



**CORPORATE
GOVERNANCE REPORT**

2019

CORPORATE GOVERNANCE
REPORT
2019

Identification of the company

Teixeira Duarte, S.A.

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 (Oeiras) Commercial Register 500 234 526

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Teixeira Duarte

Reports and accounts 2019

Corporate
Governance Report
2019

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.º-A, number 1, subparagraph a)).

The share capital of "Teixeira Duarte, S.A." (hereafter referred to as TD,SA, of the total value of € 210,000,000.00 (two hundred and ten million euros), is totally paid-up and 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 (EURONEXT LISBON). The shares belong to a single category, each corresponding to one vote, and there are no shares with special rights or duties.

According to the most recent information, the shares representing the share capital of TD,SA were, at the end of 2019, distributed over a total number of 4,448 shareholders, as follows:

- Shareholders with up to 42,000 shares: 4,067
- Shareholders with 42,001 to 420,000 shares: 326
- Shareholders with 420,001 to 4,200,000 shares: 46
- Shareholders with 4,200,001 to 42,000,000 shares: 7
- Shareholders with more than 42,000,000 shares: 2

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

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

3. Number of own shares, corresponding percentage share capital and percentage voting rights to which the own shares would correspond (article 245.º-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)).

TD,SA is not party to significant agreements that enter into force, are altered or terminated in the event of a change of control of the Company, with the exception of situations provided for in financing contracts, according to normal market practice, some of which provide for the possibility of the financial institution requesting early repayment in the event of a change of control of the Company.

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.

TD,SA has no provisions in its articles of incorporation and does not take any defensive measures that limit the number of votes that may be held or exercised by a single shareholder, acting individually or in concert with other shareholders.

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 that TD,SA does not adopt any measures that have the effect of requiring payments or the assumption of charges by the Company in the event of a transition of control or change in composition of the board of directors, nor measures that could affect the free transferability of shares and the free appraisal by shareholders of the performance of members of the management body.

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 hereby informed that, as at 31 December 2019, the owners of qualifying holdings, calculated in accordance with article 20 of the Securities Code, in compliance with article 8(1)(b) of CMVM (Securities and Exchange Commission) Regulation no. 05/2008, were as follows:

	Nr. shares as at 31.12.2019	Share capital with right to vote
Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.		
Directly	197,000,000	46.90%
Through the members of the Board of Directors of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." (a)	53,318,164	12.70%
TOTAL ATTRIBUTABLE	250,318,164	59.60%

(a) 3,645,138 shares held by the Director António Carlos Calainho de Azevedo Teixeira Duarte; 1,408,416 shares held directly by the Director Miguel Calainho de Azevedo Teixeira Duarte and 48,264,610 shares held by the Company directly controlled by it "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."

	Nr. shares as at 31.12.2019	Share capital with right to vote
Eng. Miguel Calainho de Azevedo Teixeira Duarte		
Directly	1,408,416	0.34%
Through the company controlled directly by him "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda."	48,264,610	11.49%
TOTAL ATTRIBUTABLE	49,673,026	11.83%

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. CSC]

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 2019, specifying the amount, date of the fact and consideration paid or received.

I - Number of shares held by members of the corporate bodies as of 31 December 2018:

Name	Company	Assurance	Nr. of Shares
Rogério Paulo Castanho Alves	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Gonçalves Pereira de Sousa Guerra Constenla	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	-
José Pedro Poiães Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	(a) 60,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Director	5,030,575
Joel Vaz Viana de Lemos	Teixeira Duarte, S.A.	Director	433,862
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Director	62,671
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Director	31,160
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Mateus Moreira	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Mr. Miguel Carmo Pereira Coutinho	Teixeira Duarte, S.A.	Member of the Supervisory Board	(b) 10,000
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

(a) 42,000 shares directly held by it and 18,000 shares held by the company it controls "PACIM - Gestão e Investimentos, Lda.", which in 2019, exchanged all of these shares for shares in Teixeira Duarte - SGPS, S.A.

(b) shares held under joint ownership with his wife.

II. Transactions with shares held, directly and indirectly, by Members of the Governing Bodies during the period between 1 January and 31 December 2019:

Name	Operation	Company	Date	Nr. of Shares	Price per Share
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	02/01/2019	(a) 400	0.133
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	03/01/2019	(a) 9.600	0.137
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	04/01/2019	(a) 10.000	0.142
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	07/01/2019	(a) 10.000	0.16372
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	08/01/2019	(a) 10.000	0.148
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	09/01/2019	(a) 10.000	0.148
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	11/01/2019	(a) 20.000	0.1377
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	14/01/2019	(a) 1.413	0.137
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	15/01/2019	(a) 38.587	0.138
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	16/01/2019	(a) 20.000	0.138
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	22/01/2019	(a) 40.000	0.138
Pedro Maria Calainho Teixeira Duarte / Manuel Maria Calainho de Azevedo Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	02/04/2019	(b) 350,000	Exchange for TD-SGPS shares
Pedro Maria Calainho Teixeira Duarte	Acquisition	Teixeira Duarte, S.A.	23/03/2019	(a) 67.000	0.15
Pedro Maria Calainho Teixeira Duarte	Sale	Teixeira Duarte, S.A.	25/03/2019	(c) 280,000	Exchange for TD-SGPS shares

(a) This operation was carried out by the controlled company PACIM - Gestão e Investimentos, Lda.

(b) This transaction was carried out between "MIDINVEST - Gestão e Investimentos, Sociedade Unipessoal, Lda." and "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." (in which, to date, Pedro Maria Calainho Teixeira Duarte and Manuel Maria Calainho de Azevedo Teixeira Duarte were directors), for which, for every 35 acquired TEIXEIRA DUARTE, S.A. shares, it divested 1 share representing its own share capital.

(c) This operation was carried out by the company it controls, PACIM - Gestão e Investimentos, Lda., which, for every 35 TEIXEIRA DUARTE, S.A. shares sold, it received 1 share representing the share capital of TEIXEIRA DUARTE - Sociedade Gestora de Participações Sociais, S.A.

III. Number of shares held by Members of the Governing Bodies as at 31 December 2019:

Name	Company	Assurance	Nr. of Shares
José Luciano Vaz Marcos	Teixeira Duarte, S.A.	Chairman of the Board of the General Meeting	-
José Mário Ferreira de Almeida	Teixeira Duarte, S.A.	Deputy Chairman of the Board of the General Meeting	(a) 3.000
José Pedro Poiães Cobra Ferreira	Teixeira Duarte, S.A.	Secretary of the Board of the General Meeting	-
Pedro Maria Calainho Teixeira Duarte	Teixeira Duarte, S.A.	Chairman of the Board of Directors	42,000
Manuel Maria Calainho de Azevedo Teixeira Duarte	Teixeira Duarte, S.A.	Member of the Board of Directors	5,030,575
Carlos Gomes Baptista	Teixeira Duarte, S.A.	Member of the Board of Directors	62,671
Maria da Conceição Maia Teixeira Duarte	Teixeira Duarte, S.A.	Member of the Board of Directors	(a) 3,967,473
Diogo Bebiano Branco de Sá Viana Rebelo	Teixeira Duarte, S.A.	Member of the Board of Directors	31,160
Óscar Manuel Machado de Figueiredo	Teixeira Duarte, S.A.	Chairman of the Supervisory Board	-
Ana Cristina Louro Ribeiro Doutor Simões	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
João Salvador dos Santos Matias	Teixeira Duarte, S.A.	Member of the Supervisory Board	-
Rui Pedro Ferreira de Almeida	Teixeira Duarte, S.A.	Alternate of the Supervisory Board	-
Moore Stephens & Associados, SROC, S.A.	Teixeira Duarte, S.A.	Chartered Accountant	-

(a) Shares already held prior to the General Meeting of 27 May 2019, at which they were elected to their respective positions

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.

Under the TD,SA Articles of Incorporation, the Board of Directors is empowered to:

- Resolve that the Company participate in the incorporation, subscribe capital, assume interests in or take part in other companies, undertakings, complementary groups or associations of any kind and cooperate, collaborate or enter into consortia with any other entities, as well as provide technical administration and management services, or human and financial resource services to subsidiary companies or companies with which it has entered into a contract of subordination (Article 4); and
- Issue any form or type of bonds, as well as any other instruments or securities, including those representing debt, in such a manner and under such terms as may be allowed by law and under such conditions as may be determined by the body that decides to issue them (Article 8).

The Articles of Incorporation of TD,SA do not grant any special powers to the management body to make any resolutions to increase the Company's share capital.

The Board of Directors, as the management body, ensures that the Company acts in accordance with its objectives and does not delegate powers with regard to i) definition of the company's strategy and main policies; ii) organization and coordination of the corporate structure; iii) matters that should be considered strategic due to their value, risk and special characteristics.

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

There are no significant relations of a commercial nature between the holders of qualified shares and the company, so it is understood that there is no reason for the supervisory body to establish the procedures and criteria necessary for defining the relevant level of significance of business with shareholders with qualified shareholdings - or with entities that are related to them in any of the ways provided for in Article 20(1) of the Securities Code -, and that there is no reason for conducting business of significant relevance to depend on the prior opinion of that 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:

Under the terms of article fourteen of the Articles of Incorporation of TD,SA, the General Meeting Board consists of a Chairperson, a Vice-Chairperson and the Company Secretary.

At the beginning of the 2019 financial year and up to the date of the Annual General Meeting held on 27 May 2019, the following members of the General Meeting, appointed for the 2015/2018 term, were still in office:

Chairman: Rogério Paulo Castanho Alves
 Vice-Chairman: José Gonçalo Pereira de Sousa Guerra Costenla
 Secretary José Pedro Poiares Cobra Ferreira

At the General Meeting of 27 May 2019, the following General Meeting Board members were elected for the new 2019/2022 term of office; at 31 December 2019 they still held such positions:

Chairman: José Luciano Vaz Marcos
 Vice-Chairman: José Mário Ferreira de Almeida
 Secretary José Pedro Poiares Cobra Ferreira

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, specifically limitations on exercising of voting rights depending on ownership of a number or percentage of shares; in terms of the time limits imposed for exercising voting rights, the only limitations are those set out *below* for the case of postal voting.

TD,SA has not established any type of system to highlight equity rights or mechanisms that have the effect of causing a mismatch between the right to receive dividends or to subscribe to new securities, and the voting rights of each common share.

General Meeting Call and Preparatory Information

It should also be noted that TD,SA discloses, within the applicable legal periods, and in all places imposed by law, the call for General Meetings, together with the proposed resolutions and preparatory information. This is all done to guarantee, promote and encourage the participation of shareholders, either in person or through representatives appointed by them, in the General Meetings.

Participation in General Meetings

According to the contents of article 13 of the Articles of Association, those who, on the date of registration, corresponding to midnight (GMT) of the 5th trading day prior to the date of the Meeting, hold shares giving them at least one vote may participate in the General Meeting and discuss and vote there.

Each share, under the conditions referred to above, corresponds to one vote. Although article 7 of the Articles of Association provides for the possibility of shares without voting rights, the truth is that this category of shares does not exist and has never existed.

Postal Voting

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.

Electronic Voting

Although it acknowledges that the use of new technologies enhances the exercise of shareholder rights, TD,SA believes that there are very significant specific security requirements inherent to the electronic voting process, particularly regarding the technical resources necessary to verify the authenticity of the corresponding voting declarations and to guarantee the integrity and confidentiality of their contents. It also acknowledges the high level of security and operational reliability necessary to receive the aforementioned declarations.

Additionally, TD,SA considers that the participation of shareholders in General Meetings has been fully ensured, even in the event that they are unable to attend, either through postal voting or through existing representation mechanisms, and has never received any request for the implementation of this system, or any remedy to the possible difficulty of participating in General Meetings and exercising voting rights.

The considerations referred to above and the fact that the General Meetings of TD,SA traditionally have 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.

In this context, TD,SA is convinced that the adopted model promotes and encourages shareholder participation in General Meetings.

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 or maximum number of 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 referred to in number 1 of article 20 of the Securities Market Code.

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 provisions in the articles of incorporation that impose quorums of qualified majorities for resolutions on certain matters by shareholders, without prejudice to legal provisions that, in certain cases, may require qualified majorities or establish other forms of expiration of 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

Ever since its incorporation on 30 November 2009, Teixeira Duarte, S.A. has adopted a model of Corporate Governance known as the “strengthened Latin” model. In addition to the General Meeting and its respective board, its corporate bodies are a Board of Directors and two independent oversight bodies: the audit committee and the Official Accounts Auditor Company.

