



**CORPORATE  
GOVERNANCE REPORT**

**2013**



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Corporate  
Governance Report **2013**

# 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 509.234.526 at Cascais Commercial Register (Oeiras)

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# Teixeira Duarte, S.A.

## **BOARD OF THE GENERAL MEETING**

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
	Mr. Jorge Ricardo de Figueiredo Catarino

## **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**

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

## **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. João José de Gouveia Capelão
	Mr. João José do Carmo Delgado
	Mr. Fernando Paulo Baptista Gomes de Araújo
	Mr. Pedro Miguel Pinho Plácido
	Mr. Luís Augusto Tavares Moreira da Silva

## **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 2013

## BOARD OF DIRECTORS

### Adviser to the Board of Directors

Mr. António Costeira Faustino

### Markets

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

### Corporate Centre

#### Central Departments

<b>Juridical</b>
Mrs. Maria António Ambrósio
<b>Management Systems and Technology</b>
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  
Mr. Sérgio Castro

#### 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  
Mr. António Diniz

##### Edifications

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

##### Infrastructures

Mr. Sampayo Ramos  
Mr. Sousa Barros  
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

▪ **SOMAFEL, S.A.**  
Mr. Magalhães Gonçalves  
Mr. Paulo Serradas

##### Maritime Works

▪ **OFM, S.A.**  
Mr. Magalhães Gonçalves  
Mr. Paulo Serradas

##### 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

#### Hotel Services

Mr. Manuel Maria Teixeira Duarte  
Mr. Luís Vicente

#### Distribution

Mr. Diogo Rebelo  
Mr. Manuel Lopes

#### Energy

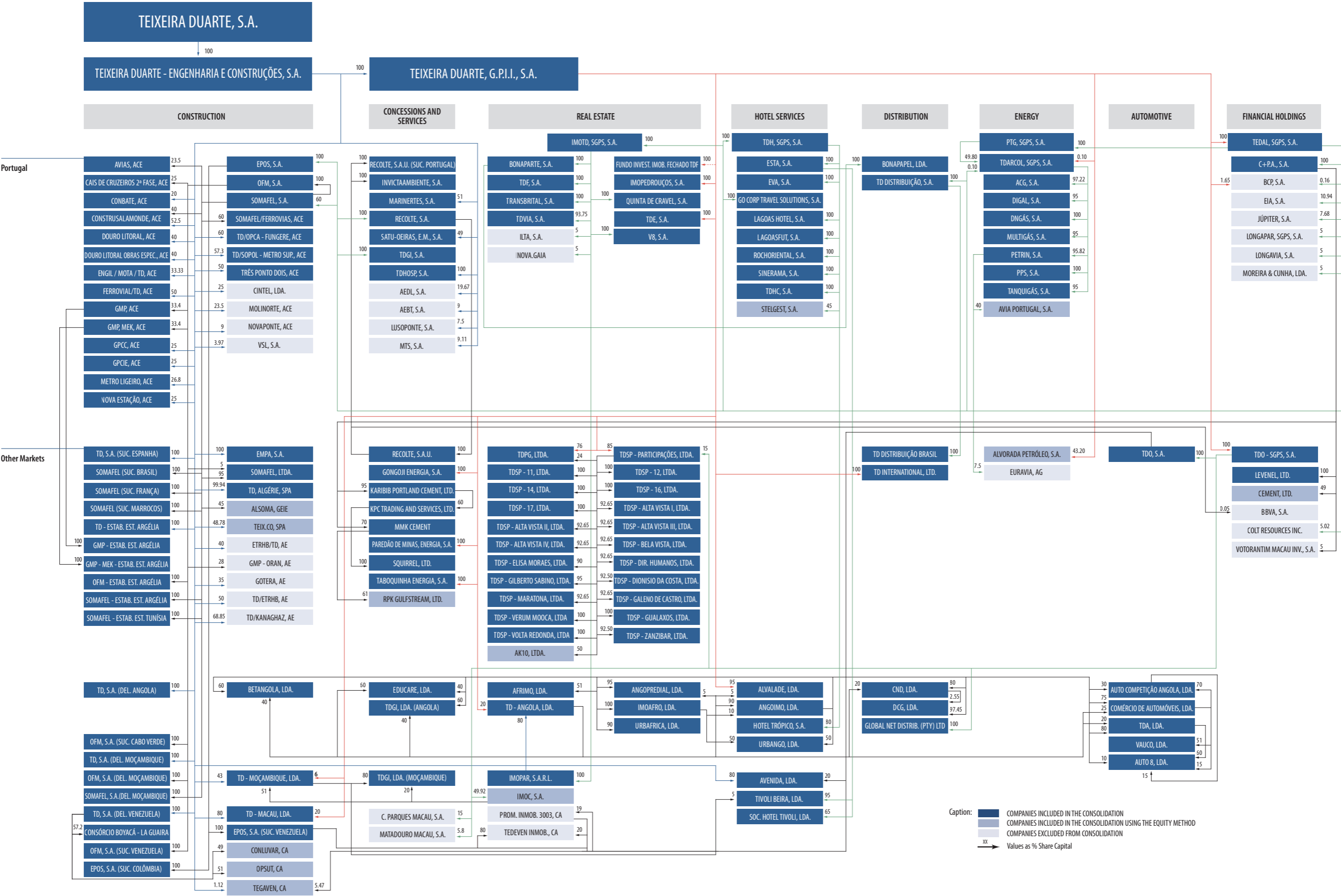
Mr. Artur Caracol

#### Automotive

Mr. Diogo Rebelo  
Mr. Silva Pereira



# TEIXEIRA DUARTE GROUP 2013



## **PART I - INFORMATION ON SHAREHOLDER STRUCTURE, ORGANISATION AND CORPORATE GOVERNANCE**

### **A. SHAREHOLDER STRUCTURE**

#### **I. CAPITAL STRUCTURE**

**1. Capital structure (share capital, number of shares, distribution of the capital by the shareholders, etc.), including indication of shares not listed for trading, different categories of shares, their inherent rights and duties and percentage of share capital represented by each category (article 245-A, number 1, subparagraph a)).**

The share capital of the TD,SA, of the total value of € 210,000,000.00 (two hundred and ten million euros) is represented by 420,000,000 shares with the nominal value of € 0.50 (fifty euro cents) each.

The shares are all ordinary, book entry, registered and listed for trading in regulated markets (NYSE EURONEXT LISBON). The shares belong to a single category, each corresponding to one vote, and there are no shares with special rights or duties.

**2. Restrictions to the transferability of shares, such as clauses of consent for disposal or limits to the holding of shares (article 245-A, number 1, subparagraph b)).**

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

**3. Number of own shares, corresponding percentage share capital and percentage voting rights to which the own shares would correspond (article 245-A, number 1, subparagraph a)).**

There are no own shares.

**4. 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 following a public take-over bid, as well as the respective effects, unless, due to their nature, their disclosure would be seriously harm the company, unless the company is specifically obliged to disclose this information due to other legal requirements (article 245-A, number 1, subparagraph j)).**

There are no agreements with these characteristics.

**5. Regime to which the renewal or revocation of defensive measures is subject, in particular those establishing limitation of the number of votes which may be held or exercised by a single shareholder, individually or in concertation with other shareholders.**

There is no statutory provision nor have any defensive measures been adopted establishing limitation of the number of votes which may be held or exercised by a single shareholder, individually or in concertation with other shareholders.

Consequently, the provisions in the present rule and in Recommendation number I.4 are not applicable to TD,SA.

## **6. Shareholders' agreements that are known to the company and might lead to restrictions on matters of the transfer of securities or voting rights (article 245-A, number 1, subparagraph g)).**

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.

It should also be noted, for the effect of Recommendation number I.5 of the Corporate Governance Code of the CMVM, that no measures have been adopted whose effect is to demand payments or the assumption of costs by TD,SA in the event of transfer of control or change of the composition of the management board, and which might jeopardise the free transferability of shares and the free assessment by the shareholders of the performance of members of the management board.

## **II. SHARES AND BONDS HELD**

### **7. Identification of the natural and legal persons who, directly or indirectly, hold qualifying stakes (article 245-A, number 1, subparagraphs c) and d) and article 16), with detailed indication of the percentage share capital and votes imputable and the source and causes of imputation.**

It is disclosed that, as at 31 December 2013, the qualifying holdings, calculated under the terms of article 20 of the Securities Market Code, were as follows:

1. **TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM – with which it disagrees in relation to the matter presented in subparagraph d) below –, a qualifying holding in the share capital and voting rights of the company TEIXEIRA DUARTE, S.A. of 222,722,034 (two hundred and twenty-seven million eight hundred and twelve thousand and thirty-four) shares, corresponding to **53.03%** of the share capital and respective voting rights, as a result of:
  - a) 197,950,000 shares held **directly** by it, corresponding to **47.13%** of the share capital and voting rights;
  - b) 5,800,000 shares held by its participated company NGDI – Gestão e Investimento Imobiliário, S.A., corresponding to 1.38% of the share capital and voting rights;
  - c) 9,552,400 shares held by the members of the Board of Directors of TEIXEIRA DUARTE – Sociedade Gestora de Participações Sociais, S.A., corresponding to **2.27%** of the share capital and voting rights (none of whom, individually, reach any qualifying holding);
  - d) 9,419,634 shares owned by members of the Board of Directors of NGDI – Gestão e Investimento Imobiliário, S.A. who are not members of the Board of Directors of the company indicated in subparagraph c) above, corresponding to 2.24% of the share capital and voting rights (none of whom, individually, reach any qualifying holding), with this imputation having been made in conformity with the interpretation of the CMVM, where there is disagreement.

2. **Mr. Miguel Calainho de Azevedo Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of a de 42,096,542 shares, corresponding to **10.149%** of the share capital and voting rights, as a result of:
  - a) 33,000 shares held directly by him, corresponding to 0.008% of the share capital and voting rights;
  - b) 42,593,620 shares held by the company controlled directly by him **MIDINVEST, S.G.P.S., Sociedade Unipessoal, Lda.**, corresponding to **10.141%** of the share capital and voting rights.
  
3. **Banco Comercial Português, S.A.** is imputed, under the terms of the provisions in article 20 of the Securities Market Code and in conformity with the interpretation of the CMVM, the qualifying holding of 42,000,216 shares, corresponding to **10.0001%** of the share capital and voting rights as a result of:
  - a) 500 shares held by Banco Comercial Português, S.A., corresponding to 0.0001% of the share capital and voting rights;
  - b) 41,999,716 shares held by the **Pensions Fund of the Banco Comercial Português Group** corresponding to **9.9999%** of the share capital and voting rights\*.
  
4. **Mr. Pedro Pereira Coutinho Teixeira Duarte** is imputed, under the terms of article 20 of the Securities Market Code, the qualifying holding of 10,300,000 shares, owned directly by him, corresponding to **2.45%** of the share capital and voting rights.

## 8. Identification of the number of shares owned by members of the management and supervisory bodies.

**[NOTE: the information should be provided in order to comply with the provisions in number 5 of article 447 of the Commercial Companies Code]**

TD,SA presents, below, the list of shares issued by the Company and by companies with which it is in a controlling or group relationship, held by members of the governing bodies, as well as all the acquisitions, encumbrances or transfers during 2013, specifying the amount, date of the fact and consideration paid or received.

