

**SHAREHOLDERS' GENERAL MEETING OF THE 26<sup>TH</sup> OF MAY 2018**

**PROPOSAL PRESENTED WITHIN THE SCOPE OF THE THIRD ITEM**

Within the scope of item six of the Agenda of the General Meeting of Teixeira Duarte, S.A., the Board of Directors submits to the approval of this General Meeting the following,

**DIVERSITY POLICY  
OF THE MANAGEMENT AND SUPERVISORY BODIES OF TEIXEIRA DUARTE, S.A.**

**I. LEGAL FRAMEWORK**

In accordance with article 245-A, no. 1, r) of the Securities Code, approved by Decree-Law no. 89/2017 of June 28, Teixeira Duarte, S.A. should present, in its Corporate Governance Report, a description of the diversity policy applied by the Company with respect to its management and supervisory bodies, namely, in terms of age, sex, qualifications and professional background, the objectives of this diversity policy, the form as was applied and the results in the reference period.

Since this is a legal requirement that came into force in 2017, the truth is that since then and until today, no Policy on the subject has been adopted in the General Assembly, which is the right forum and the competent body to do so, particularly given the corporate model of Teixeira Duarte, S.A.

Within this framework and in order to comply with this legal obligation, the Board of Directors, on the one hand, made a description of the reality on the theme throughout 2017 in an autonomous chapter of the Report on Corporate Governance and, on the other hand, assumed the purpose of presenting the subject to the shareholders at the first General Meeting that would be convened after the entry into force of this legal regulation, including presenting a proposal on this matter.

**II. SCOPE OF THE DECLARATION:**

Since 1987, the top listed company of the Teixeira Duarte Group has maintained a corporate model commonly known as a monistic model, with a single management body (the Board of Directors), with only

five members, all of them executive and (since 2008) two supervisory bodies: one Supervisory Board (with only three effective members and one alternate) and a Statutory Auditor.

In accordance with the corporate model adopted by Teixeira Duarte, S.A., the Group's current top rated company-, this statement covers all members of the Board of Directors, the Supervisory Board and the Statutory Auditor.

### **III. INTRODUCTION:**

TEIXEIRA DUARTE, S.A. recognizes the advantages derived from the diversity in the composition of its Management and Supervisory Bodies, namely in terms of age, sex, qualifications and professional background.

Such benefits result mainly from the enrichment of management models, from a greater efficiency in the evaluation and decision-making processes by weighing different perspectives, taking advantage of the plurality of knowledge, experiences, capacities and competences of the members of those social bodies.

At the same time, respect for these differences shows the consolidation of the Human Resources structure of the business Group led by TEIXEIRA DUARTE, S.A., through the valorization of skills and diverse competencies, making the Company itself a reflection of the community in which it is present and of the various markets and sectors in which it operates.

This "Diversity Policy of the Management and Supervisory Bodies of Teixeira Duarte, S.A." was prepared taking into account, in addition to the applicable legal provisions, the historical reality of the company and of the entire TEIXEIRA DUARTE Group, which it leads.

Having said this, it is hereby clarified that although diversity in the above terms is an important criterion, it is not an absolute one, nor is it superimposed on others considered to be also adequate to the sustainable development of the activity of the Company and the Group and to the simultaneous compliance with applicable legal regulations.

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

The privileged criterion for the selection and appointment of the members of the Board of Directors of the top company of the Teixeira Duarte Group - currently Teixeira Duarte, S.A. - has been to bet on (i) executive members and therefore linked to the Group's activity; and, within these (ii) those which have

been designated internally as "household persons"; a bet of trust in the identification with the same values, with a shared history and that privileges this connection more idiosyncratic than the choice of an outside expert in any sector of activity, market of action, or corporate area.

That is why now all members of the board of directors have more than twenty five years in the service of the Teixeira Duarte Group, as well as many of the members of the Group's Senior Management.