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 corporate model fully complies with the objectives that served as a basis, namely ensuring that TD,SA maintains good levels of operation and efficiency as each corporate body performs its functions both independently and in conjunction with others. Therefore, this corporate model is appropriate for the *modus operandi* of TD,SA, for its structures and for members of the corporate bodies, specifically 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)).

Members of the management body of TD,SA are elected at the General Meeting by a list system, for four years, coinciding with the company's financial years, and they may be reelected one or more times, under the legally established terms and limitations, and they are deemed sworn in as soon as they are elected, without depending on any further formalities.

Under the special election rules established in the Law, TD,SA 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 Incorporation establish the number of consecutive or non-consecutive absences from meetings per term of office at five, without justification accepted by the Board of Directors, which lead to a situation of permanent absence of a Director, with the other consequences provided for by Law.

The Articles of Incorporation do not provide for any substitute Director and do not establish any specific rule for the substitution of members of the Board of Directors. Therefore, the general regime provided for in the Companies Code on this matter shall apply, i.e., the Board of Directors may substitute a Director who ceases to perform duties for any of the reasons provided for by law, specifically due to resignation or accumulation of absences, and, if it deems necessary and under the applicable terms and conditions, shall carry out the corresponding co-optation, which must be ratified at the next General Meeting.

The procedural and material requirements applicable to the appointment and substitution of members of the Board of Directors ensure gender diversity, age diversity, diversity of qualifications and diversity of professional background, under the

terms of article 245(A)(r) of the Securities Code, as amended by Decree-Law no. 89/2017.

In effect, in recognition of the advantages of diversity in the composition of its Management and Supervisory Bodies, specifically in terms of age, gender, qualifications and professional background, at the General Meeting of 26 May 2018, TA,SA approved its Diversity Policy, which is currently in force and sets out criteria for the selection and appointment of the Company's corporate bodies (including the Board of Directors) and which is disclosed here, in accordance with the provisions of Article 245(A) of the Securities Code, as amended by Decree-Law no. 89/2017:

INTRODUCTION:

TEIXEIRA DUARTE, S.A. recognises the advantages arising from diversity in the composition of its Management and Supervisory Bodies, specifically in terms of age, gender, qualifications and professional background.

The main results of these benefits are the enrichment of management models, greater efficiency in assessment and decision-making processes through the consideration of different perspectives, taking advantage of the plurality of knowledge, experiences, skills and competences of the members of these corporate governing bodies.

In parallel, respect for such differences has shown the consolidation of the Human Resources structure of the business Group led by TEIXEIRA DUARTE, S.A., through the enhancement of diverse aptitudes and competences, making the Company itself a reflection of the community of which it forms a part, and the different markets and sectors in which it operates.

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

Having said this, it is clarified that although diversity in the terms indicated above is an important criterion, it is not an absolute criterion, nor does it overlay others that are also deemed suitable for the sustainable development of Company and Group activities, and for simultaneously meeting applicable legal regulations.

BOARD OF DIRECTORS:

The criterion prioritised for the selection and appointment of the members of the Board of Directors of the leading company of the Teixeira Duarte Group - currently Teixeira Duarte, S.A. - was to focus on (i) executive members who are therefore linked to the

Group's activity; and, from among these (ii) those who have been internally designated as "household people"; a commitment of trust in identifying with the same values, with a shared history, which means that this more idiosyncratic link is prioritised over the choice of an external expert in any sector of activity, operating market or corporate area.

Therefore, all members of administrative bodies have now been with the Teixeira Duarte Group for over twenty five years; the same applies to many members of the Group's senior management.

For this reason, it is understood that all commitments to be assumed and measures to be implemented should take into account what has become the priority criterion for selecting and appointing members of the Board of Directors, as well as the respective suitability for activities carried out by the Business Group led by Teixeira Duarte, S.A., and the situations of the markets and sectors in which it operates.

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

- Compliance with the legal provisions in force on diversity, specifically non-discrimination and equal opportunities, which derive from the law and other applicable regulations, as well as the rules contained in the "Teixeira Duarte Group Code of Ethics and Conduct" and other documents that are based on it, which apply to the entire Group;
- Ensure equal opportunities and equal treatment, specifically on grounds of age, gender, qualifications and professional background;
- Do not take any discriminatory action based on ancestry, age, gender, sexual orientation, gender identity, marital status, family situation, economic situation, education, origin or social condition, genetic heritage, reduced working capacity, disability, chronic illness, nationality, ethnic or racial origin, territory of origin, language, religion, political or ideological beliefs and union membership, in compliance with the provisions of the "Teixeira Duarte Group Code of Ethics and Conduct" on this matter;
- Continue to commit to age diversity, by prioritising a balance resulting from combining the knowledge and experience of older people with the innovative perspective of younger ones;
- Guarantee compliance with the legislation on gender diversity, ensuring adequate representation of women and men on

the Board of Directors, always based on their skills, abilities, experience and qualifications;

- Ensure that the Board of Directors continues to include people with a diverse range of basic qualifications, provided they are suitable for the position to be held and in line with the characteristics, size and activities carried out by the Business Group led by Teixeira Duarte, S.A.;
- Maintain the commitment to "household people" as a priority criterion, while valuing the combination of people with experience in different sectors, countries and corporate areas.

SUPERVISORY BODIES:

According to the corporate model in force at Teixeira Duarte, S.A., the supervisory bodies are the Supervisory Board and the Statutory Audit Firm.

As the Statutory Audit Firm is not a collegiate body by nature, and is therefore not made up of a plurality of members, this body is excluded from the this "Diversity Policy for the Management and Supervisory Bodies of Teixeira Duarte, S.A."

As regards the Supervisory Board, currently consisting of three effective members and a substitute, the following commitments are assumed in order to promote the diversity of its respective composition:

- Compliance with the legal provisions in force on diversity, specifically non-discrimination and equal opportunities, which derive from the law and other applicable regulations, as well as the rules contained in the "Teixeira Duarte Group Code of Ethics and Conduct" and other documents that are based on it, which apply to the entire Group;
- Ensure equal opportunities and equal treatment, specifically on grounds of age, gender, qualifications and professional background;
- Do not take any discriminatory action based on ancestry, age, gender, sexual orientation, gender identity, marital status, family situation, economic situation, education, origin or social condition, genetic heritage, reduced working capacity, disability, chronic illness, nationality, ethnic or racial origin, territory of origin, language, religion, political or ideological beliefs and union membership, in compliance with the provisions of the "Teixeira Duarte Group Code of Ethics and Conduct" on this matter;
- Continue to commit to age diversity, by prioritising a balance resulting from combining the knowledge and experience of older people with the innovative perspective of younger ones;

- *Make efforts to promote appropriate representation of women and men on the Supervisory Board, always on the basis of their skills, competences, aptitude, experience and qualifications;*
- *Ensure that the Supervisory Board continues to include people with a diverse range of basic qualifications, provided they are suitable for the position to be held and in line with the characteristics, size and activities carried out by the Business Group led by Teixeira Duarte, S.A.;*
- *Continue the commitment to valuing the diversity of professional backgrounds of members of the Supervisory Board, encouraging the appointment of people with different professional experiences, provided that they fall within the scope of activity of the Group and that they are appropriate for the roles to be performed.*

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.

Under the provisions of article 17 of the Articles of Incorporation, the Board of Directors of TD,SA shall consist of a minimum of five and a maximum of eleven members.

When electing this Board, the General Meeting of TD,SA shall determine the number of Directors who, within these limits, shall sit on it in each term of office and shall appoint, from among them, the member who shall act as Chairperson.

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.

At the beginning of the 2019 financial year and up to the date of the Annual General Meeting held on 27 May 2019, the following five Directors, appointed for the 2015/2018 term, were still in office:

Chairman:

Pedro Maria Calainho Teixeira Duarte

Directors:

Manuel Maria Calainho de Azevedo Teixeira Duarte

Joel Vaz Viana de Lemos

Carlos Gomes Baptista

Diogo Bebiano Branco de Sá Viana Rebelo

The Directors for the new 2019/2022 term of office were elected at the General Meeting of 27 May 2019. At 31 December 2019 the following Directors, continued in office, all of whom were effective:

Chairman:

Pedro Maria Calainho Teixeira Duarte

Directors:

Manuel Maria Calainho de Azevedo Teixeira Duarte

Carlos Gomes Baptista

Maria da Conceição Maia Teixeira Duarte

Diogo Bebiano Branco de Sá Viana Rebelo

The Chairman of the Board of Directors Pedro Maria Calainho Teixeira Duarte and the Directors Manuel Maria Calainho de Azevedo Teixeira Duarte and Carlos Gomes Baptista were appointed for the first time upon the incorporation of the Company, on November 30, 2009, to serve during the 2009/2010 term of office. They were then re-elected for the 2011/2014 term and for the 2015/2018 term, before being re-elected at the General Meeting of 27 May 2019 to perform duties during the 2019/2022 term of office.

The Director Maria da Conceição Maia Teixeira Duarte was elected for the first time at the General Meeting on 27 May 2019.

The Director Diogo Bebiano Branco de Sá Viana Rebelo was elected for the first time at the General Meeting of 20 May 2011, to perform functions during the 2011/2014 term of office. He was then re-elected for the 2015/2018 term of office and re-elected once again, at the General Meeting of 27 May 2019, to perform functions during the 2019/2022 term of office.

The Director Joel Vaz Viana de Lemos was appointed for the first time upon the incorporation of the company, on 30 November 2009, to perform functions during the 2009/2010 term. He was then re-elected for the 2011/2014 term and for the 2015/2018 term, after which he left office.

The current Board of Directors of TD,SA, elected at the General Meeting held on 27 May 2019, consists of one woman, representing 20% of the active members of the Board of Directors, so this corporate body of TD,SA currently meets the gender equality criteria and requirements for members of the Board of Directors.

In addition, the Proposal for the election of the corporate bodies, presented to the elective General Meeting, was based on the necessary documentation and information regarding the profile, professional experience and curriculum vitae of the candidates, specifically to comply with the provisions of article 289(1)(d)

of the Companies Code, which constitutes sufficient grounds regarding the suitability of the profile, knowledge and curriculum vitae and for the function to be performed by the aforementioned candidates, in accordance with Recommendation V.4.1 of the Code of the Portuguese Corporate Governance Institute (IPCG).

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. Independence of the members of the General and Supervisory Board and the members of the Audit Committee is assessed under the terms of current legislation. The other members of the Board of Directors are deemed independent if they are not associated with any specific interest group in the company and are not in any circumstance that could affect their analysis or decision-making, specifically by virtue of:

- 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 members of the Board of Directors of "Teixeira Duarte, S.A." have identical duties in this area, considering that there are no non-executive directors, since they all perform duties inherent to their position in a company which, being the parent company of

the Group, manages its holdings and appraises the respective actions while not taking direct decisions or exercising management powers over the activities of these entities.

In this regard, it should be noted that some members of the Board of Directors have duties and positions in other Group entities, relative to which they exercise management and management powers with proximity and direct responsibility for the actions of these companies.

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 by the Supervisory Board, Remuneration Committee and General Meeting.

Also in this regard, we hereby report that in terms of the independence of its members, the Board of Directors believes that none of them are in circumstances that could affect their analysis or decision making.

Furthermore, the complete independence and absence of incompatibilities of members of the Supervisory Board allows them to participate in an impartial and useful manner in the supervision of Company activity. Not only does this apply from an accounting point of view - where the Official Accounts Audit Company intervenes regularly - but also from a policy perspective, in this case with the limits and scope to safeguard essential compliance with current legislation and regulations, all with a view to ensuring continuous transparency and compliance with adequate levels of disclosure of information to the market, in general, and particularly to the shareholders at the General Meeting.

In effect, the Statutory Auditor collaborates with the Supervisory Board and immediately informs it of any information about any relevant irregularities that may be detected, as well as any difficulties encountered in the performance of its duties.

It follows from the above that there is a good relationship between all corporate bodies, not just between the Statutory Audit Company and the Supervisory Board, who meet periodically, but also between these bodies and the Board of Directors, as the Directors always provide the information requested by other members of corporate bodies in a timely and useful manner, and all are provided with any essential elements and documents for analysis and decision-making on matters for which they are responsible while performing their respective duties.

It should also be noted that, in compliance with the principle of close cooperation between the corporate bodies, the Chair

of the Supervisory Board and the representative of the Official Accounts Auditor are invited to all monthly meetings and to approve the Board of Directors' accounting documents. This body sends copies of notifications and minutes of meetings to all of them.

These tasks are performed, through indication of the Chairman of the Board of Directors, by the Company Secretary who delivers copies of the call notices and minutes of the Board of Directors meetings to the Chairman of the Supervisory Board, after they have been duly signed.