I. Number of shares held by Members of the Governing Bodies as at 31 December 2012:

Name	Capacity	Nr. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(a) 3,612,550
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
Joel Vaz Viana de Lemos	Director	433,862
Carlos Gomes Baptista	Director	25,634
Diogo Bebiano Branco de Sá Viana Rebelo	Director	31,160
Jorge Ricardo de Figueiredo Catarino	Director	180,000
António Gonçalves Monteiro	Chairman of the Supervisory Board	-
Mateus Moreira	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(b) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiares Cobra Ferreira	Secretary of the Board of the General Meeting	-
Mariquito, Correia & Associados, SROC	Chartered Accountant	-

\* Through communication received from "Banco Comercial Português, S.A." on 8 February 2007, it was indicated that the holding company of the Pensions Fund of the BCP Group exercises its voting rights in an independent manner.

II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2013:

Name	Transaction	Company	Date	Nr. of Shares	Price per Share
Carlos Gomes Baptista	Acquisition	Teixeira Duarte, S.A.	17-Jun-13	37,037	0.54€
Pedro Maria Calainho Teixeira Duarte	Sale	Teixeira Duarte, S.A.	15-Oct-13	(c) 2,400,000	Exchange for TD-SGPS shares

III. Number of shares held by Members of the Governing Bodies as at 31 December 2013:

Name	Company	Nr. of Shares
Pedro Maria Calainho Teixeira Duarte	Chairman of the Board of Directors	(d) 1,212,550
Manuel Maria Calainho de Azevedo Teixeira Duarte	Director	5,149,575
Joel Vaz Viana de Lemos	Director	433,862
Carlos Gomes Baptista	Director	62,671
Diogo Bebiano Branco de Sá Viana Rebelo	Director	31,160
Jorge Ricardo de Figueiredo Catarino	Director	180,000
António Gonçalves Monteiro	Chairman of the Supervisory Board	-
Mateus Moreira	Member of the Supervisory Board	-
Miguel Carmo Pereira Coutinho	Member of the Supervisory Board	(e) 10,000
Rogério Paulo Castanho Alves	Chairman of the Board of the General Meeting	-
José Gonçalo Pereira de Sousa Guerra Costenla	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiães Cobra Ferreira	Secretary of the Board of the General Meeting	-
Mariquito, Correia & Associados, SROC	Chartered Accountant	-

(a) 3,570,550 shares held by the company controlled by him PACIM - Sociedade Gestora de Participações Sociais, S.A.

(b) Shares held under joint ownership with his wife

(c) This transaction was carried out by the company controlled by him PACIM - Sociedade Gestora de Participações Sociais, S.A., where, for every 30 TEIXEIRA DUARTE, S.A. shares sold, he received 1 share representing the share capital of TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.

(d) 1,170,550 shares held by the company controlled by him PACIM - Sociedade Gestora de Participações Sociais, S.A.

(e) Shares held under joint ownership with his wife

**9. Special powers of the management body, namely with respect to deliberations to increase the share capital (article 245-A, number 1, subparagraph i), indicating, with respect to these powers, the date on which they were attributed, period until which this competence may be exercised, maximum quantitative limit of the share capital increase, amount already issued under the attribution of powers and method of accomplishment of the attributed powers.**

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

a) exercising the fullest 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 mandatories 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.

#### **10. Information on the existence of significant business relations between the holders of qualifying stakes and the company.**

Although the shareholder with a qualifying holding in the share capital of TD,SA is the Pension Fund of the Banco Comercial Português Group, the truth is that this holding has been imputed to Banco Comercial Português, S.A.

It happens that for almost the past 30 years, the companies included in the Teixeira Duarte Group have maintained business relations with Banco Comercial Português, S.A. and its participated companies, under normal market terms and conditions, where, as at 31 December 2013, the total value of the loans taken out from this institution reached approximately 346 million euros, corresponding to 25.4% of the Group's total bank debt.

It is disclosed that the contracting of guarantees with Banco Comercial Português, S.A. and its participated companies reached the total amount of 38 million euros, representing 5% of the total value of the guarantees contracted by the Group.

Finally, it is disclosed that the Group also has financial lease contracts with Banco Comercial Português, S.A. and its participated companies, of a total value of 171 million euros, corresponding to 83% of the total value of these types of contracts.

There are no other significant business relations between the holders of qualifying stakes and the company.

In view of the nature of the relations identified above and the fact that their scope is restricted to areas that are already highly regulated and supervised by various entities, it is deemed that there is no reason that would justify the supervisory body establishing necessary procedures and criteria for the definition of the relevant level of significant business with shareholders holding qualifying stakes, or with entities which are engaged with them in any of the relations established in number 1 of article 20 of the Securities Market Code, nor that the conduct of business of significant relevance should depend on the prior opinion of this body.

## **B. GOVERNING BODIES, COMMITTEES AND COMMISSIONS**

### **I. GENERAL MEETING**

#### **a) Composition of the board of the general meeting**

##### **11. Identification and position of the members of the board of the general meeting and respective term of office (start and end)**

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

Chairman: Mr. Rogério Paulo Castanho Alves, lawyer, with professional domicile at Avenida Álvares Cabral, 61 - 4º, 1250-017 Lisboa, Portugal;

Deputy Chairman: Mr. José Gonçalo Pereira de Sousa Guerra Costenla, lawyer, with professional domicile at Avenida Álvares Cabral, 61 - 4º, 1250-017 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.

All the identified members of the Board of the General Meeting were elected at the General Meeting held on 20 May 2011, to perform duties in this body during the four-year period 2011/2014.

#### **b) Voting and the exercise of voting rights**

##### **12. Any restrictions on voting rights, such as limitations to the exercise of voting rights dependent on the ownership of a number or percentage of shares, periods of time imposed for the exercise of voting rights or systems privileging rights relative to assets (article 245-A, number 1, subparagraph f);**

There are no restrictions on voting rights, namely limitations to the exercise of voting rights dependent on the 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 for the case of voting by correspondence.

Furthermore, pursuant to article 13 of the Memorandum and Articles of Association, 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.

Each share, under the conditions referred to above, corresponds to one vote. 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.

For the exercise of the right to vote by correspondence and for the execution of all other procedures indicated in the Articles of Association, the Company has implemented the indispensable means for the effect, providing all the necessary forms on its website and at its head office, namely drafts of letters and the voting ballot, as well as instructions for their completion.

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.

Lastly, it should also be noted that TD,SA has not established any type of systems privileging rights relative to assets or mechanisms with the effect of causing a time lag between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share.

### **13. Indication of the maximum percentage voting rights that may be exercised by a single shareholder or by shareholders which are engaged in any of the relations listed in number 1 of article 20.**

The Articles of Association of TD,SA do not stipulate a maximum percentage voting rights that may be exercised by a single shareholder (individually or in concertation with other shareholders) or by shareholders which are engaged in any of the relations listed in number 1 of article 20.

### **14. Identification of shareholder deliberations, through statutory imposition, that may only be taken with a qualifying majority, apart from those legally established, and indication of these majorities.**

There are no statutory provisions which impose qualifying majority quorums for deliberation, by the shareholders, on specific topics, apart from those legally established.

Indeed, article 16 of the Articles of Association establishes that "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".



## II. MANAGEMENT AND SUPERVISION

### (Board of Directors, Executive Board of Directors and General and Supervisory Board)

#### a) Composition

##### 15. Identification of the adopted governance model

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.

The adopted governance model fully complies with its underlying objectives, that is, ensuring that the Company maintains good levels of operation and efficiency in the performance of duties by each governing body, both independently and jointly, thus proving to be appropriate to the *modus operandi* of the Company, its structures and members of the governing bodies, in particular of the Board of Directors.

##### 16. Statutory rules on procedural requirements and matters applicable to the appointment and replacement of members, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board (article 245-A, number 1, subparagraph h)).

Regarding the rules applicable to the appointment and replacement of the members of the management body, 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 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 establish 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.

**17. Composition, as applicable, of the Board of Directors, Executive Board of Directors and General and Supervisory Board, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member.**

As at 31 December 2013, the Board of Directors was composed of the following members, all permanent:

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

Mr. Jorge Ricardo de Figueiredo Catarino

**Mr. Pedro Maria Calainho Teixeira Duarte, Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte, Mr. Joel Vaz Viana de Lemos and Mr. Carlos Gomes Baptista** were appointed for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office.

At the General Meeting of 20 May 2011, they were all re-elected to their positions, to perform duties during the four-year period of 2011/2014.

The Director **Mr. Diogo Bebiano Branco de Sá Viana Rebelo** was elected for the first time at the General Meeting of 20 May 2011, to perform duties with all the other re-elected members during the term of office of 2011/2014.

The Director **Mr. Jorge Ricardo de Figueiredo Catarino** was appointed to the position for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office. He terminated his duties as a Director of TD,SA in 2011, having continued to perform duties in the Administration of other companies of the Group. At the General Meeting of 25 May 2013, he was once again elected to hold the position of Director at TD,SA, together with the other Directors, up to the end of the term of office in course (2011/2014).

Under article 17 of the Articles of Association, the Board of Directors should be composed of a minimum number of five and maximum of eleven members. Furthermore, when electing this Board, the General Meeting should determine the number of Directors which, within these limits, should comprise the Board for each term of office and appoint, among them, the member who will perform the duties of Chairman. The Articles of Association do not foresee the existence of alternate members.

Under the terms of number 2 of article 10 of the Articles of Association, the members of the governing bodies are elected for periods of four years, as noted above.

**18. Distinction between the executive and non-executive members of the Board of Directors and, regarding non-executive members, identification of members who may be considered independent, or, if applicable, identification of the independent members of the General and Supervisory Board.**

**18.1. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:**

- a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;**
- b. Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;**
- c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;**
- d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;**
- e. Holding a qualifying stake or representing a shareholder holding a qualifying stake.**

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.

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.

Therefore, considering that all the members of the Board of Directors perform executive duties, the present regulation 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 competence, 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.

Pursuant to the principle of close collaboration between the governing bodies, it should be noted that, for the effect of the provisions in Recommendation number II.1.9, the Chairman of the Supervisory Board is called to all the meetings of periodic nature and for the approval of the documents presenting the accounts, and is sent copies of the minutes of all the meetings of the Board of Directors.

However, these documents are not sent directly by the Chairman of the Board of Directors, as indicated in this recommendation. These tasks are performed, through indication of the Chairman of the Board of Directors, by the services and secretarial office of TD,SA which distribute an agenda to all the participants and to the Company Secretary, who submits the minutes of the meetings of the Board of Directors to the Chairman of the Supervisory Board, after they have been duly signed.

Moreover, it should be added that, although the Chairman of the Board of Directors performs executive duties, there are no non-executive directors, hence the Board of Directors does not have to indicate, from among its members, an independent director to assure the coordination of the work of the other non-executive members, and the conditions to enable them to take decisions in an independent or informed manner or find other equivalent mechanisms to assure this coordination, in view of the adopted model. Accordingly, the provisions in Recommendation number II.1.10 are not applicable to TD,SA.

## **19. Professional qualifications and other relevant curricular elements of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.**

### **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, it should be noted that he has been a Director of the Group's leading listed company since 1987 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As Chairman of the Board of Directors, he performs the following duties, among others:

- assures the operationality of this Board, namely the coordination of the performance of its members and holding of the respective meetings;
- monitors the Company's current business;
- coordinates the interaction of the members of the Board of Directors of "Teixeira Duarte, S.A." and members of the Board of Directors of the 100% subsidiary, TD-EC;
- coordinates and monitors the activity developed by the Group's Delegates in the different countries.