For this reason, it is understood that all the commitments to be undertaken and the measures to be implemented should take into account the one that has been the privileged criterion for the selection and appointment of the members of the Board of Directors, as well as their adequacy to the activities developed by the Corporate Group that Teixeira Duarte, S.A. leads, and to the realities of the markets and sectors in which it operates.

It is in this context that Teixeira Duarte, S.A. undertakes to make its best efforts to promote diversity in the composition of the Board of Directors, namely through:

- Compliance with the normative provisions in force regarding diversity, in particular non-discrimination and equal opportunities, arising from the Law and other applicable regulations, as well as from the rules contained in the "Code of Ethics and Conduct of the Teixeira Duarte Group" and the other documents based on it and applicable to the whole Group;
- Ensuring equal opportunities and treatment, in particular on the basis of age, sex, qualifications and professional background;
- Do not carry out any kind of discriminatory action based on ancestry, age, sex, sexual orientation, gender identity, marital status, family situation, economic situation, education, social origin or social condition, genetic heritage, reduced working capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological beliefs and trade union membership, in compliance with the "Code of Ethics and Conduct of the Teixeira Duarte Group" on this matter;
- Continue to focus on the diversity of ages, focusing on the balance resulting from the combination of the knowledge and experience of older people with the innovative perspective of the younger ones;
- Ensure compliance with the legal norms concerning gender diversity, ensuring adequate representation of women and men in the Board of Directors, based on their competencies, skills, experience and qualifications;

- Ensure that the Board of Directors continues to integrate people with different basic qualifications, as long as appropriate to the position to be exercised and in accordance with the characteristics, size and activities developed by the Business Group led by Teixeira Duarte, S.A.;
- Keep the bet on the "people of the house" as a privileged criterion, while valuing the combination of people with experience in different sectors, countries and corporate areas.

#### **V. SUPERVISORY BODIES:**

Due to the corporate model in force in Teixeira Duarte, S.A., the supervisory bodies are the Supervisory Board and the Statutory Auditor.

As the Statutory Auditor is not a collegiate body by nature, and therefore does not integrate a plurality of members, this body is excluded from this "Diversity Policy of the Management and Supervisory Bodies of "Teixeira Duarte, S.A. ".

Regarding the Supervisory Board, currently composed of three effective members and one alternate, the following commitments are assumed in promoting the diversity of the respective composition:

- Compliance with the normative provisions in force regarding diversity, in particular non-discrimination and equal opportunities, arising from the Law and other applicable regulations, as well as from the rules contained in the "Code of Ethics and Conduct of the Teixeira Duarte Group" and the other documents based on it and applicable to the whole Group;
- Ensuring equal opportunities and treatment, in particular on the basis of age, sex, qualifications and professional background;
- Do not carry out any kind of discriminatory action based on ancestry, age, sex, sexual orientation, gender identity, marital status, family situation, economic situation, education, social origin or social condition, genetic heritage, reduced working capacity, disability, chronic illness, nationality, ethnic origin or race, territory of origin, language, religion, political or ideological beliefs and trade union membership, in compliance with the "Code of Ethics and Conduct of the Teixeira Duarte Group" on this matter;
- Continue to focus on the diversity of ages, focusing on the balance resulting from the combination of the knowledge and experience of older people with the innovative perspective of the younger ones;
- Develop efforts to promote adequate representation of women and men in the Supervisory Board, always based on their competencies, skills, experience and qualifications;

- Ensure that the Supervisory Board continues to integrate people with different basic qualifications, as long as appropriate to the position to be exercised and in line with the characteristics, size and activities developed by the Corporate Group led by Teixeira Duarte, S.A.;
- Continue to focus on valuing the diversity of professional backgrounds of the members of the Supervisory Board, promoting the appointment of people with different professional experiences, as long as they fall within the scope of the Group's activity and appropriate to the duties to be performed.

Lagoas Park, the 27<sup>th</sup> of April 2018

The Board of Directors