In view of the corporate model that has been adopted, and the composition and operating methods of its corporate bodies - specifically the executive nature of the Board of Directors, with the aforementioned framework, and the independence of the audit committee and the official accounts auditor company, without competences being delegated between them or to other committees - TD,SA believes - in view of Recommendations no. III.2 and III.3 - that appointing non-executive members to hold positions on the Board of Directors would not bring significant added value to the good operation of the model that has been adopted, which has proved to be adequate and efficient.

This justifies TA,SA's choice to not have non-executive members of the Board of Directors for monitoring, supervising and assessing the activity of the other members of the body, as set out in Recommendations no. III.2 and III.3, as the effective capacity of the supervisory bodies to critically and impartially monitor, supervise and assess the activity of the executive directors is guaranteed.

It should be added that, despite the fact that the chairman of the board of directors performs executive functions, as there are no non-executive Directors, the provisions of Recommendation no. III.1 do not apply to TD,SA. This recommendation states that, if the chair of the board of directors has executive functions, this body must appoint an independent director from among its members, to ensure that the work of the other non-executive members is coordinated, and to create conditions to allow them to made decisions in an independent and informed manner, or find another equivalent mechanism to ensure that this coordination takes place.

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: Pedro Maria Calainho Teixeira Duarte

Graduated in Business Management from "Universidade Católica Portuguesa", in 1977, where he held the position of assistant to the chair of General Mathematics until 1981.

Appointed for the first time in 2009, when the company was incorporated, he was last elected in 2019 to perform functions for the 2019/2022 term.

It should also be noted that from 1987 until the Elective General Meeting held on 6 May 2019 he was a Director of the Group's parent company (which until 2010 was "Teixeira Duarte - Engenharia e Construções, S.A.").

In the absence of any specific duty in the Articles of Incorporation, no specific delegation of powers, and no any decision on the distribution of responsibilities among the members of the Board of Directors, the Chairman of the Board of Directors shall be responsible for the specific duties provided for by law, including ensuring the functioning of the Board of Directors, specifically coordinating the performance of its members and holding the respective meetings.

In 1978 he joined the staff of "Teixeira Duarte - Engenharia e Construções, S.A.", and in 1987 he became Managing Director of what was then the Group's top company, in which he has held the position of Chairman of the 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 TD,SA, which would later become the leading listed company of the Teixeira Duarte Group as of 2010.

Over the years, he has held multiple corporate positions in various other entities, of which mentioned should be made of the following:

- On several occasions since 1991 he has served terms as a member of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A. - a company owned by members of the Teixeira Duarte family to which a stake in excess of 50% of the capital of TD,SA is assigned - and of which he was Chairman between 2011 and 11 April 2019;
- The top position in the management body of PASIM - Sociedade Imobiliária, Lda. since its incorporation to date;
- Member of the Board of Directors of "CIMPOR - Cimentos de Portugal, S.G.P.S., S.A." between 2001 and August 2009; and
- Various functions in the Corporate Bodies of "Banco Comercial Português, S.A." between 1985 and 2013, in particular

as Vice-Chairman of the Senior Board, Vice-Chairman of the General and Supervisory Board and Vice-Chairman of the Board of Directors.

Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

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

Appointed for the first time in 2009, when the company was incorporated, he was re-elected in 2019 to perform functions for the 2019/2022 term.

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).

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

He was the Director of "TDF - Sociedade Gestora de Investimentos Imobiliário, SA" from 30.06.1992 to 22.04.2005, with supervision functions and control over investment decisions, under the scope of competences assigned to Board of Directors members by the Trading Companies Code and by the company's articles of incorporation, as well as a role relating to relations with the Portuguese Securities and Exchange Commission (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 the corporate bodies many Teixeira Duarte Group companies. In April 2005 he also became a member of the Board of Directors of the Group's listed parent company - "Teixeira Duarte - Engenharia e Construções, S.A." at the time, and currently TD,SA; he still holds these positions today.

On several occasions since 1991 he has served terms as a member of the Board of Directors of Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A. - a company owned by members of the Teixeira Duarte family to which a stake in excess of 50% of the capital of TD,SA is assigned - and of which he was a Board Member between 2011 and 11 April 2019.

Director: Carlos Gomes Baptista

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

Appointed for the first time in 2009, when the company was incorporated, he was last elected in 2019 to perform functions for the 2019/2022 term.

Furthermore, it should be noted that he has been a Director of the Group's leading listed company since 2005 (which was Teix-

eira Duarte - Engenharia e Construções, S.A. until 2010).

In November 2013, he ceased to be a member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A.", a position to which he was again elected in 2018.

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 1992 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.", until November 2013.

Does not perform any professional activity or hold any position outside the Teixeira Duarte Group.

Director: Maria da Conceição Maia Teixeira Duarte

Holder of a degree in Agronomy, with a specialty in Phytopathology, from the Higher Institute of Agronomy of Lisbon Technical University (1981).

Masters in Plant Production from the Higher Institute of Agronomy of Lisbon Technical University (1989).

Emphasis should be placed on the fact that she held the position of Member of the Board of Directors of Teixeira Duarte-Sociedade Gestora de Participações Sociais, S.A. for several terms up to April 2019.

From 2011 to 2018 she was a Member of the Remunerations Committee of "Teixeira Duarte, S.A."

She was also a member of the Remunerations Committee of "Teixeira Duarte - Engenharia e Construções, S.A.", from May 2018 to May 2019.

Appointed for the first time to the position of Director of TD,SA by resolution of the General Meeting of 27 May 2019, to perform duties for the 2019/2022 term of office.

Director: Diogo Bebiano Branco de Sá Viana Rebelo

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

Appointed to the position for the first time in 2011, by a General Meeting decision, he was last elected in 2019 to perform functions for the 2019/2022 term.

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, TD,SA.

Does not perform any professional activity or hold any position outside the Teixeira Duarte Group.

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, Pedro Maria Calainho Teixeira Duarte, is a shareholder of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.". Furthermore, we disclose that he is the cousin of Mr. Miguel Calainho de Azevedo Teixeira Duarte.

The Director Manuel Maria Calainho de Azevedo Teixeira Duarte is a shareholder of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A." and is the cousin of the Engineer Mr. Miguel Calainho de Azevedo Teixeira Duarte.

The Director Maria da Conceição Maia Teixeira Duarte is a shareholder of "Teixeira Duarte - Sociedade Gestora de Participações Sociais, S.A.". It is also reported that she is the cousin of Engineer Miguel Calainho de Azevedo Teixeira Duarte.

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.

The members of the Board of Directors respect the general duties of diligence, care and loyalty, taking management decisions in a critical and impartial manner, always in the interest of the Company.

It is therefore the responsibility of the Board of Directors to ensure that the Company acts in accordance with its objectives, so this body does not delegate powers with regard to i) definition of the company's strategy and main policies; ii) organisation and coordination of the corporate structure; iii) matters that should be considered strategic due to their value, risk and special characteristics.

The organizational structure and areas of activity of the TD,SA Group entities operating in the different sectors is shown on the following organizational chart:

CORPORATE AREA	ACTIVITY SECTORS	
Internal Audit	Construction	
Accounting		
Finance	Geotechnics and Rehabilitation	Metalworking
Legal	Marine Works	Underground Works
Human Resources	Exploration Centres	Railway Works
Corporate Affairs	Technical Division	Shuttering and Pre-stressing
Sustainability	Buildings	Supplies
Information Technologies	Exploration Centres	Equipment Management
	Technical Division	Management Systems and Technology
	Infrastructures	Innovation
	Exploration Centres	Proposal's Logistics
	Technical Division	
		Concessions and Services
		Facilities Management
		Education
		Real Estate
		Hospitality
		Distribution
		Automotive

b) Operation

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.

Considering the corporate model that has been selected, the composition of the Board of Directors and its scope of activities as described in section 18, the fact that the competences and responsibilities of this body cannot be delegated to any others, not even specialized committees or departments, that the way that the Board of Directors operates is very simple, as well as the fact that the number of members that make up this body is not large or sufficient to justify the stipulation, in regulations, of additional operating rules, TD,SA has not adopted any operating regulations in addition to the provisions relating to the operation and organization of the Board of Directors that result from the Company's Articles of Incorporation and applicable legislation.

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.

Detailed minutes of the meetings of the Board of Directors and the other corporate bodies of TD,SA are always drawn up.

Although this is not established in the Articles of Incorporation or in other specific mechanisms to this effect, it is guaranteed that, within the limits of the applicable legislation, the members of the administration and supervisory bodies are permanently guaranteed access to all company information and employees for the assessment of the performance, situation and development prospects of the company, specifically including minutes, supporting documentation for decisions that are made, meeting notifications and files from meetings of the Board of Directors, without prejudice to access to any other documents or persons from whom clarifications may be requested.

Without prejudice to the above, "Teixeira Duarte, S.A." currently has a "Code of Ethics and Conduct of the Teixeira Duarte Group", which is mandatory for all of the respective Directors. However, no part of this code contains regulatory provisions for the operation of corporate bodies or other relevant bodies in this area. This code can be found at <https://www.teixeiraduarte.pt/grupo/codigo-de-etica-e-conduta/>.

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 2019, the Board of Directors of TD,SA held 22 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, Pedro Maria Calainho Teixeira Duarte, was present at all meetings of this body.

The Director Manuel Maria Calainho de Azevedo Teixeira Duarte was present at 21 meetings of the Board of Directors, and was represented by the Chairman of the Board of Directors at the only meeting at which he was not present.

The Director Carlos Gomes Baptista was present at all the meetings of this body.

Out of the 15 meetings of the Board of Directors held after her election (General Meeting of 27 May 2019), the Director Maria da Conceição Maia Teixeira Duarte was present at 13 meetings of the Board of Directors and was represented by the Chairman of the Board of Directors at the two meetings that she was unable to attend.

The Director Diogo Bebiano Branco de Sá Viana Rebelo was present at all the meetings of this body.

The Director Joel Vaz Viana de Lemos was present at all 7 meetings of the Board of Directors held until the date he left office (General Meeting of 27 May 2020, which elected new members of the Board of Directors for the 2019/2022 term of office).

24. Indication of the company's governing bodies which are competent to assess the performance of the executive directors.

The competent body for assessing the performance of the Company's Directors is the General Meeting which, under the terms of Article 376(1) of the Companies Code, conducts an annual review of the Company's administration and supervision.

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.

It is also report that, due to the organizational and functional model established between the various corporate codes, it is not deemed justified to create another Committee, in addition to the Remunerations Committee, for the purpose of ensuring a competent and independent assessment of the performance of the Directors and of its own overall performance.

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 by each of the Governing Bodies which, better than any other body created only for this effect, are successful in identifying any constraints and difficulties which might have been encountered, and in the same way, collaborate together in the assessment of the adopted corporate governance model, reporting and overcoming any operational and interconnection difficulties.

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 predetermined criteria for the assessment of the performance of the Executive Directors.

In effect, all Directors are assessed according to their respective performance during the year, based on objectives that are set and achieved for each financial year, the Company's results and several other parameters which, due to their diverse nature and changes over the years, should not be exhaustive but rather adaptable to the circumstances of each period and of each specific situation, based on the Remunerations Policy that is approved annually by the General Meeting.

On this issue, see the remuneration policy of the governing bodies, reproduced below in point 69.

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 members of the Board of Directors have adequate availability to perform the duties inherent to the position they hold in TD,SA, as the Group's parent company, which manages its holdings and appraises its respective actions, but does not take direct decisions or exercise management powers over the activities of these entities.

In this regard, it should be mentioned that:

- Some members of the Board of Directors have duties and positions in other Group entities, relative to which they exercise management and management powers with proximity and direct responsibility for the actions of these companies.
- There are some specific situations of positions held in other entities outside the Teixeira Duarte Group, and in none of them does any Director earn remuneration, maintain a professional connection, or is subject to any situation that prevents full availability to perform the duties of a member of the Board of Directors of TD,SA.

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

At 31 December 2019, he held the following positions in other companies within and outside the Teixeira Duarte Group:

Within the Group:

- Chairman of the Board of the General Meeting of Teixeira Duarte - Engenharia e Construções, S.A.
- Chairman of the Board of the General Meeting of Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.

Outside the Group:

- Manager of "PACIM - Gestão e Investimentos, Lda.";
- Manager of "PASIM - Sociedade Imobiliária, Lda.";
- Manager of "PACIM - CAXALP, Gestão e Investimentos, Lda.";
- Manager of "Foros dos Olivais, Lda.";
- Manager of "Mourinha de Cima - Atividades Imobiliárias e Turísticas, Lda.";
- Manager of "Terras da Mourinha, Lda.";

- Manager of "Terras da Mourinha de Baixo, Lda.";
- Manager of "Terras da Serrinha - Atividades Agrícolas, Lda.";
- Manager of "Terras do Pico - Atividades Agrícolas, Lda.";
- Manager of "Terras da Parra, Lda."