He entered the staff of "Teixeira Duarte - Engenharia e Construções, S.A." in 1978, having been promoted in 1987 to Chief Executive Officer of this company which was, at the time, the Group's leading listed company, and has held his current position as Chairman of its Board of Directors since 2008.

In 2009 and on the occasion of its incorporation, he was, at the same time, appointed to the position of Chairman of the Board of Directors of "Teixeira Duarte, S.A.", which would later become the leading listed company of the Teixeira Duarte Group as of 2010. He currently also holds this position cumulatively with the equivalent position at "Teixeira Duarte - Engenharia e Construções, S.A."

Outside the Teixeira Duarte Group, but within the sphere of its shareholder structure, he is Chairman of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", which, being held by members of the Teixeira Duarte family, controls the aforesaid leading listed company "Teixeira Duarte, S.A." with over 50%.

Throughout these years, he has performed many corporate positions in various other entities in which the Teixeira Duarte Group holds a stake, as indicated below:

- "CIMPOR - Cimentos de Portugal, S.G.P.S., S.A.", where he was a member of the Board of Directors between 2001 and August 2009; and
- "Banco Comercial Português, S.A.", where he no longer holds any corporate position or has any other professional connection, but where he performed various duties in the senior bodies between 1985 and 2013, in particular as Deputy Chairman of the Board of Governors, Deputy Chairman of the General and Supervisory Board and, more recently Deputy Chairman of the Board of Directors.

#### **Director: Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte**

Licentiate degree in Law from the Law School of "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, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for supervising the activities developed by the Central Department of Finance and Accounting, as well as the Corporate Secretarial, Consolidation of Accounts and Internal Audit Services, and for supervising the action of the Hotel Services sector, monitoring the action developed in the Energy sector and monitoring the management of the financial holdings in companies.

He was a lawyer/legal adviser with his own office from 1989 to 1996.

Director of "TDF - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.", from 30 June 1992 to 22 April 2005, with supervisory, control and investment decision responsibilities under the duties attributed to the members of the Board of Directors by the Commercial Companies Code and the Company's Articles of Association, as well as relations with the CMVM.

He has been part of the staff of the Teixeira Duarte Group since 1993, acting as a legal adviser and manager in various companies, in particular in the real estate sector.

He has been a member of corporate bodies of many of the Teixeira Duarte Group companies, and since April 2005 also became a member of the Board of Directors of the Group's leading listed company, at that time "Teixeira Duarte - Engenharia e Construções, S.A." and currently "Teixeira Duarte, S.A.", positions which he currently holds, being responsible for various activity sectors and structures of the Group's Corporate Centre, including the Central Department of Finance and Accounting.

Outside of the Teixeira Duarte Group, he is also a Director of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.", a position to which he was appointed for the first time on 28 February 1991.

**Director: Mr. Joel Vaz Viana de Lemos**

Licentiate degree in Civil Engineering from the Faculty of Engineering of "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, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operationality conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for supervising the activities developed by the Central Departments of Human Resources, Administrative Services and Information Technology, as well as for the Central Departments of TD-EC of the areas of Management, Technology and Procurement Systems and for monitoring the participation of the Group's companies operating in the Construction sector at the Associations to which they are connected, namely representing them or providing for their respective representation.

In the distribution of areas of responsibility of the Board of Directors of TD,SA, he is also entrusted with chairing the Operational Executive Committee of the Board of Directors of TD-EC, which is responsible for coordinating the action of its Operating Centres and participated companies in the Construction sector; supervising the activities developed by TD-EC relative to the Operating Centres of Geotechnics and Rehabilitation, Mechanical Engineering and the Shuttering and Prestressing Operating Centre (COC), as well as the Department of Equipment; and also 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.", "INVICTAAM-BIENITE - Recolha de Resíduos e Limpeza Pública, S.A.", "RECOLTE, Servicios y Medioambiente, S.A., Sociedad Unipersonal" and "EDUCARE - Actividades Educativas e Culturais, Lda."

After having completed, in the academic year of 1977/1978, the specialisation course in Soil Mechanics at Universidade Nova de Lisboa, he immediately started his professional career at "Teixeira Duarte - Engenharia e Construções, S.A." in 1978, and was Site Manager and Designer in the area of Geotechnics and Foundations until 1983.

From 1983 to 1984 he worked at the Commercial Technical Department, preparing and collaborating in a large number of studies and proposals, including bridges, dams and expansion of airport infrastructures.

From 1984 to 1992 he was assigned by "Teixeira Duarte - Engenharia e Construções, S.A." to the important Enterprise Group "FERDOURO, ACE", constituted for the construction of São João Bridge over the River Douro, having, in this context, performed the duties of Head of the Technical Office (1984/88), Technical Director/Production Director (1988/89) and Deputy Managing Director with technical and production management (1989/92).

From 1992 to 1997, he took up the position, at "Teixeira Duarte - Engenharia e Construções, S.A.", of Production Centre Director of the area at that time referred to as "Public Works", coordinating various contracts for hydraulic works (dams, wastewater treatment stations, pumping stations), hospitals, roads and general infrastructure works.

In 1997, he was appointed Operating Centre Director in this same area of "Public Works".

Since then, he was also appointed to various corporate positions in a variety of Companies, Enterprise Groups, Consortiums and Associations in which the Teixeira Duarte Group holds a stake, some of which he still maintains, even after taking up the position of director of "Teixeira Duarte - Engenharia e Construções, S.A." in 2005, including, in particular:

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

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

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

Chairman of the Board of Directors of various enterprise groups with activity in Algeria as well as Director of companies incorporated under Algerian law.

Chairman of the Board of Directors of "RECOLTE, Serviços e Meio Ambiente, S.A." and Director of "RECOLTE, Servicios y Medioambiente, S.A. Sociedad Unipersonal" (Spain) and "EMPA, S.A. - Serviços de Engenharia" (Brazil).

Deputy Chairman of the Board of Directors of "NOVAPONTE, ACE" (Project and Construction of Vasco da Gama Bridge).

Representative of Teixeira Duarte in the Tejo Consortium and Director of "FERPONTE, ACE" (Installation of the railway and widening of the road deck of 25 de Abril Bridge and General Improvement of Alcântara Viaduct);

Director of "TECNOCEANO, ACE" (Execution of large-scale contracts under Expo 98, including the project and construction of the Oceanarium) and representative of Teixeira Duarte in the Executive Committee of "GPCIE, ACE" (construction of infrastructures for Expo 98);

### **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, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

In November 2013, he withdrew from being a member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A.".

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation

between all its members, this director is currently responsible for monitoring the activities developed by the Buildings Operating Centre, supervised by Mr. Fernando Paulo Baptista Gomes de Araújo, under the action of TD-EC; monitoring the activity developed by the Central Department of Planning and Studies of the subsidiary TD-EC; and supervising the activity of the subsidiary "TDGI - Tecnologia de Gestão de Imóveis, S.A."

His career includes, in particular, employment at "M.S.F., S.A.", where he was Head of Services from 1975 to 1979, collaborating in various works, namely of hydraulic nature (pipeline and dam).

He entered into "Teixeira Duarte - Engenharia e Construções, S.A." in February 1980, as Site Manager in the area of buildings, at that time referred to as "Civil Construction".

From 1982 to 1983, he was on assignment in Venezuela where he monitored various building contract works for housing and offices.

Back in Portugal, he was appointed to the position of Zone Director in 1984, with responsibilities in a large number of enterprises in the areas of tourism, roads, housing, buildings, and especially for banking entities.

In 1989 he was appointed to the position of Production Centre Director, and in 1989 Director of the Operating Centre of what was, at that time, referred to as the "Civil Construction" area, where he was coordinator from 1998 to 2005, when he was appointed director of "Teixeira Duarte - Engenharia e Construções, S.A.", a position he held until November 2013.

From 2000 onwards he has monitored the the action of the Teixeira Duarte Group company which operates in the Facilities Management area named "TDGI - Tecnologias e Gestão de Imóveis, S.A.", where he is Chairman of the Board of Directors.

#### **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.

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for supervising the action developed in the Real Estate, Distribution and Automobile sectors in all the markets of action of the Teixeira Duarte Group, namely Portugal, Angola, Brazil and Mozambique, being, in this context, director of various other companies of the Group and supervising the activity of "TDHOSP - Gestão de Edifício Hospitalar, S.A."

He worked at "PROFABRIL, S.A." as a Design Engineer in the Buildings Division, participating in projects of reinforced concrete structures from October 1992 to May 1993.

In the Teixeira Duarte Group:

From October 1993 to November 1999, he was a member of the "Teixeira Duarte - Engenharia e Construções, S.A." teams in the Buildings Operating Centre, at that time referred to as Civil Construction, performing the duties of Assistant Site Manager and Site Manager of various works in Portugal.



From November 1999 to May 2011, he part of the real estate teams of the Teixeira Duarte Group, being responsible for the technical area with duties in the development of real estate projects, namely in feasibility analysis, design of real estate solutions, project coordination, contract work coordination, definition of related marketing products, management of rented assets and coordination of sales teams.

His responsibility included all the segments of the sector, from residential to offices, commercial spaces, hotel services, health and leisure, industry/logistics and car parks, as well as dedication to the expansion of spaces allocated to other activities of the Group, especially Construction, Hotel Services, Distribution and the Automobile sector.

In 2010 he also started to coordinate the Group's action in the Distribution and Automobile sectors, and in May 2011 he was elected Director of the leading listed company of the Teixeira Duarte Group, "Teixeira Duarte, S.A."

#### **Director: Mr. Jorge Ricardo de Figueiredo Catarino**

Licentiate degree in Civil Engineering from the Faculty of Engineering of "Universidade do Porto", in 1974.

Appointed to the position for the first time on the date of the Company's incorporation, on 30 November 2009, to perform duties during the 2009/2010 term of office. He terminated his duties as a Director of TD,SA in 2011, having continued to perform duties in the Administration of other companies of the Group. At the General Meeting of 25 May 2013, he was once again elected to hold the position of Director at TD,SA, together with the other Directors, up to the end of the term of office in course (2011/2014).

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teixeira Duarte - Engenharia e Construções, S.A. until 2010).

In November 2013, he withdrew from being a member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A."

As a director and notwithstanding the legal and statutory provisions which determine the collective functionality and collegial character of this institutional management body and without reducing the operability conducted in an ongoing manner of contact and consultation between all its members, this director is currently responsible for monitoring the activities developed by the Infrastructures Operating Centre, monitoring the activity developed by the Central Department of Infrastructure Studies of the subsidiary TD-EC and monitoring 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."

He started his career as a liberal profession, in the dimensioning and management of construction of various buildings for housing and industry.

He was employed at "CONDURIL S.A.R.L." from 1977 to 1981 as Site Manager, collaborating in various works, namely the construction of the dams of Penha Garcia and Cimeira and Fundeira in Alvão, for "DGH" and "CMVR" respectively; various slope consolidation works along the Douro Line adjacent to the Régua and Valeira developments, for "EDP", following the damage caused by the great floods of 1979 and by the phenomenon of micro turbulence, and a variety of different roadworks for the "JAE".

He entered into "Teixeira Duarte - Engenharia e Construções, S.A." in 1981, as Site Manager in the area of buildings, at that time referred to as "Civil Construction". This area included, in particular, the construction of the Head Office of "Caixa Geral de Depósitos", a series of important buildings in the city of Porto and the construction of a Home for the Elderly on Ilha Terceira, in the Azores.

