to the fact of a member of the remuneration committee having knowledge and experience on matters of remuneration policy.

Currently, the Remuneration Committee is composed of the following persons, elected at the General Meeting of 20 May 2011, to perform duties during the term of office 2011/2014:

Mr. Pedro Maria Calainho Teixeira Duarte

Mr. António Carlos Calainho de Azevedo Teixeira Duarte

Mrs. Maria da Conceição Maia Teixeira Duarte

Mr. Pedro Maria Calainho Teixeira Duarte is not considered independent in relation to the members of the Board of Directors, since he is also the Chairman of this management body.

Since TD,SA is controlled by companies held by members of the Teixeira Duarte family, it is natural that they are part of the Remuneration Committee. Traditionally and during decades, this has been the practice and always in conformity with the current rules and recommendations

on the remuneration of the members of the Management Board established by the CMVM, hence there are no reasons to change this.

It is important to stress that this is a Company which, following the example of the Group's former holding company (TEIXEIRA DUARTE - Engenharia e Construções, S.A.), with its own specific way of acting and its distinctive business image, has adopted a very particular way of being, a healthy management policy, that, amongst the public and market has been recognised as such.

Mr. Pedro Maria Calainho Teixeira Duarte and Mr. António Carlos Calainho de Azevedo Teixeira Duarte have knowledge and experience on matters of remuneration policy, taking into account that they performed these duties for several years in other companies.

Whenever a meeting of the Remuneration Committee is held, minutes are drawn up which are then transcribed to the corresponding Book and filed in the Company's vaults.

All the members of the Remuneration Committee were present at the two General Meetings of TD,SA during 2012, held on 17 May and 19 October.

II.39. Reference to the independence of the natural or legal persons contracted by the Remuneration Committee through a work or service contract relative to the board of directors as well as, when applicable, to the fact that these persons are currently connected to a consultant of the company.

No natural or legal persons were contracted for the Remuneration Committee or to support the Remuneration Committee in the performance of its duties.

CHAPTER III

Information and Audits

Always guided by a philosophy of sobriety, accuracy and honesty, the Company discloses to the public, in a complete, true, current, clear, objective and licit manner, within the periods of time and through the established means of disclosure, not only all the facts defined legally as capable of being disclosed, namely those falling under the scope of "privileged information", in accordance with the definition presented in article 248 of the Securities Market Code, as well as all the financial information and information relative to the activity under the terms determined by the rules in force, both at an individual and consolidated level.

In addition to the Investor Support Office referred to below, all the shareholders have access, under the terms and within the legal periods of time, the accounts and other preparatory information enabling them to participate, duly qualified, in the work of the General Meetings of the Company.

Pursuant to the provisions in article 5 of CMVM Regulation number 1/2010, TD,SA has its own website, with the domain www.teixeiraduarte.pt, presenting the information defined in this Regulation, that is:

- a) The corporate name, quality as an open corporation, head office and other elements mentioned in article 171 of the Commercial Companies Code;

- b) Articles of Association;
- c) Identity of the members of the governing bodies and of the representative for market relations;
- d) Investor Support Office, respective duties and contacts;
- e) Documents presenting the accounts, which should be accessible for at least five years;
- f) Six-monthly calendar of corporate events, disclosed in the beginning of each semester, including, amongst others, general meetings, disclosure of the annual, six-monthly and, when applicable, quarterly accounts;
- g) Proposals presented for discussion and voting at the general meeting, with the time in advance established in the Law; and
- h) Notices of general meetings, with the time in advance established in the Law.

For the effect of the applicable recommendations, the elements described above are also provided in English.

III.1. Structure of the share capital, including indication of non-tradable shares, different categories of shares, their inherent rights and duties and percentage of share capital that each category represents.

Through deliberation of the General Meeting of 19 October 2012, the 420,000,000 shares representing the share capital henceforth have the nominal value of EUR 0.50, with all continuing to be in book entry form, nominative and listed for trading on regulated markets. The shares belong to a single category and there are no shares with special rights or duties.

Following the above, the share capital of TD,SA thus became EUR 210,000,000, which is maintained up to the present date.

III.2. Qualifying holdings in the share capital of the issuer, calculated under the terms of article 20 of the Securities Market Code.