Director: Manuel Maria Calainho de Azevedo Teixeira Duarte

As at 31 December 2019, he held the following positions in companies outside the Teixeira Duarte Group:

- Member of the Board of Directors of "Teixeira Duarte - Engenharia e Construções, S.A."
- Chairman of the Board of Directors of "C+P.A. - Cimento e Produtos Associados, S.A."
- Member of the Board of Directors of "ESTA - Gestão de Hotéis, S.A.";
- Chairman of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A."
- Member of the Board of Directors of "Lagoas Hotel, S.A.";
- Member of the Board of Directors of "LAGOASFUT - Equipamento Recreativo e Desportivo, S.A.";
- Member of the Board of Directors of "SINERAMA - Organizações Turísticas e Hoteleiras, 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."
- Member 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."
- Director of "CPM - Companhia de Parques de Macau, S.A.";
- Member of the Board of Directors of "TDAP - Atividades Portuárias, S.A."

- Director of "Teixeira Duarte - Engenharia e Construções (Macau), Limitada";

Director: Carlos Gomes Baptista

At 31 December 2019 he held no positions in other companies.

Director: Maria da Conceição Maia Teixeira Duarte

At 31 December 2019 he held no positions in other companies.

Director: Diogo Bebiano Branco de Sá Viana Rebelo

As at 31 December 2019, he held the following positions in companies outside the Teixeira Duarte Group:

- Member of the Board of Directors of "TDE - Empreendimentos Imobiliários, S.A.";
- Chairman of the Board of Directors of "TDO - Investimento e Gestão, S.A."
- Chairman of the Board of Directors of "Teixeira Duarte - Distribuição, S.A.";
- Chairman of the Board of Directors of "TEDAL II - Distribuição e Investimentos, S.A.";
- Chairman of the Board of Directors of "TEDAL III - Automóveis e Investimentos, S.A.";
- Chairman of the Board of Directors of "TEDAL IV - Participações e Automóveis, S.A.";
- Chairman of the Board of Directors of "TEDAL - Participações e Distribuição, S.A.";
- Member of the Board of Directors of "IMOTD - Sociedade Gestora de Participações Sociais, S.A.";
- Member of the Board of Directors of "TD VIA - Sociedade Imobiliária, S.A.";
- Member of the Board of Directors of "Teixeira Duarte - Gestão de Participações e Investimentos Imobiliários, S.A.";
- Manager of "Malanga - Investimentos Imobiliários, Unipessoal Lda.";

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 on management or supervisory matters - the specified Executive Committee cannot even be constituted under article 20 the Articles of Association.

Considering the small number of members of the Board of Directors and the fact that there are no non-executive directors, since they all perform functions inherent to their positions in a company that, as the parent company of the Group, manages its holdings and appraises the respective actions, but does not take direct decisions or exercise management powers over the activities of these entities, there is an exemption from creating any committees in this case, specifically for monitoring and supporting the appointments of any managers, as suggested in Recommendation V.4.2.

As no appointments committee is constituted, Recommendation V.4.4. does not apply to TD,SA.

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 corporate model adopted is the one usually known as the "strengthened Latin" model. In this regard, it has been decided to appoint a Supervisory Board as the oversight 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.

Under the provisions of article 24 of the Articles of Incorporation of TD,SA, the Supervisory Board is made up of three effective members and an substitute, who must meet the requirements and have 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.

At the beginning of the 2019 financial year and up to the date of the Annual General Meeting held on 27 May 2019, the following directors, appointed for the 2015/2018 term, were still in office:

Chairman:

Óscar Manuel Machado de Figueiredo

Board Members:

Mateus Moreira

Mr. Miguel Carmo Pereira Coutinho

Deputy:

Rui Pedro Ferreira de Almeida

On 31 December 2019 and since 27 May 2019, the Supervisory Board had the following members:

Chairman:

Óscar Manuel Machado de Figueiredo

Board Members:

Ana Cristina Louro Ribeiro Doutor Simões

João Salvador dos Santos Matias

Deputy:

Rui Pedro Ferreira de Almeida

The Chairman of the Supervisory Board was elected by the Shareholders on 31 May 2014 as a Substitute for this body, before holding the position of an effective member since 7 No-

ember 2014 following the resignation tendered by the former Chairman, and he was appointed as Chairman of the Supervisory Board at a meeting of this body on 5 December 2014. He was elected Chairman of the Audit Committee on 30 May 2015 to perform duties during the 2015/2018 term of office. He was reappointed to the respective position at the General Meeting on 27 May 2019, to perform duties during the current 2019/2022 term of office.

The members of the Supervisory Board, Mateus Moreira and Miguel Carmo Pereira Coutinho, were appointed for the first time when the company was incorporated, on 30 November 2009, to perform duties during the 2009/2010 term of office, and were reappointed to their respective positions at the Annual General Meeting of 30 May 2015 to perform duties during the 2015/2018 four-year term of office, having ceased their duties on 27 May 2019.

The Members of the Supervisory Board, Ana Cristina Louro Ribeiro Doutor Simões and João Salvador dos Santos Matias, were appointed for the first time at the Annual General Meeting of 27 May 2019, to perform duties during the current 2019/2022 four-year period.

The substitute member of the Supervisory Board, Rui Pedro Ferreira de Almeida, was elected to the position for the first time at the General Meeting of 30 May 2015, for the 2015/2018 term of office, and was reappointed to the respective position at the General Meeting of 27 May 2019, to perform functions during the 2019/2022 term of office, currently in progress.

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

The current Supervisory Board of TD,SA, elected at the General Meeting held on 27 May 2019, includes a woman, who represents 33% of the effective members of the Supervisory Board currently performing duties. TD,SA therefore meets the gender equality criteria and requirements for the members of the Supervisory Board.

In addition, the Proposal for the election of the corporate bodies, presented to the elective General Meeting, was based on the necessary documentation and information regarding the profile, professional experience and curriculum vitae of the candidates, specifically to comply with the provisions of article 289(1)(d) of the Companies Code, which constitutes sufficient grounds regarding the suitability of the profile, knowledge and curriculum vitae and for the function to be performed by the aforementioned

candidates, in accordance with Recommendation V.4.1 of the Code of the Portuguese Corporate Governance Institute (IPCG).

It should also be noted that, in recognition of the advantages of diversity in the composition of its Management and Supervisory Bodies, specifically in terms of age, gender, qualifications and professional background, at the General Meeting of 26 May 2018, TA,SA approved its Diversity Policy, which is currently in force and sets out criteria for the selection and appointment of the Company's corporate bodies (including the Supervisory Board).

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:

Óscar Manuel Machado de Figueiredo (Chairman of the Supervisory Board)

- Licentiate degree in Accounting and Administration from Instituto Superior de Contabilidade e Administração de Coimbra.
- Advanced Management Course from the Postgraduate School in Economic and Business Science of Universidade Católica Portuguesa.
- Vice President of the Governing Board of the Chartered Accountants Association.

- He is chairman of the Audit Committee of the Algarve Hospital Center.
- He is a Member of the Board of Auditors of Banco de Portugal.
- Deputy Chairman of the Executive Committee of the Accounting Standardisation Committee of Portugal (2015-2017).
- Was a consultant in various projects in Angola and Mozambique on matters of accounting and audits, and trainer in these same areas in Portugal and the PALOP (Portuguese-Speaking African Countries).
- Entered Ernst & Young in January 1979, having been included in the Partnership between 1992 and 2006.

Ana Cristina Louro Ribeiro Doutor Simões (Member of the Supervisory Board)

Academic background in Business Organization and Management, her professional career dates back to 1987 in the area of financial auditing.

Two major areas of expertise can be highlighted, based on her professional experience:

External financial audits: conducted as an employee of Ernst & Young Limitada until 1997, practicing as a freelance Accounts Auditor up to 2004 and as founding partner of Ana Gomes & Cristina Doutor, Sociedade de Revisores Oficiais de Contas, Lda. until 2018.

Training: she has taught financial auditing and other related subjects, in different higher education courses (including a partnership with the Army Pupils Military Institute and the Portuguese Catholic University), and she has been involved in several professional training activities, with an emphasis on her collaboration with the Association of Official Accounts Auditors.

João Salvador dos Santos Matias (Member of the Supervisory Board)

- Holder of a Degree in Business Management and Organization from Instituto Superior de Economia (1978)
- Currently, he is retired.

Rui Pedro Ferreira de Almeida (Alternate of the Supervisory Board)

- Licentiate degree in Management at the "Instituto Superior de Economia e Gestão" (1997).

- Attended the Advanced Course in Human Behaviour in Organisations (AESE) (2007).
- Attended a Post-graduation in Mergers and Acquisitions (EGP-UPBS) (2009).
- Chairman of the Executive Committee and Member of the Board of Directors of MONERIS, SGPS, S.A..
- Member of the Board of Directors of the British-Portuguese Chamber of Commerce;
- Alternate of the Supervisory Board of EDP Ventures - Sociedade De Capital De Risco, S.A..
- He is a member of the Advisory Board of Start-Up Portimão.

b) Operation

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 for the governing bodies.

Without prejudice to the above, it is reported that a resolution by the Board of Directors of TD,SA implemented the current "Code of Ethics and Conduct of the Teixeira Duarte Group", which is mandatory for all members of supervisory bodies. However, no part of this code contains regulatory provisions on the functioning of corporate bodies or other relevant provisions in this area.

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 2019, the Supervisory Board held eight 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:

Óscar Manuel Machado de Figueiredo (Chairman of the Supervisory Board)

As at 31 December 2019, he held the following positions:

- He is chairman of the Audit Committee of the Algarve Hospital Center.
- Member of the Board of Auditors of Banco de Portugal.

Ana Cristina Louro Ribeiro Doutor Simões (Member of the Supervisory Board)

As at 31 December 2019, he held the following positions:

- Member of the Supervisory Board of Novartis Farma - Produtos Farmacêuticos, S. A.
- Chair of the Supervisory Board of Glintt - Global Intelligent Technologies, S. A

João Salvador dos Santos Matias (Member of the Supervisory Board)

As at 31 December 2019, he did not perform duties in any other companies.

Rui Pedro Ferreira de Almeida (Alternate of the Supervisory Board)

On 31 December 2019, he was Chairman of the Executive Committee and Member of the Board of Directors of MONERIS, SGPS, S.A., member of the *Board of Directors of The British-Portuguese Chamber of Commerce* and substitute member of the Supervisory Board of EDP Ventures - Sociedade de Capital de Risco, S.A. and member of the Advisory Board of Start-Up Portimão.

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.

If any service other than the statutory audit is requested from the external auditor, a prior opinion shall be requested from the Supervisory Board, under the terms of Article 77(10) and (11) of the Statutes of the Association of Official Accounts Auditors, which assesses whether or not there are threats to independence and possible safeguarding measures, taking into account the nature and materiality of the services to be contracted.

With reference to the 2019 financial year, no services other than the statutory accounts audits were contracted from the external auditor.

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 official accounts auditor is held by "Moore Stephens & Associados - SROC", represented by António Gonçalves Monteiro.

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

The aforementioned "Moore Stephens & Associados - SROC", represented by António Gonçalves Monteiro, was elected for the first time to the position of Official Accounts Auditor of "Teixeira Duarte, S.A." at the General Meeting of 30 May 2015, to perform its respective duties during the 2015/2018 four year period. At the General Meeting of 27 May 2019, following the approval of the proposal submitted by the Supervisory Board, this entity was re-elected to hold the same position during the current 2019/2022 four-year period.

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 external auditor appointed under the terms of article 8 of the Securities Code, is the official accounts audit company "Moore Stephens & Associados - SROC", represented by António Gonçalves Monteiro and registered with the Association of Account Auditor Companies (OROC) with number 173 and with the Securities and Exchange Commission (CMVM) with number 20161476.

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 the respective official accounts auditor who represents it in the performance of these duties have held this position at TD,SA since their first election at the General Meeting of 30 May 2015, i.e. for around five 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, TD,SA follows the rotation rules provided for in Article 17 of Regulation (EU) No 537/2014 of the European Parliament and of the Council of 16 April 2014 and in article 54(2) and (3) of the Statutes of the Association of Official Accounts Auditors, approved by Law no. 140/2015, of 7 September, which provides that the maximum period of office of the partner responsible for the statutory audit is seven years (which can be extended for a further three years, under the terms of paragraph 4 of the aforementioned article), and the official accounts auditor company may, under the terms of paragraph 3 of the aforementioned article, be appointed as Official Accounts Auditor and External Auditor for a maximum period of two four year terms.