From 1984 to 1991 he was on assignment in Venezuela, where he performed the duties in the Production and Management Department of the affiliate "TEGAVEN S.A.", under which he monitored various contract works for housing and office buildings as well as maintenance infrastructures and others for Caracas metropolitan railway and the construction of motorways.

Back in Portugal, in 1992 he was appointed to the position of Operating Centre Director of the area at that time referred to as "Public Works", where he was the coordinator until 2005, when he was appointed as director of "Teixeira Duarte - Engenharia e Construções, S.A.". During this period, he coordinated the development of major projects in the area of roads and railways, storage, water treatment and distribution, hydroelectric developments, hospitals and others.

He supervised the entrance of "Teixeira Duarte - Engenharia e Construções, S.A." into Algeria in 2003, and continues, still today, to hold various positions as a director in a variety of entities in which the Teixeira Duarte Group holds a stake in this country.

## **20. Family, professional or business relations, habitual and significant, of the members, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.**

The Chairman of the Board of Directors, **Mr. Pedro Maria Calainho Teixeira Duarte**, is shareholder and Chairman of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A., although he does not earn any remuneration for holding this position. Furthermore, we disclose that he is the brother of Mr. Miguel Calainho de Azevedo Teixeira Duarte and son of Mr. Pedro Pereira Coutinho Teixeira Duarte. It is also disclosed that his business relations established with Banco Comercial Português, S.A. are not of any significant nature.

The Director **Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte**, is shareholder and Director of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A., although he does not earn any remuneration for holding this position. Furthermore, we disclose that he is the cousin of Mr. Miguel Calainho de Azevedo Teixeira Duarte and nephew of Mr. Pedro Pereira Coutinho Teixeira Duarte. It is also disclosed that his business relations established with Banco Comercial Português, S.A. are not of any significant nature.

Regarding the **remaining members of the Board of Directors**, we disclose that none of them maintain habitual and significant family, professional or business relations, with shareholders who may be imputed a qualifying holding greater than 2% of the voting rights.

## **21. Organisational charts or flowcharts relative to the distribution of competence between the different governing boards, committees, commissions and/or departments of the company, including information on the delegation of competence, in particular with respect to the delegation of the daily management of the company.**

The Articles of Association of the Company define the competence of each of the governing bodies, namely in articles 12 (General Meeting), 19 (Board of Directors) and 23 (Supervisory Board and Chartered Accountants Firm).

There is no distribution or delegation of competence by any of the governing bodies, namely by the Board of Directors, to any specific committees or commissions, in particular an Executive Committee.

This circumstance essentially arises from the fact that the Board of Directors is exclusively composed of executive members, which is reflected in effectiveness of operability and proximity to the matters of their competence, whereby any delegation in this regard would be redundant and counterproductive.

Notwithstanding the above, there is an organisational chart of the Teixeira Duarte Group, presented at the beginning of this Report, which illustrates the general organisational lines defined by the Board of Directors, which should, in particular:

- a) Maintain a series of Central Departments with special responsibilities of transversal support to the action developed in the different business sectors included in the Corporate Centre, entrusted with promoting a standardisation of procedures and providing support to the Group's structures operating abroad in these areas common to various businesses, even though some may be included under TD,SA and others under its subsidiary Teixeira Duarte - Engenharia e Construções, S.A.;
- b) Organise the Group's Operating Structures by Activity Sector, which will cover the responsibility for all the teams and operations of these business areas, regardless of the geographic 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;
- c) Highlight the trade name of certain operations included in the Group which, in view of the particularity of their business, should maintain their individuality, especially in the Construction, Concessions and Services sectors;
- d) Strengthen Teixeira Duarte - Engenharia e Construções, S.A. as the Group's principal company operating in the Construction sector:
  - d.1) Maintaining the development of its action through Operating Centres, which divide up the production areas and are essential for the training of managerial staff and follow-up of their career;
  - d.2) Maintaining a series of Central Departments with specific scope of action in the provision of specialised support to the Operating Centres, in particular in the areas of Studies, Projects and Proposals;
  - d.3) Maintaining the coordination and interaction of the activity of the companies in which the Group has a stake which operate in the Construction sector through the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A.;
- e) Creating, under the Board of Directors of Teixeira Duarte - Engenharia e Construções, S.A. and from an operational perspective, an Operational Executive Committee, which should coordinate the action of the Operating Centres and companies in which the Group has a stake in this Construction sector;
- f) Maintain close relations between the Boards of Directors of TD,SA and Teixeira Duarte - Engenharia e Construções, S.A.;
- g) Strengthen the firmness and efficacy of the bonds of unity within the Teixeira Duarte Group through the direct connection of the Board of Direction with the Group's Delegates in the different countries, which represent the management body therein, undertaking the Group's institutional representation, as well as the connection with the structures of the various Sectors and Corporate Centre which operate in these markets and the implementation of practices to optimise the operability of the Group's companies, taking into account the particularities of each country.

## **b) Operationality**

### **22. Existence and location where the operating regulations may be consulted, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors.**

There are no operating regulations or code of conduct for the governing bodies.

In view of the chosen corporate model, the composition of the Board of Directors (all the members are executive) and the fact that the competence and responsibilities of this body cannot be delegated to any other bodies, specialised committees, commissions or departments, the mode of operation of the Board of Directors is fairly simplified, added to the fact that the number of members included in this body is not of a sufficiently size to justify the stipulation, in regulations, of further rules on operationality.

The individual competence of each member is established by deliberation of the actual Board of Directors and their interaction is maintained in a regular form under the legally stipulated terms and considered sufficient for this purpose.

### **23. Number of meetings held and level of attendance of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, of the meetings that have been held.**

During 2013, the Board of Directors of TD,SA held 26 meetings.

For all due purposes, it is disclosed that the attendance of each member of this Board was as follows:

The Chairman of the Board of Directors, **Mr. Pedro Maria Calainho Teixeira Duarte** attended 25 meetings. The only meeting that he was unable to attend, due to be being on assignment abroad, was called with an urgent nature. Even so, he assured his representation, in this same meeting, by another member of the Board.

The Director **Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte** attended all the meetings of the Board of Directors.

The Director **Mr. Joel Vaz Viana de Lemos** attended 22 of the meetings of the Board of Directors. He was unable to attend 4 meetings, due to be being on assignment abroad, having assured his representation by another Director at one of these meetings. His absences were justified accordingly.

The Director **Mr. Carlos Gomes Baptista** attended 25 of the meetings of the Board of Directors. He was unable to attend 1 meeting, due to be being on assignment abroad, with his absence having been justified accordingly.

The Director **Mr. Diogo Bebiano Branco de Sá Viana Rebelo** attended 25 of the meetings of the Board of Directors. The only meeting that he was unable to attend, due to be being on assignment abroad, was called with an urgent nature. Even so, he assured his representation, in this same meeting, by another member of the Board.

The Director **Mr. Jorge Ricardo de Figueiredo Catarino** attended 12 of the meetings of the Board of Directors and assured his representation by another Director at another meeting he was unable to attend. However, it should be recalled that he was elected to the position at the General Meeting of 25 May 2013, hence he only began to attend these Board meetings as of this date. He was unable to attend 5 meetings, due to be being on assignment abroad, having assured his representation by another Director at one of these meetings. His absences were justified accordingly.

### **24. Indication of the company's governing bodies which are competent to assess 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.

The Supervisory Board monitors, under the established terms described in this document, the action of the Board of Directors, ensuring compliance with a series of matters and issuing an opinion on the annual report and accounts which is submitted to the appraisal of the shareholders at the General Meeting.

Moreover, the Remuneration Committee assesses the activity developed by each Director for the purpose of establishing the respective remuneration, based on the remuneration policy approved at the General Meeting.

Furthermore, it is disclosed that due to the organisational and functional model established for the different governing bodies, it was not considered appropriate to create any committees or commissions for the purpose of assuring a competent and independent assessment of the individual and overall performance of the executive Directors. Therefore, as described, there are no commissions or committees.

Indeed, in view of the adopted model and the structure and composition of the Governing Bodies, these duties are explicitly entrusted to the General Meeting, Supervisory Board and Remuneration Committee, under the terms indicated above.

Likewise and for the same reasons, it was considered that it was unnecessary to create any committee or commission to reflect on the adopted governance system, structure and practices, verify their effectiveness and propose to the competent bodies the measures to take with a view to their improvement.

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 interaction difficulties.

Ultimately, the overall assessment of the action of the governing bodies is always entrusted to the shareholders at the General Meeting.

## **25. Predefined criteria for the assessment of the performance of the executive directors.**

There are no predefined 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.

## **26. Availability of each member, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year.**

All the members of the Board of Directors of TD,SA have dozens of years "in-house", with professional paths conducted almost exclusively within the Teixeira Duarte Group, where, according to the Group's areas and sectors of action they supervised or monitored, they were appointed to other corporate positions. This also enabled them to report information to TD,SA on the action of these same entities and their corresponding implementation of the guidelines defined for the Teixeira Duarte Group.

However, there are various occasional situations of corporate positions held in other entities outside the Teixeira Duarte Group, where none of

these directors earn remuneration or are professionally bound to these entities, or subject to any circumstances which hinder their total availability to perform their duties as a member of the Board of Directors of TD,SA.

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

As at 31 December 2013, he held the following positions **in other companies of the Teixeira Duarte Group**:

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

**In companies outside the Teixeira Duarte Group:**

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.".

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: Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte

As at 31 December 2013, he held the following positions **in other companies of 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 "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 "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 "V-8 - Gestão Imobiliária, S.A.";

Director of "CPM - Companhia de Parques de Macau, 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.";

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

Director of "Votorantim Macau Investimentos, S.A.";

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

**In companies outside the Teixeira Duarte Group:**

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

Chairman of the Board of Directors 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 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

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

Chairman of the Board of Directors of "SOMAFEL - Engenharia e Obras Ferroviárias, 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 named RECOLTE - Recolha, Tratamento e Eliminação de Resíduos, 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 "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.";

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

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

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

Director of "SOMAFEL e FERROVIAS, ACE";

Director of "Groupement Maritime Portugais GMP - ORAN";

Director of "TEIX.CO, SPA".



Director: Mr. Carlos Gomes Baptista

As at 31 December 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

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";

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 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

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

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.";

Chairman of the Board of Directors of "TRANSBRITAL - Britas e Empreendimentos Imobiliários, 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 "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 "V8 - Gestão Imobiliária, S.A.";

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

Director: Mr. Jorge Ricardo de Figueiredo Catarino

As at 31 December 2013, he held the following positions in other companies, **all of the Teixeira Duarte Group**:

Chairman of the Board of Directors of "CONBATE, ACE";

Director of "Abdul Rahman Saad Al Rashid And Sons & Teixeira Duarte, Limited Liability Company";

Director of "Douro Litoral, ACE";

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

Director of "Engil / Mota / Teixeira Duarte - Requalificações Urbanas, ACE";

Director of "GPCC - Grupo Português de Construção de Infraestruturas de Gás Natural, ACE";

Director of "Groupement ETRHB Haddad/Teixeira Duarte Harrach Douera";

Director of "Groupement Métro d'Alger Centre (GMAC)";

Director of "GROUPEMENT TEIXEIRA DUARTE / GROUPE ETRHB HADDAD";

Director of "GROUPEMENT TEIXEIRA DUARTE, S.A. / KANAGHAZ, SPA - Lagunes de Souf";

Director of "MOLINORTE - Linha do Norte - Construção Civil, ACE";

Director of "TEIXEIRA DUARTE ALGÉRIE, SPA".