As at 31 December 2012, the qualifying holdings, calculated under the terms of article 20 of the Securities Market Code, were as follows:

- TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A. was imputed a total holding of 224,512,034 shares, corresponding to 53.46% of the share capital and voting rights, which includes the qualifying holding held by it directly (47.13%).
- Banco Comercial Português, S.A. was imputed a total holding of 42,000,216 shares, corresponding to 10.0001% of the share capital and voting rights, including the qualifying holding owned by the Pensions Fund of the Banco Comercial Português Group (9.9999%);
- Mr. Miguel Calainho de Azevedo Teixeira Duarte was imputed a total holding of 41,988,994 shares, corresponding to 9.997% of the share capital and voting rights, including the qualifying holding held by the company controlled indirectly by him, CIMILE - Sociedade Gestora de Participações Sociais, S.A. (9.20%).

III.3 Identification of shareholders with special rights and the description of these rights.

There are no shareholders with special rights.

III.4. Any restrictions to the transferability of shares, such as clauses of consent for disposal or limits to the ownership of shares.

There are no restrictions to the transferability of shares, namely clauses of consent for disposal or limits to the ownership of shares.

III.5. Shareholders' agreements that are known to the company and might lead to restrictions on matters of the transfer of securities or voting rights.

As far as the Company knows, there are no agreements between shareholders, namely those which might lead to restrictions on matters relative to the transfer of securities or voting rights.

III.6. Rules applicable to the alteration of the articles of association.

There are no specific rules for any alterations to the Articles of Association, with the general rules established in the Commercial Companies Code being applicable, in particular the provisions in articles 85, 383, number 2 and 386.

III.7. Control mechanisms established for any system of participation of the workers in the share capital to the extent that voting rights are not exercised directly by them.

There is no system of participation of the workers in the share capital, therefore there is no justification for the existence of control mechanisms to the extent that the voting rights are not exercised directly by them.

III.8. Description of the evolution of the stock market prices of the shares of the issuer, taking into account, namely:

- a) **The issue of shares or other securities extending entitlement to the subscription or acquisition of shares;**
- b) **The announcement of results;**
- c) **The payment of dividends made by category of shares, indicating the net value per share.**

During 2012, the share price appreciated by 52.38%, having risen from EUR 0.21 as at 31 December 2011, to EUR 0.32 as at 31 December 2012.

Regarding liquidity and turnover during this year, 20,842,938 shares were traded on the stock exchange, with a total turnover of EUR 4,955,391.

The graph below shows the evolution of the stock market share prices during 2012:



As at 31 December 2012, the share price stood at EUR 0.32 and, today, 29 April 2013 it is EUR 0.45.

III.9. Description of the policy on the distribution of dividends adopted by the company, identifying, namely, the value of the dividend per share distributed over the last three financial years.

The Company's policy is to prioritise the reinforcement of the company's equity, while at the same time ensuring a continued and balanced distribution of dividends.

In 2010, the gross value of the dividend distributed was EUR 0.01 per share.

In 2011, the gross value of the dividend distributed was EUR 0.015 per share.

For 2012 and since the company calculated negative net income, which was fully transferred to retained earnings, there was no distribution of any dividend.

For 2013, the Board of Directors proposed the distribution of dividends of the gross value of EUR 0.015 per share.

III.10. Description of the main characteristics of the plans to attribute shares and of the plans to attribute share purchase options which have been adopted or were in force during the financial year in question, namely, justification for the adoption of the plan, category and number of beneficiaries of the plan, conditions of attribution, clauses on the inability to dispose of shares, criteria relative to the price of the shares and agreed price for the exercise of options, period during which the options can be exercised, characteristics of the shares to be attributed, existence of incentives for the acquisition of shares and/or exercise of options and competence of the management board to implement or modify the plan.

Indication of:

The number of shares required for the exercise of the attributed options and of the number of shares required for the exercise of options which can be exercised, with reference to the beginning and end of the year;

The number of options attributed, able to be exercised and extinguished during the year:

The assessment at the general meeting of the characteristics of the plans which were adopted or were in force during the financial year in question.

As described in I.17., there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares. Some years ago, and in relation to the Group's former leading company, TEIXEIRA DUARTE - Engenharia e Construções, S.A., depending on the circumstances and economic environment, there were reference shareholders who provided a certain number of shares to be assigned to the staff members of this Company under defined periods of time and at specified prices. However, regarding TD,SA and relative to the year under review, there were no such operations.

III.11. Description of the main elements of the businesses and operations carried out between, on the one hand, the company and, on the other hand, members of its management and supervisory bodies or companies in a controlling or group relationship with it, provided that they are significant in economic terms for any of the parties involved, except with respect to businesses or operations which, cumulatively, are carried out under normal market conditions for similar operations and are part of the current activity of the company.