In this regard, it should be noted that the external auditor currently performing the duties was appointed for the first time for the 2015/2018 term of office and re-elected for a second time at the General Meeting of 27 May 2019 for the current 2019/2002 term of office.

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

The actions of the external auditor have been appraised by the Supervisory Board – which obtains from the external auditor and its team all information and elements that are deemed necessary to perform its duties - and by all other corporate bodies of TD,-SA on an annual basis. No circumstances that could justify its dismissal or termination of the service provision contract with just cause have ever been encountered.

It is the case that the Board of Directors of TD,SA and the services that depend on it have taken on a commitment to ensure that all of the conditions for the provision of services by the external auditor within the Company are met, as these directly form part of the framework of the operational structure of TD,SA and have the physical resources, information and documentation required to provide the external auditor with appropriate conditions for performing its duties.

Therefore, the main point of contact and primary recipient of the external audit reports is not the Supervisory Board, as indicated in Recommendation no. VII.2.2, but rather the Board of Directors, as this body is the Company's point of contact par excellence and, as described above, it is also the body that is right in the center of the company's organizational structure, facilitating communications and the disclosure of information between the different bodies and entities, without affecting the independence of the auditor at any time.

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

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.

By the Company*		
Value of review of legal accounts services	61,000.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Services other than legal review of accounts	-	-
By entities included in the Group*		
Value of review of legal accounts services	270,535.00	100.00%
Value of reliability assurance services	-	-
Value of tax advisory services	-	-
Services other than legal review of accounts	-	-

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the alteration of the articles of association (Article 245-A, number 1, subparagraph h)).

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

II. COMMUNICATION OF IRREGULARITIES

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

In 2018, following the approval of the "Code of Ethics and Conduct of the Teixeira Duarte Group", the policy for reporting alleged irregularities was adjusted, as part of strengthening the *compliance* system that was already being developed by the Company.

This Code aims to serve as guidelines for the professional and personal conduct of all employees, regardless of their position or duties that they perform, and sets out the principles and values of the Teixeira Duarte Group, as well as the currently applicable procedure for reporting any irregularities in internal and external relationships between all group companies and their *stakeholders*.

In effect, it is stated in this Code that, in order to monitor the application of its rules, it is the responsibility of the Employees - and the Indirect Recipients, under the terms and scopes set out above - to ensure compliance with this Code of Ethics and Conduct. This is done by publicizing it, quoting it in their defense, applying it and enforcing its application in the company's hierarchies, including their own chains of management, as well as by reporting any irregularities identified by the measures and procedures developed by each Company for this purpose, normally referred to as the "Ethics Channel".

Without prejudice to these means, this Code also assumes that any irregularities identified in relation to any external or internal regulations should be reported through the following means:

- Correspondence addressed to the Company's management or supervisory body.
- Correspondence addressed to the "Teixeira Duarte, S.A." Board of Directors or Supervisory Board;
- E-mail addressed to an independent body constituted within the scope of the Teixeira Duarte Group, whose address is compliance@teixeiraduarte.pt.

The Company guarantees the confidentiality of communications received, the absence of any reprisals by whistle-blower complainants in good faith and the protection of the reporter's and the suspected offender's personal data. Reprisals against the complainants are frowned upon by the Company and may give rise to disciplinary proceedings against its perpetrators and the persons who have allowed such reprisals.

As a result, TD,SA has mechanisms for the detection and prevention of irregularities, in line with Recommendation 1.2.5, and has adopted a policy that guarantees adequate means for reporting and processing irregularities, while ensuring the confidentiality of any information that is transmitted and the identity of the reporter, whenever requested.

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 2019, these services were assured by four employees, under the hierarchical and operational dependence of the Director Manuel Maria Calainho de Azevedo Teixeira Duarte, where the coordination of this work was also articulated in meetings with the participation of the members of the Supervisory Bodies.

Also of note is the *Compliance* implemented in the Teixeira Duarte Group.

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 2019, 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 Teixeira Duarte Group, the Internal Audit Services have always answered hierarchically to the Board of Directors and have always reported functionally to the Director responsible for the financial area.

In effect, the Board of Directors pays attention to the risks that affect the business and the objectives of the Teixeira Duarte Group, by ensuring that the Company's risk management is an effective and fundamental component of the Group's strategy, culture and value creation process. 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.

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.

However, the Supervisory Board is responsible for monitoring the work carried out by the Audit Services, by holding monitoring meetings and accessing documents issued by these Services, as well as monitoring the activities plan that they plan to carry out during the following year.

It is therefore within this framework that it is reported that the Board of Directors - and not the Supervisory Board, as stated in Recommendation III.12. - that gives its opinion on the work plans and resources allocated to the Internal Audit Service, and that it is the recipient of all reports drawn up by this service, even when they cover matters relating to accounting, the identification or resolution of conflicts of interest and the detection of possible illegalities.

However, this situation is monitored by members of the supervisory bodies who, as part of their duties and in addition to the regular monitoring and supervision of the Group's activity, ensure that they are represented at monthly meetings of the Board of Directors, where a wide range of elements of different natures, reporting information and Group action plans in different markets and sectors are made available.

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

There are no other areas with exclusive competences in the area of risk control, and, in view of the model in force in the Group on this matter, all areas share responsibility under the terms described above and the *Compliance* System implemented in the Teixeira Duarte Group applies to all of them.

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, Mozambique and Venezuela;

- fluctuations and volatility of interest rates, credit spreads and exchange rates, as well as ready cash of convertible currencies in markets in which the Group operates;
- alterations in government policies;
- regulatory and financial framework of banking activity; and
- alterations in the competitive environment of the activity sectors in which the Teixeira Duarte Group operates.

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, 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) and corresponding market prices. 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.

As the construction business is the main activity of the Teixeira Duarte Group, a description of the main risks inherent to this business is given 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.

Similarly, the nature of the service often involves changes to the circumstances that are initially negotiated, as a result of difficulties with contracts in progress (climate change; discovery of

characteristics of an adverse nature, different to those planned; natural, social and economic phenomena resulting from the impact of the project), and of changes to designs, often due to new choices made by project owners that require great flexibility and efficiency during their execution.

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

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

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

The Group's real estate activity is affected by more stringent requirements for new projects at all levels (administrative, economic, social, environmental, among others), and by changes in demand as a result of changes in interests rates and availability of financing.

The Accommodation sector in Portugal has suffered small fluctuations, and hotels in Africa are naturally exposed to the characteristics of the respective countries and to the strong competition there.

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

The Automotive sector is currently subject to heavy competition, in particular in the Angolan market, where competitiveness is increasing considerably and the investment made by the Group implies strong optimisation of processes and costs, in a market which is becoming progressively more demanding.

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 Teixeira Duarte Group's international business represents a significant portion of the Group's turnover (641,381 thousand euros in 2019). 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 exchange risks arising from possibly adverse economic developments in the countries where they are established. These factors could adversely affect the activity, financial situation and net income of the Teixeira Duarte Group.

The Teixeira Duarte Group operates in various activity sectors, in particular, due to their contribution to the Group's operating income, the Construction sector, but also in others such as Distribution and Automotive, which can be described as very 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 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 adequately provided with the necessary resources to effectively control the risk of its activity. It believes that the actions taken by the management to report elements provided to it by the Accounting and Finance Departments are effective. This department is directly supervised by the Director with these responsibilities and monitored by the supervisory bodies and is particularly committed to controlling the liquidity of the Teixeira Duarte Group.

TD,SA manages the Group's liquidity risk by acting in two ways: ensuring that the Group's financial debt has a high medium and long term component with suitable maturities for the expected capacity for generating funds and negotiating credit facilities.

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.

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.

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:

- transportation costs is one of the most important expense items on the Group's operating accounts;
- energy costs are of some significance in the price of external supplies and services;
- the evolution of the price of oil strongly influences the development of the actual economy of the markets in which the Teixeira Duarte Group operates, some of which in a very significant manner, due to the importance that this product represents in the GDP of these countries.

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 owned.

The net position, equity and event, in certain situations of impairment, the results of the Teixeira Duarte Group may be influenced by the valuation/devaluation of financial investments that are held.

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.

In addition, both the Board of Directors of TD,SA and those of the other entities of the Teixeira Duarte Group are monitoring the development of the Covid-19 pandemic situation, which began at the end of 2019, and are acting in accordance with the recommendations issued by the World Health Organization and the

public bodies responsible for health in the respective countries where Group companies operate.

Within this framework, contingency and preventive measures have been taken to follow the guidelines of these entities and to mitigate and contain the risk, and to balance these intentions with the steps necessary to safeguard the continuity of the business and the impact of the situation on all of its *stakeholders*. Currently, due to the direct and indirect nature of possible impacts and risks, as well as the unpredictable nature of their scale and duration, it is not possible to quantify them.

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

With regard to the Company's internal control and risk management systems, the Board of Directors is responsible for planning and designing the internal control and risk management systems that are necessary and appropriate for the various situations that are identified, as well as for following up on their implementation and monitoring and evaluating their operation, with proper aid from the other corporate areas that give support to the company.

The importance of weighing the cost of control in relation to the matters that are to be controlled is always taken into account. Based on the evaluation of the company, the way in which it is managed, the composition of staff and managers of the companies that form part of the Teixeira Duarte Group, and the fundamental principles and concepts that are applied, it is concluded that efficiency and control costs, as well as the creation of possible control commissions, would be much higher than the benefits that could result from controls performed through such commissions. 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.

Therefore, with regard to the Company's internal control and risk management, the Board of Directors is responsible in the first instance for gathering information and assessing the most relevant risks to which the Company is exposed, as well as for promoting any initiatives necessary for their prevention, duly supported by the Company's Corporate Area.

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

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

In terms of risk, the risk management process of TD,SA includes several risk assessments with different levels and complexity, taking into consideration the matters to be dealt with and after identification of the types of risk underlying the Group's different areas of activity. In this sense, different identification, analysis, processing, control and review methods can be used in order to meet the desired objectives for the implementation of the risk assessment system, taking into account the type of risk to be assessed.

In effect, the Board of Directors - and not the supervisory bodies as stated in Recommendation no. III.11 is responsible for - assessing the operation of these systems and proposing the respective adjustments to meet the needs of TD,SA, as this is a matter which, due to its nature and the specific aspects described above, falls within the framework of the scope of activities of the Board of Directors and this body's control and supervision of the different departments of Group companies. This system has proven itself to be appropriate for the respective purposes.

Although the internal control and risk management system implemented in the company does not fully comply with all requirements listed in Recommendation no. VI.2, - to the extent that no written policy has been defined, even those a risk management system has been put in place - TD,SA remains convinced of its choice of the model described above.

55. Main elements of the internal control and risk management systems implemented in the company regarding the procedure for reporting financial information (article 245-A, number 1, subparagraph m)).

The financial information disclosure process is coordinated by the Board of Directors and always monitored by the Oversight bodies. Teams from the Accounting, Company and Corporate Departments, respectively, work to draw up and ascertain the accounts and other accounting and financial reports, and to draw up and publish the final document.

Both of the aforementioned services monitor the evolution of applicable legislation, both in financial and legal areas, and work in coordination with the Portuguese Securities and Exchange Commission to update supplementary results and regulations on these matters, and report directly to the Board of Directors.

All employees who work for Accounting Services and those who are on the Company and Corporate team who participate in drawing up and publishing the final document, are on the list provided for in article 248-A, item 7 of the Securities Code, and Article 18 of Regulation (EU) no. 596/2014, of the European Parliament and of the Council, of 16 April 2014 - to wit on employees with access to privileged information. All of these parties are notified, under the legally defined terms, of their inclusion on the aforementioned list and the legal consequences arising from the disclosure or misuse of privileged information.

Through meetings that it schedules with the external auditor and official accounts auditor, the supervisory body monitors the adequacy of the process of preparation and disclosure of financial information by the management body, including the suitability of accounting policies, estimates, judgments, relevant disclosures and their consistent application over several financial years, in a duly documented and reported manner.

IV. INVESTOR SUPPORT

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

In order to strengthen the information disclosure policy referred to above and with the aim of promoting permanent contact with the market and responding to investors' requests in good time, ensuring strict compliance with the principle of equality between shareholders and in order to prevent any imbalance in investors' access to information, the Company has an Investor Relations Office, which operates under the supervision of Director Manuel Maria Calainho de Azevedo Teixeira Duarte, coordinated by José Pedro Poiães Cobra Ferreira, who is the market relations representative duly registered with the Securities and exchange commission (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 2, 2740-265, Porto Salvo, Oeiras
Telephone: + 351 217 912 415
Fax: + 351 217 941 108
E-mail: 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.