### **c) Committees and commissions within the management or supervisory body and chief executive officers**

#### **27. Identification of committees and commissions within, as applicable, of the Board of Directors, General and Supervisory Board and Executive Board of Directors, and location where the operating regulations may be consulted.**

Currently, there are no specialised Committees or Commissions on management or supervisory matters, and the foreseen 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 regular 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.

#### **28. Composition, if applicable, of the executive committee and/or identification of chief executive officer(s).**

Considering that there is neither an Executive Committee nor Chief Executive Officers, the present rule is not applicable to TD,SA.

**29. Indication of the areas of competence of each of the created committees and commissions, and summary of the activities developed during performance of this competence.**

Considering that there are no committees or commissions created under the Board of Directors, as noted in 2.7 above, the present rule is not applicable to TD,SA.

### **III. SUPERVISION**

**(Supervisory Board, Audit Committee or General and Supervisory Board)**

**a) Composition**

**30. Identification of the supervisory body (Supervisory Board, Audit Committee or General and Supervisory Board) corresponding to the adopted model.**

The adopted corporate model is usually referred to as the Latin one-tier model, accordingly the appointment of a Supervisory Board was selected as the supervisory body.

**31. Composition, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating the minimum and maximum statutory number of members, statutory duration of the term of office, number of permanent members, date of the first appointment and date of the end of term of office of each member. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 18.**

Pursuant to article 24 of the Articles of Association of TD,SA, the Supervisory Board is necessarily composed of three permanent members and one alternate, who should comply with the requirements and are entitled to use the powers established by law. When electing the members of this Board, the General Meeting must, mandatorily, elect one of them to perform the duties of Chairman.

As is the case with the other governing bodies and under the terms of number 2 of article 10 of the Memorandum and Articles of Association, the members of the Supervisory Board are elected at the General Meeting, through the list system, for periods of four years, coinciding with the financial years, and may be re-appointed once or twice, under the terms and with the legally established limits.

Accordingly, the Supervisory Board is currently composed of the following members:

Chairman: Mr. António Gonçalves Monteiro

Members: Mr. Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Alternate: Mr. Horácio Lisboa Afonso

All the current members of the Supervisory Board were appointed at the time of the incorporation of the company on 30 November 2009, to perform duties during the term of office of 2009/2010.

At the Annual General Meeting of 20 May 2011, they were all re-elected to their positions, to perform duties during the four-year period of 2011/2014.

Furthermore, it should be noted that they all possess suitable competence for the performance of their duties, as described below in 33.

**32. Identification, as applicable, of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee who are considered independent, under the terms of article 414, number 5 of the Commercial Companies Code. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 19.**

All the current members fully comply with all the requirements of independence, and there is no incompatibility for the performance of their duties for any of them, 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.

**33. Professional qualifications, as applicable, of each member of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee and other relevant curricular elements. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 21.**

The professional qualifications and other relevant curricular elements of the members of the Supervisory Board are described below:

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

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

He is a partner 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).

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

Former 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", included in the Teixeira Duarte Group.

Mr. Mateus Moreira (Member of the Supervisory Board)

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

Retired from Millennium BCP on 30 September 2003, where he held the position of Central Deputy Director.

Former member of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

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

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

Formerly, a businessman.

Currently, he is retired.

Former member of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

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

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 to 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 Chartered Accountants Association.

Founding member of "Camacho Palma & Lisboa Afonso - SROC", representative in Portugal of Nexia International, he performs the duties of

Chartered Accountant at various companies, being responsible for the Review and Legal Certification of their respective accounts.

Former alternate of the Supervisory Board of "Teixeira Duarte - Engenharia e Construções, S.A."

## **b) Operationality**

**34. Existence and location where the operating regulations may be consulted, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 24.**

As described above in number 22 of the present Report, there are no operating regulations or code of conduct for the governing bodies.

**35. Number of meetings held and level of attendance of the meetings which have been held, as applicable, of each of the members of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 25.**

During 2013, the Supervisory Board held 6 meetings, all of which were attended by all of its permanent members.

**36. Availability of each member, as applicable, of the Supervisory Board, Audit Committee, General and Supervisory Board or Financial Matters Committee, indicating positions held simultaneously at other companies, within and outside the group, and other relevant activities performed by the members of these bodies during the financial year. Reference may be made to the point of the report where this information is already presented pursuant to the provisions in number 26.**

All the members of the Supervisory Board show the appropriate availability for the performance of their duties at TD,SA, namely for participation in the periodic meetings of the Board of Directors and Supervisory Board, and for follow-up of the Company's activity and the preparation and publication of the documents presenting the accounts, in coordination with the action of the Chartered Accountants Firm.

The positions held by each of the members of the Supervisory Board in companies within and outside the Group are indicated below:

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

As at 31 December 2013, he did not hold any positions in other companies within the Teixeira Duarte Group.

On this date, in the capacity of representative of "Moore Stephens & Associados, SROC, S.A.", he performed the duties of Statutory Auditor at 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 2013, he did not perform duties in any other companies.

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

As at 31 December 2013, he did not perform duties in any other companies.

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

As at 31 December 2013, he did not hold any positions in other companies within the Teixeira Duarte Group.

On this date, he held the following positions in other companies and institutions which are not part of the Teixeira Duarte Group:

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.".

### **c) Areas of competence and duties**

#### **37. Description of the procedures and criteria applicable to the intervention of the supervisory board for purposes of contracting additional services from the external auditor.**

No services are contracted from the external auditor other than those related to the legal review of accounts and auditing, hence the present regulation is not applicable to TD,SA.

#### **38. Other duties of the supervisory bodies and, if applicable, the Financial Matters Committee.**

The supervisory bodies do not perform any duties other than those described above and legally defined.

#### **IV. CHARTERED ACCOUNTANT**

##### **39. Identification of the chartered accountant and chartered accountant partner representing the former.**

The position of chartered accountant is held by "Mariquito, Correia & Associados - SROC", represented by Mr. António Francisco Escarameia Mariquito.

##### **40. Indication of the number of years during which the chartered accountant has performed duties consecutively at the company and/or group.**

The chartered accountant was appointed for the first time at the time of the incorporation of the company on 30 November 2009, having been re-elected to hold the same position during the four-year period of 2011/2014 at the General Meeting of 20 May 2011.

##### **41. Description of other services provided by the chartered accountant to the company.**

The chartered accountant does not provide any services other than those related to the legal review of accounts and audit of TD,SA.

#### **V. EXTERNAL AUDITOR**

##### **42. Identification of the external auditor appointed pursuant to article 8 and chartered accountant partner who represents the external auditor in compliance with these duties, as well as the partner's registration number at the CMVM.**

The appointed external auditor, under the terms of article 8 of the Securities Market Code, is the chartered accountants firm "Mariquito, Correia & Associados - SROC", represented by its partner, Mr. António Francisco Escarameia Mariquito, registered at the CMVM under number 2.235.

##### **43. Indication of the number of years during which the external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties consecutively at the company and/or group.**

The external auditor and respective chartered accountant partner who represents it in compliance with these duties, has performed duties at TD,SA since its incorporation on 30 November 2009, in other words, for 4 years.

However, it is disclosed that both the SROC (chartered accountants firm) and respective partner referred to above have performed duties at other companies of the Teixeira Duarte Group for 26 years.

##### **44. Policy and frequency of rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.**



There is no defined policy on the rotation of the external auditor and respective chartered accountant partner who represents it in compliance with these duties.

However, it should be further noted that the issue established in Recommendation number IV.3, *companies should promote the rotation of the auditor at the end of two or three terms of office, according to whether they are four or three years respectively*, is not relevant in this case since the auditor is performing its second term of office in this position.

#### **45. Indication of the body responsible for the assessment of the external auditor and frequency with which this assessment is conducted.**

The action of the External Auditor has been assessed by all the Supervisory Board and all other governing bodies of TD,SA, and there have never been any circumstances that could justify his dismissal or the termination of the contract for the provision of his services on fair grounds.

On this issue, it should be noted that the Board of Directors of TD,SA and the services under this board have undertaken the commitment to assure 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 agent of communication and first receiver of the external auditor's reports is the Board of Directors, since, as has been 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.

These procedures are, however, adjusted and coordinated with the Supervisory Board which, notwithstanding this, also receives, from the external auditor and its team, all the information and details deemed necessary to perform their duties.

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.

#### **46. Identification of work, other than audit, carried out by the external auditor for the company and/or for the companies which are in a controlling relationship with it, as well as indication of the internal procedures for the purpose of approval of contracting such services and indication of the reasons for their contracting.**

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

#### **47. Indication of the value of the annual remuneration paid by the company and/or legal persons in a controlling or**

**group relationship with the auditor and other natural or legal persons belonging to the same network, and details of the percentage relative to the following services (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 retribution paid by the company and/or legal persons in a controlling or group relationship with the auditor and other natural or legal persons belonging to the same network 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.

<b>By the Company</b>		
Value of review of legal accounts services	61,000.00	100%
Value of reliability assurance services	0.00	-
Value of tax advisory services	0.00	-
Services other than legal review of accounts	0.00	-
<b>By entities included in the Group</b>		
Value of review of legal accounts services	217,800.00	100%
Value of reliability assurance services	0.00	-
Value of tax advisory services	0.00	-
Services other than legal review of accounts	0.00	-

## **C. INTERNAL ORGANISATION**

### **I. ARTICLES OF ASSOCIATION**

#### **48. Rules applicable to the amendment of the articles of association (article 245-A, number 1, subparagraph h)).**

There are no specific rules for any amendments of 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.

### **II. COMMUNICATION OF IRREGULARITIES**

#### **49. Means and policy of communication of irregularities occurred in the company.**

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, email 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 aforesaid 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.

Furthermore, a new vehicle for the communication of irregularities directly to the Supervisory Board was established in 2014, via the creation of the email address [irregularidades@teixeiraduarte.pt](mailto:irregularidades@teixeiraduarte.pt), through which employees (especially using the corporate portal) and shareholders (the same is provided for this purpose on TD,SA's official website [www.teixeiraduarte.pt](http://www.teixeiraduarte.pt)) may send reports on any irregularities.

### **III. INTERNAL CONTROL AND RISK MANAGEMENT**

#### **50. People, bodies, committees or commissions responsible for internal audit and/or for the implementation of internal control systems.**

The Internal Audit Services of the Teixeira Duarte Group have progressively played a fundamental role regarding the implementation of internal control systems.

As at 31 December 2013, these services were assured by 6 employees, under the hierarchical and operational dependence of Director Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte.

On this issue, particular note should be made of the relevant contribution provided by the corporate services of Consolidation of Accounts and Corporate secretarial services in the process of reporting and disclosure of financial information.

#### **51. Explanation, even if by inclusion of an organisational chart, of the relations of hierarchical and operational dependence in relation to other bodies, committees or commissions of the company.**

As indicated above, as at 31 December 2013, the internal audit 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.

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.

It is, therefore, in this context that we disclose that it is the Board of Directors which issues opinions on all the work plans and resources allocated to the Internal Audit Service and receives all the reports produced by this service, even when unrelated to matters concerning the presentation of accounts, the identification or settlement of conflicts of interests and the detection of potential illegalities.

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.

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 which, due both to its nature and particularities described above, falls under the specific scope of action of the Board of Directors and under the control and supervision of this board of the different Departments of the Company, 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.

## **52. Existence of other operational areas with competence in risk control.**

There are no other areas with exclusive competence concerning risk control, since, in view of the model enforced within the Group on this matter, all the areas have their respective share of responsibility under the terms described above.