No businesses or operations with the characteristics described above were undertaken.

III.12. Description of the fundamental elements of the businesses and operations carried out between the company and owners of qualifying holdings or entities that are in any relationship with it, under the terms of article 20 of the Securities Market Code, outside of normal market conditions.

No businesses or operations with the characteristics described above were undertaken.

III.13. Description of the procedures and criteria applicable to the intervention of the supervisory body for the effects of the prior assessment of transactions to be carried out between the company and owners of the qualifying holdings or entities which are in any relationship with it, under the terms of article 20 of the Securities Market Code.

There are no procedures and criteria under the terms mentioned above since the type of operations carried out between the Company and owners of qualifying holdings are of a current character and for the performance of the activity, namely for financing by Banco Comercial Português, S.A., which is considered to be a matter of the exclusive responsibility and competence of the Board of Directors and which, naturally, concerns operations carried out under normal market conditions, whereby it is deemed inappropriate to subject these transactions to the prior opinion of the supervisory bodies.

III.14. Description of the statistics (number, average value and maximum value) relative to the transactions subject to the prior intervention of the supervisory body.

As described in the preceding point, there are no transactions subject to the prior intervention of the supervisory body.

III.15. Indication of the provision, on the company's website, of the annual reports on the activity developed by the general and supervisory board, financial matters committee, audit committee and supervisory board, including indication of any constraints encountered, together with the documents presenting the accounts.

Under the terms and for the effect of the CMVM Recommendations on this matter, and as described above in II.4, the Annual Reports on the activity developed by the Supervisory Board, including the description of the supervisory activity developed and referring to any constraints encountered, have been disclosed every year on the Company's website, together with the documents presenting the accounts, always in observance of the rules and periods of time established in the Law and other applicable regulations.

III.16. Reference to the existence of an Investor Support Office or other similar service, indicating:

- a) **Duties of the Office;**
- b) **Type of information provided by the Office;**
- c) **Forms of access to the Office;**
- d) **The company's website;**
- e) **Identification of the representative for market relations.**

In order to reinforce the policy of disclosure of information referred to above, with a view to ensuring strict compliance with the principle of equality among shareholders and for the purpose of preventing any asymmetries in access to information on the part of investors, the Company has an Investor Support Office, which operates directly under Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte, Director with this area of responsibility, also including Mr. José Pedro Cobra Ferreira, Investor's Relations, duly registered at the CMVM.

All the information required by investors and available under the rules, regulations and other applicable directives is provided by this Office and may be accessed through the following means of communication:

Address: Lagoas Park, Edifício Dois, 2740-265, Porto Salvo, Oeiras

Telephone: + 351 217 912 415

Fax.: + 351 217 912 421

E-mail: representantemercado@teixeiraduarte.pt

III.17. Indication of the value of the annual remuneration paid to the auditor and to other natural or legal persons belonging to the same network supported by the company or by legal persons in a controlling or group, as well as details of the percentage relative to the following services:

- a) **Legal accounts review services;**
- b) **Other reliability assurance services;**
- c) **Tax consulting services;**
- d) **Services other than accounts legal review services.**

If the auditor provides any of the services described in subparagraphs c) and d), a description should be made of the means to safeguard the independence of the auditor.

(For the effect of this information, the concept of network is as defined in European Commission Recommendation number C (2002) 1873, of 16 May.)

The External Auditor should, under its competences, verify the application of the remuneration policies and systems, the effectiveness and operation of the internal control mechanisms and report any flaws to the company's supervisory board, pursuant to the provisions in CMVM Recommendation number III.1.4.

It should also be noted that neither the External Auditor, nor any other entities in a holding relationship or which are part of the same network, provide TD,SA any services other than audit services.