In addition, the aforementioned Market Relations Representative is also the Company Secretary and, in coordination with the Board of Directors, he discloses information to members of the management and supervisory bodies.

57. Representative for market relations.

As stated in paragraph 56 above, the position of Market Relations Representative is held by 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 average response time to requests for information during 2019 was 4 days.

V. INTERNET WEBSITE

59. Address(es).

TD,SA's official website is:

www.teixeiraduarte.pt.

TD,SA's official website is:

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:

www.teixeiraduarte.pt/investidores/identificacao-da-sociedade.

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

The Company's Articles of Association can be found at: www.teixeiraduarte.pt/investidores/estatutos.

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 representative for market relations and the Investor Support Office may be consulted at: <http://www.teixeiraduarte.pt/investidores/gabinete-apoio-investidor.html>

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>.

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 accounting documents dating back to the incorporation of the company in 2009 can be consulted at: www.teixeiraduarte.pt/investidores/informacao-financeira.

The six-monthly calendar of corporate events can be viewed at: www.teixeiraduarte.pt/calendario-do-investidor.

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: www.teixeiraduarte.pt/assembleias-gerais.

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: www.teixeiraduarte.pt/assembleias-gerais.

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, based on the criterion set out in Article 3(1)(25) of Regulation (EU) No 596/2014 of the European Parliament and of the Council of 16 April 2014, the only leaders of TD,SA are its own Directors. Because there are no non-executive directors, no rule on this matter is envisaged.

The Remunerations Committee is elected for a period of four years and the term of office for the 2019-2022 four-year period is in progress.

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.

Until the General Meeting of 27 May 2019, the Remunerations Committee consisted of the following people, elected at the General Meeting of 30 May 2015, to perform duties during the 2015/2018 terms of office:

- Pedro Maria Calainho Teixeira Duarte
- António Carlos Calainho de Azevedo Teixeira Duarte
- Maria da Conceição Maia Teixeira Duarte

After the General Meeting of 27 May 2019 and during the 2019/2022 term of office, the Remunerations Committee is made up of the following people:

- Pedro Maria Calainho Teixeira Duarte
- António Carlos Calainho de Azevedo Teixeira Duarte
- Manuel Ferreira

The Chairman of the Remunerations Committee Pedro Maria Calainho Teixeira Duarte is not considered to be independent from the members of the Board of Directors, since he is also the Chairman of that 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. This has traditionally been the practice followed for decades, always in accordance with the rules and recommendations established by the Portuguese securities

and exchange commission (CMVM) at any given time on remuneration for members of the Body of Directors, so no reasons to change it are envisaged.

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 strongly 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.

In addition, no natural or legal persons have been engaged to assist the Remunerations Committee in the performance of its duties, as decided by the Committee itself.

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, as established in Recommendation number VII.2.4..

For the purposes of Recommendation no. V.2.5., it is reported that the Chairman of the Remuneration Committee and, generally, the other members are always present at the Annual General Meetings of the Company.

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

Pedro Maria Calainho Teixeira Duarte and António Carlos Calainho de Azevedo Teixeira Duarte have remuneration policy and experience, taking into account that they have 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 27 May 2019, where the contents of this statement are reproduced below:

I. REGULATORY FRAMEWORK

According to the provisions laid down in Law no. 28/2009, of 19 June, and article eleven of the company's articles of incorporation, this Committee is responsible for submitting a statement on the remuneration policy for members of this company's adminis-

tration and oversight bodies on an annual basis for the approval of the General Meeting; in addition to this piece of legislation, consideration should be given to article 399 of the Commercial Companies Code.

II. SCOPE OF THE STATEMENT

Depending on the corporate model adopted by "Teixeira Duarte, S.A.", this statement covers all members of the Board of Directors, the Audit Committee and the official accounts auditor company.

III. INTRODUCTION:

This "Statement on the Remuneration Policy for Members of Management and Supervisory Bodies" was prepared by taking into account the historical situation and framework of the issue within the Teixeira Duarte Group over the years, in addition to the applicable legal provisions.

IV. BOARD OF DIRECTORS:

In terms of the Board of Directors, the Remunerations Committee must determine the amounts of the fixed and variable components of its remunerations, based on guidelines linked to the Company's overall performance and results, as well as the overall activity of the management body, with reference to targets that are set.

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 2019 to 2021 above the EBITDA recorded for 2018;
- Average Consolidated Net Income for 2019 to 2021 above the Consolidated net income for 2018.

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 will be paid daily allowances under the terms and with the amounts usually set for other employees of "Teixeira Duarte, S.A.", specifically when traveling at the service of the Company.

No sums have been paid, and nor are there any foreseen sums payable, relative to the dismissal or termination of office 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 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. 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 applicable regulations, and may be altered in accordance with any changes that these rules might undergo.

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

In addition to the obligations inherent to performing the duties themselves, the Directors' remuneration is determined such as to align 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.

In addition, in determining the remuneration received by members of the Board of Directors, account is taken of the fact that some of these members have duties and positions in other Group entities, as part of which they exercise management and management powers in greater proximity to the actions of the companies and with direct responsibility for them.

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.

As set out in the "Statement on the Remuneration Policy for Members of Management and Supervisory Bodies", described in item 69, Director remuneration consists of a variable component - known as "performance bonuses" - which are awarded within the scope and limits of the distribution of part of the results - prior to the calculation of the final net results (which already include these amounts, posted as an expense for the financial year) - to employees and members of the Board of Di-

rectors, as resolved at the respective Annual General Meetings. This bonus is subsequently set based on the terms, conditions, amounts and periods to be established by the Remunerations Committee, raking into account the stipulations of the current "Declaration on the Remunerations Policy for the Company's Administration and Supervisory Bodies".

This variable component of remuneration 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 Director. The variable component has always been reasonable as a whole in relation to the fixed component.

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.

It is also reported that the members of the Board of Directors did not enter into contracts, either with the company or with third parties, that would have the effect of mitigating the risk inherent to the variable nature of the remuneration set for them by the company.

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

As decided by the Remunerations Committee, part of the variable component will be paid in October 2022, on a date to be set by the Remunerations Committee. This payment shall depend on the continuation of the Company's positive performance over the financial years 2019 to 2022, defined as the occurrence of at least one of the following facts:

- Increase in equity, in relation to 31 December, 2018;
- Average EBITDA for 2019 to 2021 above the EBITDA recorded for 2018;

- Average Consolidated Net Results for the financial years 2019 to 2021 higher than 10 million euros.

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 signed 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.

Bonuses - known as "performance bonuses" - are awarded under the scope and within the limits of the distribution of part of the results - prior to the calculation of the final net results (which already include these amounts, posted as an expense for the financial year) - to employees and members of the Board of Directors, as resolved at the respective Annual General Meetings. This bonus is subsequently set based on the terms, conditions, amounts and periods to be established by the Remunerations Committee, taking into account the stipulations of the current "Declaration on the Remunerations Policy for the Company's Administration and Supervisory Bodies".

Therefore, the Remuneration Committee takes into consideration, in the attribution of annual bonus, 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 its employees and the other employees.

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. The aforesaid Remuneration Committee is also responsible for conducting an annual review of the amounts attributed.

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.

To all due effects, it is reported that at no time between the incorporation of the company, in 2009, and today's date has the General Meeting approved any retirement benefit systems being established for members of corporate bodies, as this competence is expressly assigned to the Remuneration Committee, under the terms of the aforementioned provisions of the articles of incorporation.

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 2019, 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			Sub-Total	Travel compensation	Total
		Created in 2019	Created in 2013	Created in 2012			
Mr. Pedro Maria Calainho Teixeira Duarte	115,000.00	5,000.00	-	15,000.00	135,000.00	-	135,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	138,100.00	5,000.00	15,000.00	-	158,100.00	19,791.95	177,891.95
Mr. Carlos Gomes Baptista	137,200.00	5,000.00	15,000.00	-	157,200.00	16,462.50	173,662.50
Engineer Maria da Conceição Maia Teixeira Duarte	20,557.58	-	-Brasil	-	20,557.58	-	20,557.58
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	137,200.00	5,000.00	15,000.00	-	157,200.00	12,593.40	169,793.40
Engineer Joel Viana de Lemos (a)	49,000.00	-	-Brasil	-	49,000.00	1,051.65	50,051.65
	597,057.58	20,000.00	45,000.00	15,000.00	677,057.58	49,899.50	726,957.08

(a) - Served until 31 May 2019

In addition to the information indicated above on the amounts paid, it is reported that in 2019 the Remuneration Committee decided to award variable remuneration amounts to the members of the Board of Directors, part of which were paid in the same year - which are indicated above on the map - and part of which were deferred to 2022, the respective payment of this part being dependent on each of the members of the Board of Directors in question continuing to perform their functions and the positive performance of "Teixeira Duarte, S.A." throughout that period, with this being defined as the occurrence of at least one of the following facts:

- Increase in equity, in relation to 31 December, 2018;

- Average EBITDA for 2019 to 2021 above the EBITDA recorded for 2018;
- Average Consolidated Net Results for the financial years 2019 to 2021 higher than 10 million euros.

Board of Directors	Variable remuneration paid in 2019		
	For 2019	For 2022	Total
Mr. Pedro Maria Calainho Teixeira Duarte	5,000.00	10,000.00	15,000.00
Mr. Manuel Maria Calainho de Azevedo Teixeira Duarte	5,000.00	10,000.00	15,000.00
Mr. Carlos Gomes Baptista	5,000.00	10,000.00	15,000.00
Mr. Diogo Bebiano Branco de Sá Viana Rebelo	5,000.00	10,000.00	15,000.00
	20,000.00	40,000.00	60,000.00

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

During 2019, 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.

In effect, members of the Board of Directors are paid a premium amount - known as the "performance premium" - which is allocated within the limits of distribution of part of the results of the financial year in question, to employees and members of the Board of Directors. This is decided at the respective Annual General Meetings and the terms, conditions, amounts and deadlines of the allocation are subsequently established by the Remuneration Committee, taking into account the stipulations of the current "Statement on the Remunerations Policy for Administration and Company Oversight Bodies".

In 2019, the bonuses that were paid were established due to the performance and results of the Company as a whole, as well as by the activity of the management body as a whole, compared to the targets that had been set, taking into account the remuneration conditions and amounts of its employees and other workers.

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.

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 2019, the remunerations received by the members of the Supervisory Board of TD,SA were distributed as follows:

Supervisory Board	Fixed remuneration	Variable remuneration	Total Remuneration
Óscar Manuel Machado de Figueiredo	30,000.00	-	30,000.00
Dr. João Salvador dos Santos Matias	10,500.00	-	10,500.00
Dr. Ana Cristina Louro Ribeiro Doutor Simões	10,500.00	-	10,500.00
Dr. Mateus Moreira (a)	7,500.00	-	7,500.00
Miguel Carmo Pereira Coutinho (a)	7,500.00	-	7,500.00
	66,000.00	-	66,000.00

(a) - Served until 31 May 2019

All the amounts listed above for the remuneration of members of the Supervisory Board were paid during the 2019 financial year, so there are no installments with payments deferred over time.

The annual fees billed by the Official Accounts Auditor Company "MOORE STEPHENS & ASSOCIADOS, SROC, S.A." to Teixeira Duarte, S.A. for the services provided to this and other Group companies, amounted to a total of 331,535 euros, distributed as follows:

	TDSA	Subsidiaries
Legal review of accounts services for the Group	61,000.00	270,535.00
Other reliability assurance services	-	-
Tax advisory services	-	-
Services other than legal review of accounts	-	-
	61,000.00	270,535.00

Furthermore, it should also be noted that, as established in the Policy of Remuneration of the Management and Supervisory Bodies, 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 said Secretary of the Board of the General Meeting, the remaining members of this Board, under the current system established in the Commercial Companies Code, namely the provisions in 422-A, through number 3 of ar-

ticle 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 2019.

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 V.3.6, 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.

There has never been a situation of dismissal of a Director since the incorporation of the company, nor the payment of any compensation for termination of a contract, so it is therefore considered inappropriate to establish any legal mechanisms in the sense 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.

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 on a global basis by the Group. In addition to the business managers themselves, these electronic records can be accessed by the finance, accounting and audit teams, as well as the Board of Directors and, in addition, the supervisory bodies of the Company and Group.

It should be noted in this regard that, on 5 February 2018, the Board of Directors of TD,SA approved the new "Code of Ethics and Conduct of the Teixeira Duarte Group", mandatory for all Directors, employees and other representatives of those entities, under the terms defined in that document.