## **53. Identification and description of the main types of risk (economic, financial and legal) 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 (50.5% in 2013).

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

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 penalties 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 in the main and oldest markets of action of the Teixeira Duarte Group - 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 Services** 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** area 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.

In the **Energy** sector of the Teixeira Duarte Group, the risks are restricted to the national market, 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.

Regarding the **financial holdings**, in particular the stake held 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 (81.2% in 2013). 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 foreign exchange risks arising from possible 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.

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 34.5% 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 and retain 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 Accounting 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 potential investors that all the problems related to the information technology systems will be fully identified and corrected in due time, 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 instruments available on the market are the most appropriate to cover these 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 hedge 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 7.4% of the operating income of the Teixeira Duarte Group in 2013;
- 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 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 held.

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.

#### **54. Description of the process of identification, assessment, monitoring, control and management of risks.**

The procedures implemented in terms of internal control and management of risks 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 practical results considered satisfactory.

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 fully comply with the requirements listed in Recommendation II.1.5, 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.

#### **55. Main elements of the internal control and risk management systems implemented in the company relative to the process of disclosure of financial information (article 245-A, number 1, subparagraph m)).**

The process of disclosure of financial information is coordinated by the Board of Directors and always monitored by the Supervisory Bodies. The teams of the Consolidation of Accounts and Corporate Secretarial Services contribute to this process, respectively, in the preparation and recording of the accounts and other accounting and financial reporting and in the preparation and disclosure of the final document.

Both the aforesaid Services closely follow the evolution of the applicable rules and regulations, both in the financial and legal areas, and

interact with the Securities Market Commission to ensure updated supplementary information and regulations on these matters and report directly to the Board of Directors.

All the employees of the Consolidation of Accounts Services and those who, in the Corporate Secretarial Services, participate in the preparation and disclosure of the final document are included in the list established in article 248 of the Securities Market Code, as employees with access to privileged information, with all being notified by letter delivered by hand of their inclusion in this list and the legal consequences arising from the disclosure or abusive use of privileged information.

#### **IV. INVESTOR SUPPORT**

##### **56. Service responsible for investor support, composition, duties, information provided by these services and contact details.**

In order to reinforce the policy of disclosure of information referred to above, and in order to foster permanent contact with the market and the response to requests made by investors in due time, assuring 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, coordinated by Mr. José Pedro Poiães Cobra Ferreira, Representative for Market 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

Tel: + 351 217 912 415

Fax: + 351 217 941 108

Email [representantemercado@teixeiraduarte.pt](mailto:representantemercado@teixeiraduarte.pt)

The Investor Support Office also assures the maintenance of a record of the requests submitted by the different stakeholders and their subsequent treatment.

##### **57. Representative for market relations.**

As noted in 56 above, the position of Representative for Market Relations is held by Mr. José Pedro Poiães Cobra Ferreira.

##### **58. Information on the proportion and response time to requests for information entered during the year or outstanding from previous years.**

The response time to requests for information during 2013 was, on average, 2 days.

## V. INTERNET WEBSITE

### 59. Address(es).

The internet website of TD,SA has the following address: [www.teixeiraduarte.pt](http://www.teixeiraduarte.pt). The Company provides, on this website, in Portuguese and English, the information which is considered relevant and enables knowledge on its evolution and current reality in economic, financial and governance terms.

### 60. Location where information can be found on the corporate name, capacity as a public company, head office and other elements mentioned in article 171 of the Commercial Companies Code.

These elements may be consulted at:

<http://www.teixeiraduarte.pt/investidores/identificacao-da-sociedade.html>

### 61. Location where the articles of association and operating regulations for the bodies and/or committees or commissions.

The Articles of Association may be consulted at:

<http://www.teixeiraduarte.pt/investidores/estatutos.html>.

As noted above, there are no operating regulations for the bodies and/or committees or commissions.

### 62. Location where information is provided on the identity of the members of the governing bodies, representative for market relations, Investor Support Office or equivalent structure, respective duties and means of access.

The information on the identity of the members of the governing bodies may be consulted at:

<http://www.teixeiraduarte.pt/investidores/orgaos-sociais/orgaos-sociais-teixeira-duarte-sa.html>.

The information on the representative for market relations and the Investor Support Office may be consulted at:

<http://www.teixeiraduarte.pt/investidores/gabinete-apoio-investidor.html>

### 63. Location providing the documents presenting the accounts, which should be accessible for at least five years, as well as the six-monthly calendar of corporate events, disclosed in the beginning of each semester, including, among others, general meetings, disclosure of annual, six-monthly and, when applicable, quarterly accounts.

The documents presenting the accounts since the incorporation of the company, in 2009, and the documents presenting the accounts of Teixeira Duarte – Engenharia e Construções, S.A. (former leading listed company of the Group) relative to the last 5 years may be consulted at:

<http://www.teixeiraduarte.pt/investidores/informacao-financieira/relatorios-anuais.html>

The six-monthly calendar of corporate events may be consulted at:

<http://www.teixeiraduarte.pt/investidores/calendario-do-investidor.html>

#### **64. Location disclosing the call notice of a general meeting and all the preparatory and subsequent information related to this meeting.**

All the elements related to the General Meetings of TD,SA may be consulted at:

<http://www.teixeiraduarte.pt/investidores/assembleias-gerais/teixeira-duarte-sa.html>

#### **65. Location providing the historical record with the deliberations taken at the company's general meetings, the share capital represented and the results of the voting, relative to the preceding 3 years**

All these elements may be consulted at:

<http://www.teixeiraduarte.pt/investidores/assembleias-gerais/teixeira-duarte-sa.html>

### **D. REMUNERATIONS**

#### **I. COMPETENCE FOR DETERMINATION**

#### **66. Indication of competence to determine the remuneration of the governing bodies, members of the executive committee or chief executive officer and senior managers of the company.**

Pursuant to article 11 of the Articles of Association of TD,SA and under the terms established in the Policy of Remuneration of the Management and Supervisory Bodies of the Company, the Remuneration Commission is competent to determine the remuneration of the governing bodies.

It should also be noted, as has already been clarified, there is no executive committee or chief executive officer, hence, in this regard, this issue is not applicable to TD,SA.

However, and based on the criteria established in article 248-B, number 3 of the Securities Market Code, the only senior managers of TD,SA who are not part of their Board of Directors are members of the Board of Directors of its subsidiary company "Teixeira Duarte – Engenharia e Construções, S.A.", where, as also established in the aforesaid Policy of Remuneration of the Management and Supervisory Bodies of TD,SA,

the determination of these senior managers is entrusted to the Remuneration Committee of "Teixeira Duarte - Engenharia e Construções, S.A.", which is composed of precisely the same members as those of the Remuneration Committee of TD,SA.

## II. REMUNERATION COMMITTEE

### **67. Composition of the remuneration committee, including identification of natural or legal persons contracted to provide support and statement of the independence of each member and adviser.**

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 of 2011/2014:

Mr. Pedro Maria Calainho Teixeira Duarte

Mr. António Carlos Calainho de Azevedo Teixeira Duarte

Mr. 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 and a healthy management policy which has been recognised as such by the public and market.

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

Moreover, we disclose that the External Auditor, under its competence, is responsible for verifying the application of the policies and systems of remuneration of the governing bodies.

### **68. Knowledge and experience of the members of the remuneration committee on matters of remuneration policy.**

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.

### III. STRUCTURE OF THE REMUNERATIONS

#### 69. Description of the policy of 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 unanimously at the General Meeting of this company, held on 25 May 2013, 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 2013 to 2015 above the EBITDA recorded for 2012;*
- Average Consolidated Net Income for 2013 to 2015 above the Consolidated net income for 2012.*

*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."*

VIII. 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."*

**70. Information on the way 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 the manner in which 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 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The establishment of remunerations also takes 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.

#### **71. Reference, if applicable, to the existence of a variable component of the remuneration and information on any impact of the assessment of performance on this component.**

The remuneration 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 depends on the evolution of corporate business, financial indicators such as net debt and financial autonomy, the dedication shown by each member in the accomplishment of the tasks and objectives inherent to their duties, as well as the net income for the year and the corresponding policy of its appropriation, which has also always prioritised the reinforcement of the Company's equity and assurance of the continued and balanced distribution of dividends to shareholders.

Accordingly, there is no maximum ceiling for each component, but rather an attribution in conformity with the parameters identified above, the remuneration policy defined for the Company, and the assessment of the performance and execution of duties of each individual Director.

Although part of the variable component attributed by the Remuneration Committee may be deferred over time, it is important to note that no Director is entitled to any right to the variable component of his remuneration until a specific allocation has been made by the Remuneration Committee, under the terms and on the grounds established by this committee.

Pursuant to Recommendation number III.5, we disclose that the members of the management body did not enter into 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.

#### **72. Deferral of the payment of the variable component of remuneration, mentioning the period of deferral**

Part of the payments of the sums of the variable component were deferred to 2016 and depend on the continued positive performance of the Company over the financial years of 2013 to 2016.

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 should be recalled 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.

#### **73. Criteria underlying the attribution of variable remuneration in shares as well as on the holding, by the executive directors, of these shares, on any conclusion of contracts relative to these shares, namely, hedging or risk transfer contracts,**

**the 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 concluded with the characteristics described above.

**74. 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.

**75. Main parameters and grounds of any system of annual bonuses and any other non-cash benefits.**

The Remuneration Committee takes into consideration, in the attribution of annual bonuses, the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, taking into account the conditions and values of the remunerations of the other employees of the company 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The annual bonuses were established taking 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, as already indicated above.

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

**76. Main characteristics of schemes for supplementary pensions or early retirement pensions for the directors and date on which they were approved at the general meeting, on an individual basis.**

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.*

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

The determination of the Memorandum and Articles of Association referred to above does not invalidate that the Remuneration Committee may submit such a matter to the General Meeting, however, this has actually never taken place because this has never proved necessary or appropriate in view of the established statutory rule.

For all due purposes, it is disclosed that, since the incorporation of the company in 2009, up to this date, no retirement benefit schemes established in favour of the members governing bodies have been approved at the General Meeting. Likewise, neither has any specific benefit been attributed, namely by the Remuneration Committee, for any termination of duties, in particular due to retirement.

#### IV. DISCLOSURE OF THE REMUNERATIONS

##### **77. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the management bodies, derived from the company, including fixed and variable remuneration and, relative to the latter, reference to its different components.**

During 2013, the remunerations, in a broad sense, received individually by the members of the Board of Directors, were as follows:

Board of Directors	Fixed Remuneration	Variable Remuneration (a)	Total Remuneration
Mr. Pedro Maria Calainho Teixeira Duarte	140,000.00	200,000.00	340,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	137,200.00	105,114.90	242,314.90
Mr. Joel Vaz Viana de Lemos	131,200.00	97,453.85	234,653.85
Mr. Carlos Gomes Baptista	137,200.00	108,846.25	246,046.25
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	137,200.00	125,402.25	262,602.25
Mr. Jorge Ricardo Figueiredo Catarino (b)	88,200.00	31,101.40	119,301.40
	<b>777,000.00</b>	<b>667,918.65</b>	<b>1,444,918.65</b>

(a) Payment of Bonuses was 560,000.00 euros, with the remaining 107,918.65 euros corresponding to compensation for deployment.

(b) Mr. Jorge Ricardo de Figueiredo Catarino was elected to the position of Director of TD,SA on 25 May 2013. Up until then, his remuneration was paid by the 100% subsidiary Teixeira Duarte - Engenharia e Construções, S.A. and corresponded to the total amount of 149,690.00 euros in 2013: 49,000.00 euros as fixed remuneration and 100,690.00 euros as variable remuneration (including a sum for compensation for deployment).