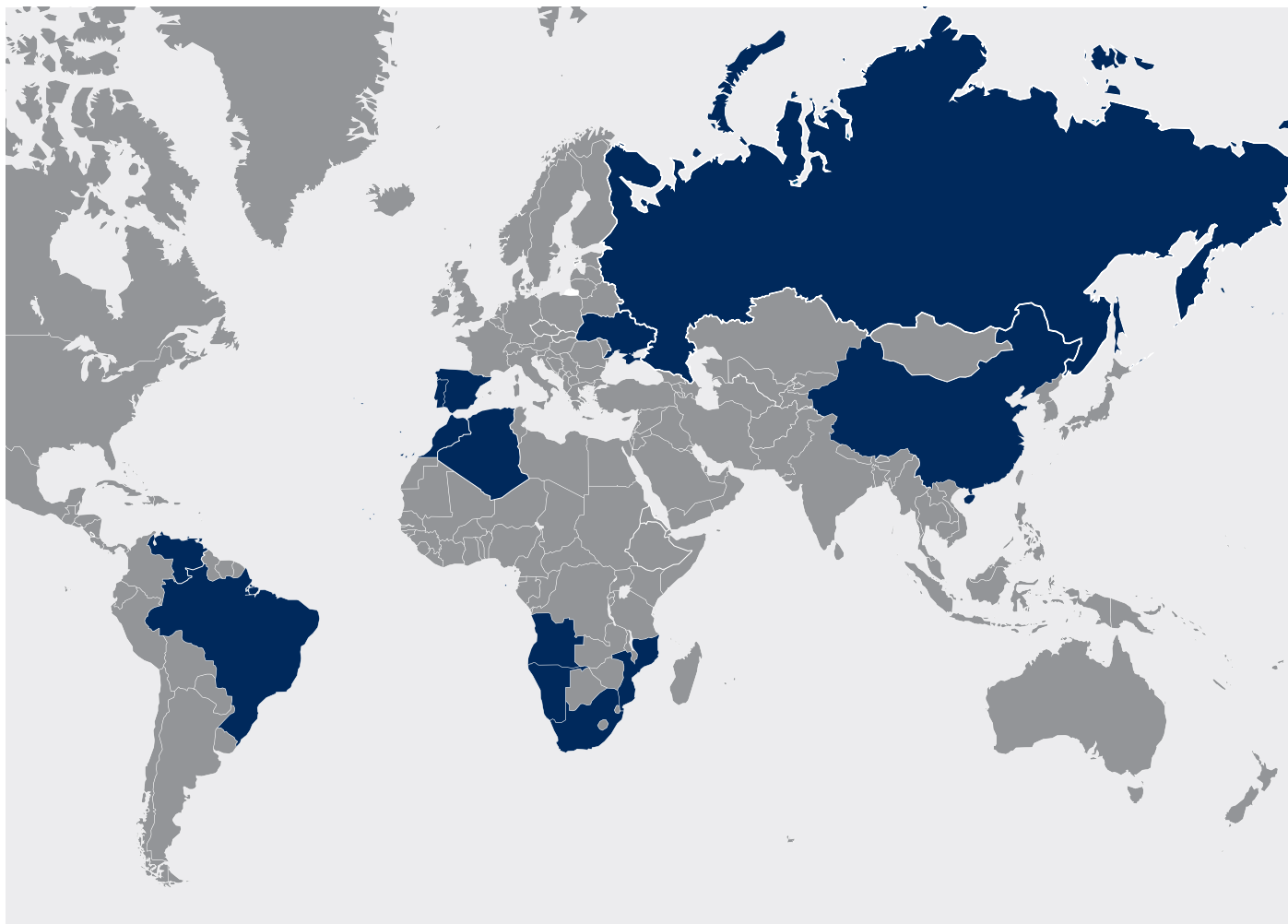
The retribution of the Chartered Accountants Firm is determined in accordance with the volume and quality of the services provided in the context of the duties entrusted under the terms of the Law and Articles of Association.

For the specific purposes of the applicable rules, we disclose that, during the year that has now ended, the auditor "MARIQUITO, CORREIA & ASSOCIADOS, SROC" and other natural and legal persons belonging to the same network supported by the Company and/or by legal persons in a controlling or group relationship, were paid the total value of EUR 279,400, relative to the only services provided, that is, Legal Review of Accounts and Audit services.

III.18. Reference to the rotation period of the External Auditor.

The External Auditor was elected at the General Meeting of 20 May 2011 to perform duties during the four-year period 2014/2010. Although the Chartered Accountants Firm MARIQUITO, CORREIA & ASSOCIADOS, SROC had previously performed the duties inherent to the position of Permanent Statutory Auditor of various companies of the Teixeira Duarte Group, namely at TEIXEIRA DUARTE - Engenharia e Construções, S.A., the truth is that such circumstances in no way affect its independence in the performance of the respective duties.

The issue of the rotation of the external auditor is irrelevant, since the external auditor is currently performing its second term of office.



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