An excerpt of this text on "Customers and Suppliers" is quoted below:

5.2.2. Selection Criteria

Employees must act - and encourage the Indirect Recipients of this Code to also act - so that the decisions made by the clients and to be taken relatively by the suppliers follow objective, technical and professional selection criteria, that aim at the efficiency of the decision and safeguard the interests of the entities they represent, repudiating any possible criteria that privilege personal or diffuse interests, as well as any actions constituting power or position abuse.

5.2.3. Conflicts of Interest, Corruption and Reporting Illicit Acts

Employees must act - and ensure that the indirect recipients of this Code also act, to assess possible situations of conflicts of interest, which should be avoided. They must also actively and passively forbid any corrupt behavior, including payments or receiving facilitations, or creating, maintaining or promising irregular or favorable situations.

Furthermore, Employees shall be obliged to report - and encourage the Indirect Recipients of this Code to also report - any information that constitutes misconduct, including those that constitute possible illegal or illicit practices in financial and accounting matters, fraud, corruption and money laundering, as well as any actions related, directly or indirectly, to terrorist entities or those that may target or support terrorist practices.

It should be remembered that the Code of Ethics and Conduct is mandatory for all employees (this concept includes directors, employees and other representatives of Teixeira Duarte

Group entities) and that any failure to apply the code may lead to disciplinary procedures and sanctions. Therefore, given this comprehensiveness and effective relationship - which has been considered efficient - the management body has not defined, as suggested by Recommendation I.5.1., the type, scope and individual or aggregated minimum value of business with related parties that: (i) requires prior approval of the management body (ii) and business that also requires a favourable opinion in advance from the supervisory body, because it is of a higher value.

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 2019.

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 or criteria under the aforementioned terms, since the type of transactions carried out between the Company and holders of qualified shareholdings are of a current nature and for carrying out the activity, which is considered to be a matter over which the Board of Directors has exclusive responsibility and competence. They are naturally for the purpose of operations carried out under normal market conditions and it is deemed inappropriate to subject these transactions to prior opinions 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 2019.

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.

In addition to the applicable legislation and regulations, specifically the Commercial Companies Code, the Securities Code and the CMVM Regulations, in particular Regulation no. 4/2013, TD,SA opted to adopt the Corporate Governance Code of the Portuguese Institute of *Corporate Governance* (IPCG).

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 aforementioned Corporate Governance Code issued by the IPCG can be consulted at www.cgov.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.

These lines are subject to simultaneous development, given their interconnection.

Out of the 60 Recommendations included in the aforementioned Corporate Governance Code of the IPCG, the Company does not adopt number fourteen and partially adopts number nine.

The table below provides the reproduction of the text of these Recommendations with the same numbering of the aforementioned Corporate Governance Code, followed by an indication of their adoption or not and reference to the point in this Report

where such matter is described or where, observing the principle of "comply or explain", any non-adoption is justified.

Recommendation	Adoption	Reference
I. GENERAL PART		
I.1. The company's relationship with investors and information		
I.1.1. The company must put in place mechanisms to ensure, in an appropriate and rigorous manner, the production, processing and timely disclosure of information to its corporate bodies, shareholders, investors and other <i>stakeholders</i> , financial analysts and the market in general.	Yes	56.
I.2. Diversity in the make-up and functioning of the corporate bodies		
I.2.1. Companies must put in place criteria and requirements relating to the suitable profiles of new members of corporate bodies for the role to be performed and, in addition to individual attributes (such as competence, independence, integrity, availability and experience), these profiles must consider diversity requirements, paying particular attention to gender, which may contribute to improving the performance of the body and to balancing its respective composition.	Yes	18
I.2.2. The management and supervisory bodies and their internal committees must have internal regulations - specifically on exercising the respective attributes, chairmanship, meeting frequency, operation and framework of duties of their members. Detailed minutes must be kept of the respective meetings.	No	18 and 22.
I.2.3. The internal regulations of the management and supervisory bodies and their internal committees shall be disclosed in full on the website.	Not applicable.	18 and 22.
I.2.4. The composition, and the number of annual meetings of the management and supervisory bodies and their internal committees must be disclosed on the company's website.	Yes	23.
I.2.5. The company's internal regulations shall provide for the existence, and ensure the operation of mechanisms for detecting and preventing irregularities, as well as the adoption of a policy for reporting irregularities (<i>whistle blowing</i>), which guarantees appropriate means for communicating and handling such reports, while safeguarding the confidentiality of the information that is transmitted and the identity of the reporter, whenever requested.	Yes	49.
I.3. The company's relationship with investors and information		
I.3.1. The articles of association or other equivalent means adopted by the company must put mechanisms in place to ensure that, within the limits of applicable legislation, members of the management and supervisory bodies are permanently allowed access to all information and company employees for the assessment of the performance, situation and development prospects of the company, specifically including minutes, documentation supporting decisions taken, notifications of meetings and archives of meetings of the executive management body, without prejudice to access to any other documents or persons from whom clarification may be requested.	Partial	18 and 22.
I.3.2. Each of the company's bodies and committees must, in a timely and appropriate manner, ensure the flow of information, from the time of the respective meeting notifications and minutes, which is necessary to allow each of the other bodies and committees to exercise their legal and statutory powers.	Yes	12, 18 and 22.
I.4. Conflict of interests		
I.4.1. Members of corporate bodies and committees must be required to inform the respective body or committee, in a timely manner, of any facts that may constitute or give rise to a conflict between their interests and the company's interest.	Yes	89.
I.4.2. Procedures must be put in place to ensure that the member affected by the conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification as requested by the body, the committee or its members.	Yes	89.
I.5. Transactions with related parties		
I.5.1. The management body must define, based on a prior and binding opinion of the supervisory body, the type, scope and minimum individual or aggregate value of business with related parties that: (i) requires prior approval of the management body (ii) and business that also requires a favourable opinion in advance from the supervisory body, because it is of a higher value.	No	10. and 89.
I.5.2. The management body must report all business covered by Recommendation I-5-1 to the supervisory body, at least once every six months.	Yes	18, 22 and 89.
II. SHAREHOLDERS AND GENERAL MEETING		

Recommendation	Adoption	Reference
II.1. The company shall not set an excessively high number of shares required to confer the right to one vote, and must explain its choice in the governance report its choice whenever this implies a deviation from the principle that each share corresponds to one vote.	Yes	1 and 12
II.2. The company 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.
II.3. The company must put adequate means in place to allow voting rights to be exercised by correspondence, including electronically.	Partial	12.
II.4. The company must put adequate means in place for shareholders to participate in the meeting by telematic means.	No	12.
II.5. Any articles of association of the company 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, must also establish the commitment that at least every five years the maintenance or not of this statutory provision will be subject to deliberation at the General Meeting - with no requirement of a quorum larger than that legally established - and that in this deliberation all the votes cast will be counted, without the application of the above limit.	Not applicable.	5 and 13
II.6. Measures must not be adopted that determine payments or the assumption of burdens by the company in the event of a change in control or of a change in the composition of the management body, if they are likely to undermine economic interest in the transfer of shares and the free appraisal by shareholders of the performance of directors.	Yes	4 and 6
III. NON-EXECUTIVE MANAGEMENT AND SUPERVISION		
III.1. Without prejudice to the legal duties of the Chairman of the Board of Directors, if he/she is not independent, the independent directors must appoint a coordinator (<i>lead independent director</i>) from among their ranks to, specifically, (i) act, whenever necessary, as a point of contact between the Chairman of the Board of Directors and the other directors, (ii) ensure that they have all of the necessary conditions and means to perform their duties; and (iii) coordinate them for the performance assessment by the management body provided for in recommendation V.1.1.	Not applicable.	18.
III.2. The number of non-executive members of the management body, as well as the number of members of the supervisory body and the number of members of the committee for financial affairs, must be appropriate for the size of the company and the complexity of the risks inherent to its activity, and sufficient to efficiently ensure the functions undertaken by them.	Yes	18.
III.3. In any case, the number of non-executive directors must be greater than the number of executive directors.	No	18.
III.4. No less than one third of the non-executive directors of each company must meet the independence requirements, and these directors must always be plural. For the purposes of this recommendation, a person is deemed to be independent if he or she is not associated with any specific interest group in the company, and he or she is not in any circumstance likely to affect his or her impartiality when conducting analyses or making decisions, specifically by virtue of: <ul style="list-style-type: none"> i. Having held positions in any corporate body for more than twelve years, continuously or with breaks; ii. 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; iii. 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; iv. 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; v. Living in a non-marital partnership or being the spouse or straight line relative or similar, up to and including the 3rd degree, in the collateral line, of directors of the company, of directors of a legal person that holds a qualified stake in the company or of individuals that directly or indirectly hold a qualified holding; vi. Holding a qualifying stake or representing a shareholder holding a qualifying stake. 	No	18.
III.5. The provisions of paragraph (i) of recommendation III.4 do not preclude the qualification of a new director as independent if, at least three years have elapsed between the end of his or her functions in any corporate body and his or her new appointment (<i>cooling-off period</i>).	Not applicable.	18.

	Recommendation	Adoption	Reference
III.6.	Non-executive directors must participate in the definition, by the management body, of the strategy, main policies, corporate structure and decisions that should be considered strategic for the company due to their value or risk, as well as in the assessment of their compliance.	Not applicable.	18.
III.7.	The general and supervisory board shall, within the framework of its legal and statutory powers, cooperate with the executive board of directors to define the strategy, main policies, corporate structure and decisions that should be considered strategic for the company, due to their value or risk, as well as with their compliance assessment.	Not applicable.	18.
III.8.	With regard to the powers conferred upon it by law, the supervisory body must, in particular, monitor, assess and pronounce on the strategic guidelines and risk policy defined by the management body.	Partial	51.
III.9.	Companies must set up specialised internal committees commensurate with their size and complexity, to separately or jointly cover matters of corporate governance, remuneration and performance assessment, and appointments.	Partial	24. and 66.
III.10.	Risk management, internal control and internal audit systems must be structured in terms that are appropriate to the size of the company and the complexity of the risks inherent to its activity.	Yes	50. and 51.
III.11.	The supervisory body and financial affairs committee must supervise the effectiveness of risk management, internal control and internal audit systems, and propose any adjustments that may be necessary.	Partial	51.
III.12.	The supervisory body must pronounce on the work plans and resources related to internal control services, including control of compliance with the standards applied to the company (<i>compliance services</i>) and internal audit services, and must be sent the reports drawn up by these services, at least when matters relating to the rendering of accounts, the identification or resolution of conflicts of interest, and the detection of potential irregularities are at issue.	No	51.
IV.	EXECUTIVE MANAGEMENT		
IV.1.	The management body must approve, through internal regulations or equivalent means, the regime for actions taken by executives and their exercising of executive functions in entities outside the group.	No	22.
IV.2.	The management body must ensure that the company acts in accordance with its objectives and that it specifically does not delegate powers with regard to: i) definition of the company's strategy and main policies; ii) organisation and coordination of the corporate structure; iii) matters that should be considered strategic due to their value, risk or special characteristics.	Yes	9 and 21
IV.3.	The management body shall set targets for taking on risks, and ensure that they are met.	Yes	53.
IV.4.	The supervisory body must organise itself internally, by implementing mechanisms and periodic control procedures with a view to ensuring that the risks to which the company is effectively exposed are consistent with the objectives set by the management body.	No	51. and 54.
V.	PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS		
V.1.	Annual Performance Assessment		
V.1.1.	On an annual basis, the management body must assess its performance, as well as the performance of its committees and of the managing directors, taking into account compliance with the company's strategic plan and the budget, risk management, its internal operation and the contribution of each member for this purpose, and the relationship between the company's bodies and committees.	Partial	24 and 25
V.1.2.	The supervisory body must supervise the management of the company and, in particular, conduct an annual assessment of compliance with the company's strategic plan and budget, risk management, the internal operation of the management body and its committees, as well as the relationship between company bodies and committees.	Partial	24. and 51.
V.2.	Remuneration		
V.2.1.	The setting of remunerations shall be the responsibility of a committee, the composition of which should ensure its independence from the management.	Yes	66. and 67.