During 2013, 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 2016, depending on the continued positive performance of the Company over the financial years of 2013 to 2016:

Board of Directors	Variable Remuneration (Bonuses)		
	Paid 2013	Deferred	Total
Mr. Pedro Maria Calainho Teixeira Duarte	200,000.00	210,000.00	410,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	85,000.00	87,000.00	172,000.00
Mr. Joel Vaz Viana de Lemos	95,000.00	100,000.00	195,000.00
Mr. Carlos Gomes Baptista	90,000.00	95,000.00	185,000.00
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	90,000.00	95,000.00	185,000.00
Mr. Jorge Ricardo Figueiredo Catarino (a)	0.00	0.00	0.00
	<b>560,000.00</b>	<b>587,000.00</b>	<b>1,147,000.00</b>

(a) Mr. Jorge Ricardo de Figueiredo Catarino was elected to the position of Director of TD,SA on 25 May 2013. Up until then, his remuneration was paid by the 100% subsidiary Teixeira Duarte - Engenharia e Construções, S.A., which also paid the variable remuneration, of the value of 85,000.00 euros, with the payment of 87,000 euros having been deferred over time.

In 2013, the total value of the variable remunerations paid by TD,SA represented 46.2% of the total value received.

**78. Amounts paid, for any reason, by other companies in a controlling or group relationship or which are subject to common control.**

During 2013, 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.

**79. Remuneration paid in the form of profit-sharing and/or payment of bonuses and the reasons for the granting 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.

Indeed, 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.

As clarified above, the establishment of the bonuses was the result of the performance and net income of the Company as a whole, as well as the overall activity of the management board, in view of the defined objectives, having taken into account the conditions and values of the remunerations of the other employees of the company 100% held by it, Teixeira Duarte - Engenharia e Construções, S.A.

The establishment of the bonuses also took 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.

### 80. 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 no Director terminated office during 2013.

### 81. Indication of the annual value of the remuneration received, as a whole and individually, by the members of the supervisory bodies, pursuant to Law number 28/2009, of 19 June.

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 2013, the remunerations received by the members of the Supervisory Board of TD,SA were distributed as follows:

Supervisory Board	Fixed Remuneration	Variable Remuneration (a)	Total Remuneration
Mr. António Gonçalves Monteiro	32,500.00	0.00	32,500.00
Mr. Mateus Moreira	19,500.00	0.00	19,500.00
Mr. Miguel Carmo Pereira Coutinho	19,500.00	0.00	19,500.00
	<b>71,500.00</b>	<b>0.00</b>	<b>71,500.00</b>

The total value paid to the Chartered Accountants Firm "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, relative to the only services provided, that is, Legal Review of Accounts and Audit services, was:

SROC	Remuneration
Legal review of accounts services for the Group	278,800.00
Other reliability assurance services	0.00
Tax advisory services	0.00
Services other than legal review of accounts	0.00
	<b>278,800.00</b>

All the values listed above relative to the remuneration of the members of the Supervisory Board and Chartered Accountants Firm were paid during 2013, therefore there are no portions whose payment is deferred over time.

Furthermore, it should also be noted that, as established in the Policy of Remuneration of the Management and Supervisory Bodies and, simultaneously, in compliance with the provisions in Recommendation number III.2, the remuneration of the members of the supervisory body does not include any component whose value depends on the performance of the company or its value.

### 82. Indication of the remuneration of the chairman of the board of the general meeting for the year in question.

With the exception of the aforesaid Secretary of the Board of the General Meeting, all the other members of this body, 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 these terms, it is disclosed that the remuneration of the Chairman of the Board of the General Meeting was € 5,000.00 (five thousand euros) during 2013.

## **V. AGREEMENTS WITH REMUNERATIVE IMPLICATIONS**

### **83. Contractual limitations established for the compensation payable for dismissal without fair grounds 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.

It should be noted that, pursuant to Recommendation number III.8, no legal mechanisms have been established, apart from those stipulated by the law, for any indemnity or compensation, apart from that legally owed, to be payable when the dismissal of the director neither arises from serious breach of duties nor from incapacity for the normal performance of his duties but, even so, can be attributed to inadequate performance.

It should be recalled that the Directors of the leading listed company of the Teixeira Duarte Group, formerly "Teixeira Duarte - Engenharia e Construções, S.A." and currently "TD,SA", have always been "in-house people", whose career progression was developed within the Teixeira Duarte Group and are not managers from other companies or groups. Therefore, no situation of dismissal of director has occurred since its incorporation, nor has there ever been any payment of compensation for termination of contract, hence it is deemed inappropriate to establish any legal mechanisms of the nature described above.

### **84. Reference to the existence and description, indicating the amounts involved, of 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 of control of the company (article 245-A, number 1, subparagraph I)).**

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.

## **VI. PLANS TO ATTRIBUTE SHARES OR STOCK OPTIONS**

### **85. Identification of the plan and respective beneficiaries.**

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 for defined periods of time and at specified prices. However, regarding TD,SA and relative to the year under review, there were no such operations.

### **86. Characterisation of the plan (conditions of attribution, clauses on the inability to dispose of shares, criteria relative to the price of the shares and 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).**

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

### **87. Option rights attributed for the acquisition of shares (stock options) whose beneficiaries are the company's workers and employees.**

As described in 85 above, there are no plans relative to the attribution of shares or attribution of options for the acquisition of shares, hence the present provision is not applicable.

### **88. 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 (article 245-A, number 1, subparagraph e)).**

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.

## **E. TRANSACTIONS WITH RELATED PARTIES**

### **I. CONTROL MECHANISMS AND PROCEDURES**

### **89. Mechanisms implemented by the company for the purpose of control of transactions with related parties (the concept arising from IAS 24 is used for this effect).**

All transactions between entities of the Teixeira Duarte Group with related parties are conducted at market prices. The Concept is clear and undertaken by all business managers of the different areas of the Group who deal with related parties.

This attitude is transversal to all transactions of this nature, in other words, any transfer of resources, services or obligations between related parties, regardless of the existence of a price debit.

In addition to these general guidelines, all transactions between related parties are recorded electronically in the Group's overall supporting platform, which, apart from the actual business managers, is also accessible to the teams dealing with finance and accounting, consolidation of accounts and audit, as well as the actual management and, supplementarily, the supervisory bodies of the Company and Group.

**90. Indication of transactions which were subject to control during the year under review.**

In this context and in view of the mechanisms referred to above, all the transactions with related parties were subject to control under the aforesaid terms. These transactions with related parties and their respective balances and additional information may be consulted in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2013.

**91. 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.

**II. ELEMENTS RELATIVE TO BUSINESS**

**92. Indication of the location of the documents presenting the accounts with available information on business with related parties, in accordance with IAS 24, or, alternatively, reproduction of this information.**

The information on business with related parties, in accordance with IAS 24, is reproduced in Note 29 of the Notes to the Consolidated Financial Statements as at 31 December 2013.



## PART II - ASSESSMENT OF CORPORATE GOVERNANCE

### 1. Identification of the adopted corporate governance code

**The Corporate Governance Code to which the company is subject or has voluntarily decided to adopt should be identified, under the terms and for the effects of article 2 of the present Regulation.**

Apart from the applicable legal and regulatory rules, namely the Commercial Companies Code, the Securities Market Code and Regulations of the CMVM, especially Regulation number 4/2013, TD,SA has chosen not to adopt any Corporate Governance Code other than that issued by the CMVM in 2013.

**Indication of the location where the texts on corporate governance codes to which the issuer is subject (article 245-A, number 1, subparagraph p)).**

The aforesaid Corporate Governance Code issued by the CMVM in 2013 may be consulted at [www.cmvm.pt](http://www.cmvm.pt).

### 2. Analysis of compliance with the adopted corporate governance code

**Under the terms of article 245-A number 1, subparagraph o), the statement on the endorsement of the corporate governance code to which the issuer is subject should be presented, specifying which, if any, parts of this code there is divergence and the reasons for this divergence.**

**The information to be presented should include, for each recommendation:**

- a) Information which enables appraising compliance with the recommendation or reference to the point of the report where the issue is discussed in detail (chapter, title, point and page);
- b) Justification for any non-compliance or partial compliance;
- c) In the case of non-compliance or partial compliance, identification of any alternative mechanism adopted by the company for the effect of pursuing the same objective of the recommendation.

### 3. Other information

**The company should provide any elements or additional information which, not having been presented in the preceding points, are relevant for the comprehension of the model and governance practices that have been adopted.**

The points included in number 2 should be developed simultaneously, since they are interrelated.

Among the 41 Recommendations comprising the aforesaid Corporate Governance Code of the CMVM, the Company does not adopt twelve and partially adopts six.

The table below reproduces the text of these Recommendations with the same numbering of the aforesaid 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.

	<b>Recommendation</b>	<b>Adoption</b>	<b>Reference</b>
I.1.	Companies should encourage their shareholders to participate and vote at general meetings, in particular, by not establishing an excessively high number of shares required for access to the right to one vote and implementing the indispensable means for the exercise of the right to vote by correspondence and electronically.	Partial	12
I.2	Companies should not adopt mechanisms which hinder the taking of deliberations by their shareholders, in particular establishing a deliberative quorum greater than that stipulated by law.	Yes	14
I.3	Companies should not establish mechanisms with the effect of causing a time lag between the right to receive dividends or the subscription of new securities and the voting right of each ordinary share, unless duly substantiated as being in the long term interests of the shareholders.	Yes	12
I.4	Articles of association of companies which set a limit on the number of votes which may be held or exercised by a single shareholder, individually or jointly with other shareholders, should 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.	Not Applicable.	5
I.5	Measures should not be adopted if they imply payments or the incurring of costs by the company in the event of transfer of control or change of the composition of the management board, and which might jeopardising the free transferability of shares and the free assessment by the shareholders of the performance of members of the management board.	Yes	6
II	SUPERVISION, MANAGEMENT AND AUDIT		
II.1	SUPERVISION AND MANAGEMENT		
II.1.1	Within the limits established by the law, and unless due to the small size of the company, the board of directors should delegate the daily management of the company, with the delegated competence being identified in the annual Corporate Governance Report.	No	21

	<b>Recommendation</b>	<b>Adoption</b>	<b>Reference</b>
II.1.2	The Board of Directors should ensure that the company acts in accordance with its objectives, and should not delegate its competence, namely, with respect to: i) the definition of the strategy and general policies of the company; ii) the definition of the business structure of the group; iii) decisions which should be considered strategic due to the amount involved, risk or special characteristics.	Yes	21
II.1.3.	The General and Supervisory Board, apart from performing the supervisory duties entrusted to it, should assume full responsibility in terms of corporate governance, therefore, through statutory provision or equivalent measure, it should be made compulsory that this body issue an opinion on the strategy and main policies of the company, the definition of the group's business structure and the decisions which should be considered strategic due to their amount or risk. This body should also assess compliance with the strategic plan and the execution of the main policies of the company.	Not Applicable.	15
II.1.4	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:		
a)	Ensure competent and independent assessment of the performance of the executive directors and their own overall performance, as well as that of the various existing committees and commissions;	No	24
b)	Reflect on the adopted governance system, structure and practices, verify its effectiveness and propose to the competent bodies the measures to take with a view to its improvement.	No	24
II.1.5	The Board of Directors or General and Supervisory Board, according to the applicable model, should establish objectives on matters of risk-taking and create systems for their control, with a view to assuring that the risks which are effectively incurred are consistent with these objectives.	Partial	54
II.1.6	The Board of Directors should include a sufficient number of non-executive members so as guarantee effective capacity to monitor, supervise and assess the activities of the other members of the management body.	No	18