Recommendation	Adoption	Reference
V.2.2. At the beginning of each term of office and on an annual basis, the remuneration committee must approve the implementation and confirmation of the remuneration policy for members of the company's bodies and committees, under the scope of which the respective fixed components are established, and, in the case of executive managers or managers with occasional executive duties, if the remuneration has a variable component, the respective award and measurement criteria, the limitation mechanisms, the mechanisms for deferring the payment of remuneration and the remuneration mechanisms based on share options or shares in the company itself.	Yes	69.
V.2.3. 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: <ul style="list-style-type: none"> i. The total remuneration broken down by different components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the remuneration policy that has been adopted, including the way in which it contributes to the long-term performance of the company, and information on how the performance criteria have been applied; ii. Remuneration from companies belonging to the same group; iii. The number of shares and share options granted or offered, and the main conditions for exercising the rights, including the price and date of this exercise and any change in these conditions; iv. Information on the possibility of requesting the refund of a variable remuneration; v. Information on any deviation from the procedure for applying the approved remuneration policy, including an explanation of the nature of the exceptional circumstances and an indication of the specific elements subject to the dispensation; vi. Information on the enforceability or non-enforceability of payments relative to the termination of office of directors. 	Yes	69.
V.2.4. For each term of office, the remuneration committee must also approve the directors' pension scheme, if allowed by the articles of association, and the maximum amount of all compensation to be paid to members of any company body or committee due to the respective termination of their functions.	No	76.
V.2.5. In order to provide information or clarification to shareholders, the chairman or, in his or her absence, another member of the remuneration committee must be present at the annual general meeting and at any other meeting, if the respective agenda includes a matter related to the remuneration of members of the company's bodies and committees, or if his or her presence has been requested by the shareholders.	Yes	67.
V.2.6. Within the limits of the company's budget, the remuneration committee must be able to freely decide on whether the company should contract consultancy services that may be necessary or appropriate for performing its duties. The remuneration committee must ensure that services are provided independently and that the respective providers are not contracted to provide any other services to the company itself or to others that are in a control or group relationship with it, without the express authorisation of the Committee.	Yes	67.
V.3. Remuneration of directors		
V.3.1. With a view bringing the interests of the company into line with those of the executive directors, part of their remuneration shall have a variable nature, reflecting the sustained performance of the company and not encouraging the taking of excessive risks.	Yes	70. and 71.
V.3.2. A significant part of the variable component must be partially deferred over time, for a period of not less than three years, and it must be associated with the confirmation of sustained performance, under the terms laid down in the company's internal regulations.	Yes	70, 71 and 72
V.3.4. If the variable remuneration includes share options or other instruments directly or indirectly dependent on the value of the shares, the beginning of the financial year period must be deferred for a period of not less than three years.	Not applicable.	74.
V.3.5. The remuneration of non-executive directors must not include any component whose value depends on the performance of the company or its value.	Not applicable.	66.
V.3.6. The company must have suitable legal instruments in place to ensure that termination of service before the end of the term of office does not directly or indirectly lead to the payment to the director of any amounts other than those provided for by law. The legal instruments that are adopted must be explained in the corporate governance report.	No	83.
V.4. Nominations		
V.4.1. The company must, under the terms it deems appropriate, ensure that proposals for the election of members of corporate bodies are accompanied by justifications in terms of suitability for the profile, knowledge and CV, for the role to be performed by each candidate, in a way that can be demonstrated.	Yes	16 and 17.

	Recommendation	Adoption	Reference
V.4.2.	Unless this is not justified by the size of the company, the role of monitoring and supporting appointments of management staff must be assigned to an appointments committee.	No	27.
V.4.3.	This committee includes a majority of independent non-executive members.	Not applicable.	27.
V.4.4.	The appointments committee shall make its terms of reference available and must, to the extent of its powers, foster transparent selection processes that include effective mechanisms for identifying potential candidates, ensuring that those with the greatest merit and who are best suited to the requirements of the role are selected, and that suitable diversity, including gender diversity is promoted within the organisation.	Not applicable.	27.
VI.	RISK MANAGEMENT		
VI.1.	The management body must discuss and approve the company's strategic plan and risk policy, including the definition of risk levels that are deemed acceptable.	No	54.
VI.2.	Based on its risk policy, the company must put a risk management system in place, identifying (i) the main risks to which it is subjected during the course of its activity, (ii) the likelihood of their occurrence and their respective impact, (iii) the instruments and measures to be adopted with a view to their mitigation, (iv) the monitoring procedures to ensure their monitoring and (v) the system's supervision, periodic assessment and adjustment procedure.	Partial: sub-recommendations (i), (ii), (iv)	53 and 54
VI.3.	On an annual basis, the company must assess the degree of internal compliance and the performance of the risk management system, as well as prospects of change in the previously defined risk framework.	Yes	54.
VII.	FINANCIAL INFORMATION		
VII.1.	Financial Information		
VII.1.1.	The internal regulations of the supervisory body shall require it to supervise the suitability of the management body's process to prepare and disclose financial information, including the suitability of accounting policies, estimates, judgements, relevant disclosures and their consistent application from one financial year to the next, in a duly documented and reported manner.	Partial	55.
VII.2.	Statutory audit and supervision		
VII.2.1.	The supervisory body must use internal regulations to define the following: <ul style="list-style-type: none"> i. The criteria and selection process for the statutory auditor; ii. The way in which the company communicates with the statutory auditor; iii. The supervisory procedures designed to ensure the independence of the statutory auditor; iv. Services other than auditing that may not be provided by the statutory auditor. 	No	45.
VII.2.2.	The supervisory body shall be the main point of contact in the company with the statutory auditor, and the first recipient of the respective reports. It shall be specifically responsible for proposing the respective remuneration and ensuring that suitable conditions for the provision of the services are provided within the company.	No	45.
VII.2.3.	On an annual basis, the supervisory body must assess the work done by the statutory auditor, its independence and suitability for performing the duties. The supervisory body must propose to the competent body its dismissal or termination of the contract for the provision of its services, whenever there is just cause to do so.	Yes	45.
VII.2.4.	The statutory auditor must, within the scope of its competences, verify the application of the remuneration policies and systems for corporate bodies, and the effectiveness and operation of the internal control mechanisms, and must report any deficiencies to the supervisory body.	Yes	51. and 67.
VII.2.5.	The statutory auditor must cooperate with the supervisory body, immediately providing it with information about any irregularities relevant to the duties performed by the supervisory body that it detects, as well as any difficulties that he/she may have encountered during the course of his/her duties.	Yes	41.

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.

At a meeting of its Board of Directors on 13 September 2019, "Teixeira Duarte, S.A." approved - based on current guidelines (Article 1(c)) and Article 4 of Regulatory Order no. 18/2019 - an Equality Plan, in accordance with the provisions of Article 7(a) of Law 62/2017, which, as stipulated in Article 3(3) of Regulatory Order 18/2019, was communicated in the SDI (Information Disclosure System) of the Securities and Exchange Commission, the description of which is disclosed herein:

1. Legal Framework

Law no. 62/2017, of 1 August, determined that the administration and supervisory bodies of companies issuing shares listed for trading on a regulated market should progressively achieve a balanced composition in terms of gender, which "Teixeira Duarte, S.A." complied with on the occasion of its elective General Meeting held on 27 May 2019.

However, Article 7 of this Law no. 62/2017 extended its scope beyond the composition of the administration and supervisory bodies of companies listed on the stock exchange by stipulating that:

- a) *Listed companies must draw up annual equality plans with a view to achieving effective equality of treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting a personal, family and professional life balance, and must publish these plans on their respective website.*
- b) *These plans should follow the guidelines for the implementation of equality plans for businesses, available on the website of the Commission for Citizenship and Gender Equality.*

On 21 June this year, the Office of the President of the Council of Ministers, Finance, Internal Administration and Labor, Solidarity and Social Security published Legislative Order 18/2019, which came into force on the following day and stipulated:

- a) *The procedures for making the communications that are mandatory for public sector corporate entities and companies listed on the stock exchange, under the terms of the provisions of article 7(3) and article 8 (3) of Law 62/2017, of 1 August;*

b) (...)

- c) *The drafting of Guidelines for the purpose of preparing the annual equality plans, under the terms of the provisions of article 7(1) and (2) of Law no. 62/2017, of 1 August;*

Within this framework, at a meeting of its board of directors on 13 September 2019, "Teixeira Duarte, S.A." approved an Equality Plan (Article 7(a)), of Law no. 62/2017, based on the Guidelines in force (Article 1(c)) and Article 4 of Legislative Order no. 18/2019, which, as determined in Article 3(3) of Legislative Order 18/2019, is communicated in the IDS (Information Disclosure System) of the Securities and Exchange Commission and is automatically forwarded to the CGE (Commission for Citizenship and Gender Equality) and CEWE (Commission for Equality at Work and in Employment) and published on the company's respective website (Law no. 62/2017).

2. Framework at Teixeira Duarte, S.A.

Teixeira Duarte, S.A.'s work is based on its Mission and Values and complies with the UN Human Rights Declarations, the Guiding Principles of the Organization for Economic Cooperation and Development (OECD), the International Labor Organization (ILO), national and international legislation and the 10 principles of the United Nations Global Compact in the fields of Human Rights, Labor Practices, Environment, Anti-Corruption and Bribery, Money Laundering, Terrorist Financing and Competition.

"Teixeira Duarte, S.A." has a Code of Ethics and Conduct in force, which is mandatory for all its employees. Its chapter on "Commitments to Labor Rules" expressly sets out the obligations of equal treatment and non-discrimination, as well as the promotion of a family and personal life balance and protection of parenthood.

In 2020, Teixeira Duarte, S.A. will have no employees other than members of the corporate bodies. In this regard, Teixeira Duarte, S.A. has a current Diversity Policy for the Management and Supervisory Bodies, approved by the General Meeting.

Under this circumstance, it was understood that the most efficient way to achieve effective equal treatment and opportunities between women and men, promoting the elimination of discrimination based on sex and promoting a personal, family and professional life balance, will be to draw up an Equality Plan that presents a set of objectives and measures to be implemented and developed by its subsidiaries in a manner appropriate to the situations of their geographical areas and sectors, as Teixeira Duarte companies operate in six different sectors (construction, concessions and services, real estate, hospitality, distribution and automotive) in 20 countries with very different cultures and

legal frameworks.

3. Scope and Structure of the Equality Plan

This Equality Plan covers the following areas:

- a) Equal access to employment;
- b) Equal working conditions;
- c) Equal pay;
- d) Parenthood protection;
- e) Professional, family and personal life balance.

For each of these areas, this Plan sets out:

- a) Intended objectives;
- b) List of measures to be taken,

it is then the responsibility of each of the Teixeira Duarte Group companies to:

- c) Describe the current situation;
- d) Assess the current situation;
- e) Indicate the goals and plans for achieving the objectives described in this plan, as well as others that they intend to develop according to the respective business situations.

4. Actions for equality

Objectives

Ensure that the principles of gender equality and non-discrimination are a way of being in the organization that is inherent to the actions of each individual, team or entity.

Measures

- a) Give proportionate prominence to the issue of gender equality and non-discrimination during intake training sessions (for all new workers, taking into account the functions to be performed or that may be performed);
- b) Explain this matter in subsequent Managements Reports and equivalents;
- c) Implement a specific system to understand, act, set targets and goals and monitor them. Set up a multidisciplinary and internal structure to follow-up and monitor the system.

5. Equal Access to Employment

Objectives

Ensure that the principle of Gender Equality is effectively imple-

mented during the process to recruit and select female and male employees.

Measures

- a) Drafting of a recruitment and selection procedure, including an indication of functions, level of training, professional experience of applicants, the appointment of a panel or assessment and selection team, selection and hiring criteria, including possible remote and in-person interviews;
 - b) Training of selection panels and assessment teams on non-discrimination on grounds of sex;
 - c) Monitoring of the content of advertisements to detect situations of material non-conformity.
- ### 6. Equal Working Conditions

Objectives

Promotion of effective and programmed conditions for career management in the organization, in line with the program management principle of the "right person in the right place".

Measures

Implement a system for monitoring promotions, performance of new activities according to the total number of employees, departments and areas of activity, gender, and taking into account seniority, career development potential, legality, technical and human resources management capabilities.

7. Equal pay

Objectives

Promotion of the principle of the program "equal pay for equal work or equal value", based on the values of the organization: ingenuity, truth and commitment.

Measures

Implement a system for monitoring situations that apparently violate the principle of "equal pay for equal work or work of equal value", by defining rules to identify them

8. Parenthood Protection

Objectives

Ensure that the rights to the protection of parenthood and family assistance are effectively known to employees and that decisions about the exercising of these rights are exclusively a matter for the interested parties themselves.

Measures

- a) *Publicizing of employee rights with regard to protection of parenthood, written in a clear and simple manner;*
- b) *implementation of a system to monitor deviations in the organization's behavior with regard to pay, training and career development opportunities before and after the start of parental leave.*

9. Professional, family and personal life balance

Objectives

Promote new work organization methods to allow a real professional, family and personal life balance for male and female employees.

Measures

- a) *The organization must assess the ways in which working time is organized, specifically through remote working, part-time work and the existence of flexible working hours;*
- b) *The establishment of a channel for receiving ideas that have or could have a significant on professional, family and personal life balance.*