	<b>Recommendation</b>	<b>Adoption</b>	<b>Reference</b>
II.1.7	<p>Among the non-executive directors, there should be an adequate proportion of independent directors, taking into consideration the adopted governance model, the size of the company, its shareholder structure and respective free float. The independence of the members of the General and Supervisory Board and the members of the Audit Committee is appraised under the terms of the current legislation and, regarding the other members of the Board of Directors, members are considered independent when they are neither associated to any specific group of interests in the company nor in any circumstance which might affect the impartiality of their analysis or decision-making, namely due to:</p> <p>a. Having been an employee of the company or companies which are in a controlling or group relationship with the former during the last three years;</p> <p>b. Having, in the last three years, provided services or established significant business relations with the company or companies which are in a controlling or group relationship with the former, whether directly or as a partner, administrator, manager or director of a legal person;</p> <p>c. Being a beneficiary of remuneration paid by the company or companies which are in a controlling or group relationship with the former in addition to the remuneration arising from the performance of directorship duties;</p> <p>d. Living in non-marital cohabitation or being the spouse, parent or family member in a straight line and up to the 3rd degree, inclusively, in a collateral line, of directors or natural persons who directly or indirectly hold a qualifying stake;</p> <p>e. Holding a qualifying stake or representing a shareholder holding a qualifying stake.</p>	No	18
II.1.8	When requested by other members of the governing bodies, directors who perform executive duties should provide, in due time and in a form appropriate to the request, any information requested by them.	Yes	18
II.1.9	The chairman of the executive management body or executive committee should send, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board, and the Chairman of the Financial Matters Committee, the call notices and minutes of the respective meetings.	Yes	18
II.1.10	Should the chairman of the management body perform executive duties, this body should indicate, from among its members, an independent director to assure the coordination of the work of the other non-executive members, and the conditions to enable them to take decisions in an independent or informed manner or find other equivalent mechanisms to assure this coordination.	Not Applicable.	18

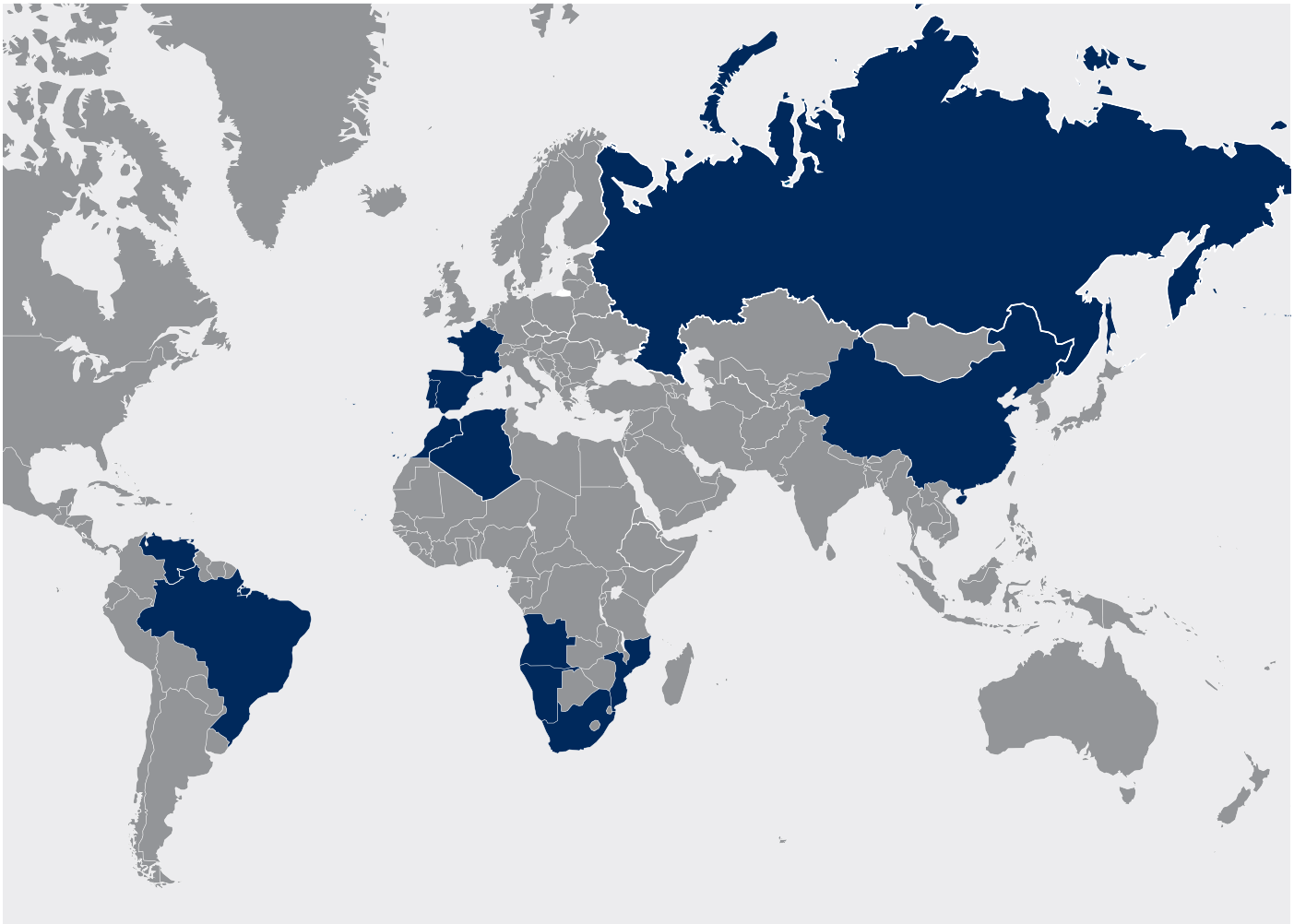
	Recommendation	Adoption	Reference
II.2	SUPERVISION		
II.2.1	According to the applicable model, the chairman of the Supervisory Board, Audit Committee or Financial Matters Committee should be independent, according to the applicable legal criteria, and possess adequate competence to perform the respective duties.	Yes	32
II.2.2	The supervisory body should be the main agent for communication with the external auditor and first receiver of the respective reports, being responsible, namely, for proposing the remuneration of the external auditor and ensuring the existence of the appropriate conditions for the provision of the services within the company.	No	45
II.2.3.	The supervisory body should assess the external auditor on an annual basis and propose, to the competent body, the external auditor's dismissal or termination of its service contract whenever there are fair grounds for the effect.	No	45
II.2.4	The supervisory body should assess the operation of the internal control and risk management systems, and propose any adjustments deemed necessary.	No	51
II.2.5	The Audit Committee, General and Supervisory Board and Financial Matters Committee should issue an opinion on the work plans and resources allocated to the internal audit services and services which endeavour to assure compliance with the rules applied to the company (compliance services) and should receive the reports produced by these services at least when related to matters concerning the presentation of accounts, the identification or settlement of conflicts of interests and the detection of potential illegalities.	No	51
II.3	ESTABLISHMENT OF REMUNERATIONS		
II.3.1.	All the members of the Remuneration Committee or equivalent should be independent from the executive members of the management board and include at least one member with knowledge and experience on matters of remuneration policy.	Partial	67 and 68
II.3.2	No legal or natural person who has provided, during the last three years, services to the any structure directly under the management body, the actual management body of the company or who has an current relationship with any consultant of the company or with the company's consultants 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	67

	<b>Recommendation</b>	<b>Adoption</b>	<b>Reference</b>
II.3.3	The statement on the policy of remunerations of the management and supervisory bodies referred to in article 2 of Law number 28/2009, of 19 June, should contain: a) Identification and explanation of the criteria for the determination of the remuneration to be attributed to the members of the governing bodies; b) Information regarding the potential maximum amount, in individual terms, and the potential maximum amount, in aggregate terms, payable to the members of the governing bodies, and identification of the circumstances when these maximum amounts may be due; d) Information on the enforceability or non-enforceability of payments relative to the dismissal or termination of office of directors.	Partial	69
II.3.4	The proposal relative to approval of share attribution plans and/or share acquisition options, or based on share price variations, to members of the governing bodies, should be submitted to the General Meeting. The proposal should contain all the elements necessary for an appropriate assessment of the plan.	Not Applicable.	85
II.3.5	The proposal relative to approval of any retirement benefit scheme established in favour of the members of the governing bodies should be submitted to the General Meeting. The proposal should contain all the elements necessary for a correct assessment of the scheme.	No	76
III	<b>REMUNERATIONS</b>		
III.1	The remuneration of the executive members of the management body should be based on effective performance and discourage excessive risk-taking.	Yes	70
III.2	The remuneration of the non-executive members of the management body and the remuneration of the members of the supervisory body should not include any component whose value depends on the company's performance or its value.	Yes	18 and 81
III.3	The variable component of the remuneration should be reasonable as a whole in relation to the fixed component of the remuneration, and maximum limits should be established for all the components.	Partial	71
III.4	A significant part of the variable remuneration should be deferred for a period not less than three years, and the right to its receipt should be subject to the continued positive performance of the company over this period.	Yes	72
III.5	The members of the management body should not enter into 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.	Yes	71

	<b>Recommendation</b>	<b>Adoption</b>	<b>Reference</b>
III.6	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.	Not Applicable.	73
III.7	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.	Not Applicable.	74
III.8	When the dismissal of a director does not arise from serious breach of duties nor from incapacity for the normal performance of his duties but, even so, can be attributed to inadequate performance the company should be endowed with the appropriate and necessary legal instruments so that no indemnity or compensation, apart from that legally owed, should be payable.	No	83
IV	<b>AUDIT</b>		
IV.1	The external auditor should, under its competence, verify the application of the policies and systems for the remuneration of the governing bodies, the effectiveness and functioning of the internal control mechanisms and report any flaws to the company's supervisory board.	Partial	51 and 67
IV.2	The company or any entities in a controlling relationship with it should not contract from the external auditor, or from any entities in a group 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 body and explained in its Annual Corporate Governance Report, this should not amount to more than 30% of the total value of the services provided to the company.	Yes	37, 41 and 46
IV.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	44

	<b>Recommendation</b>	<b>Adoption</b>	<b>Reference</b>
V	CONFLICTS OF INTEREST AND TRANSACTIONS WITH RELATED PARTIES		
V.1	The company's business with shareholders holding a qualifying stake, or with entities which are in any relationship with them, under the terms of article 20 of the Securities Market Code, should be conducted under normal market conditions.	Yes	10
V.2	The supervisory or audit body should establish the necessary procedures and criteria for the definition of the relevant level of significant business with shareholders holding qualifying stakes, or with entities which are engaged with them in any of the relations established in number 1 of article 20 of the Securities Market Code, where the conduct of business of significant relevance should depend on the prior opinion of this body.	No	10
VI.	INFORMATION		
VI.1	Companies should provide, through their website, in Portuguese and English, access to information which enables knowledge on their evolution and current reality in economic, financial and governance terms.	Yes	59
VI.2	Companies should ensure the existence of a an investor support office and permanent contact with the market, which responds to requests submitted by investors in due time, and records should be kept of the submitted requests and their subsequent treatment.	Yes	56





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