

PARPÚBLICA
PARTICIPAÇÕES PÚBLICAS (SGPS) S.A.

**CORPORATE
GOVERNANCE REPORT**

2014

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INTRODUCTION

The current Corporate Governance Report is prepared according to nr 1 of Article 54 of decree-Law nr 133/2013 of October 3, and in accordance and compliance with the guidelines from the General Directorate of Treasury and Finance.

I – MISSION, OBJECTIVES AND POLICIES

I.1 Mission and its accomplishment, Vision and Values

PARPÚBLICA – Participações Públicas, SGPS, S.A. was founded through Decree-Law nr 209/2000, of September 2, with exclusively public capital and as result of the restructuration of PARTEST, Participações do Estado (SGPS), SA.

According to that law and the company's regulations, the business object of PARPÚBLICA, as a SGPS, (Corporate Investments Managing Company), is the management of public investments integrating its equity (could also exercise the rights of the State as shareholder, under Article 10 of Decree-Law 558/99 of December 17), as well as, the management of the public real estate, through its subsidiaries with a specialized objects.

Furthermore and according to Article 6 of Decree-Law nr 209/2000 of September 2, PARPÚBLICA has special legal functions in the scope of the State Corporate Sector performing the following services: winding-up functions in companies closed by the State and the follow-up of private companies in charge of the management of economic services of general interest, under the concession or attribution of special or exclusive rights.

On the other hand, PARPÚBLICA has to implement the re-privatization program established by the Government, having an active role in the development of the privatization processes in accordance with Law nr 11/90 of April 5, with the related amendments introduced by Law nr 50/2011 of September 13 (Framework Law of

Privatization), as well as, according to Law nr 71/88 of May 24, establishing the regime of disposal of shares of the public sector.

At the same time, PARPÚBLICA ensures the complementary technical support to the Ministry of Finance, concerning subjects related to the management of the corporate sector and other subjects of public interest. With the disclosure of Decree-Law nr 111/2012 of May 23, creating the Technical Unit for Projects Follow-up (UTAP), PARPÚBLICA was no longer in charge of the launch and follow-up of some concessions and Public Private Partnerships as till the entry into force of that legislation.

At last, PARPÚBLICA undertakes the management of a significant part of the public real estate, through specialized companies of the Group, in order to allocate the public real estate in the market, either by renting, selling or by real estate promotion in direct competition with other sector companies. This function is mainly developed through on the one hand Sagestamo – Sociedade Gestora de Participações Sociais Imobiliárias, S.A., a sub-*holding* specialized in real estate, also created under Decree-Law nr 209/2000 of September 2 and on the other Lazer e Floresta, S.A. and Baía do Tejo, S.A.. It should be also mentioned that, together with the currently undergoing reforms in the Public Management Sector, some studies and preparatory works have begun in 2014 in order to reorganise PARPÚBLICA Group's real estate sector being expected to end in 2015.

It is also worth mentioned that the actual operating of Unidade Técnica de Acompanhamento e Monitorização do Sector Público Empresarial (UTAM)¹ began in 2014. The main purpose of UTAM is to technically support the Government member responsible for finance in order to improve the quality of the public management sector through the control of governance good practices and aiming the economic and financial balance of the sector². According to the above, the performance of PARPÚBLICA has been accompanied by the mentioned entity since 2014 either at

¹ Under Decree-Law nr 133/2013 of 3 of October.

² Under article 3 of Decree-Law nr 1/2014 of 10 of February

financial or budgetary level as well to comply with the management guidelines and purposes.

I.2 Policies and guidelines according to the defined strategy

PARPÚBLICA's activity is guided by the threefold objective of maximizing cash inflow of the State through assets sale, preserving the financial ratios according to the assets liquidity nature and increasing the value creation of the companies within PARPÚBLICA's universe.

1. I.2. a) e b) Objectives and compliance level

Under article 38 of Decree-Law nr 133/2013, of October 3, that approves the legal regime to apply to the public corporate sector, the shareholder has the duty to determine both the goals and results to be achieved every year and three-year period, mainly economic and financial, and the guidelines to apply in the corporate performance to be reported each three-year period.

Therefore, the Ministries responsible for the sector (the Ministry of Finance, in PARPÚBLICA's case) issued specific guidelines for the sector to be applied to each company and define the goals to be achieved by the public companies in their operating activity. PARPÚBLICA established its Activity Plan and Budget for 2014 based on those parameters³.

In what the established economic-financial general goals are concerned, it is worth mentioned that it was possible to comply with the general strategy of operating costs contraction related to company business, to reduce the average payment term (APT) and also to reduce the indebtedness in 4,3% regarding last year.

Regarding the 2014 specific goals, PARPÚBLICA will continue the re-privatization program determined by the Government. Therefore, in June 2014, the 2nd stage of the re-privatization of REN – Redes Energéticas Nacionais, SGPS, S.A., was concluded

³ Aprovado através do Despacho n.º 2520/14-SET, de 11/12/2014.

with the sale of 58.740.000 shares, representing 11% of the share capital still owned by the Portuguese State through PARPÚBLICA and CGD.

This operation was undertaken by a private offer through a public offer in the internal market together with a direct institutional sale aiming qualified national and foreign investors.

Following the privatization program, the 2nd stage of CTT's privatization was also concluded in September of 2014. At that time, the 31,503% of CTT' shares owned by PARPÚBLICA was subject to a private offer by an *accelerated bookbuilding* process aiming exclusively institutional investors.

In compliance with the Government decisions concerning the privatization program and still in 2014, the sale of the Empresa Geral do Fomento, S.A. (*sub-holding* of AdP Group for the waste sector)'s shares was carried out by the signature of a sale contract.

At last, and in the end of 2014, the process of the privatization of the share capital of TAP – Aeroportos de Portugal, S.A. was reopened by under Decree-Law nr 181-A/2014 of 24 of December. This process is expected to be concluded during the first half of 2015.

1. I.3 Key factors for company's profit and loss

Considering that one of the most important roles of PARPÚBLICA is the execution of the privatization program determined by the Government and considering the importance of the investments concerned, the company profit and loss is widely affected by the outcome of each privatization.

On the other hand, considering that it is a public investment company, its subsidiaries results have also an impact in profit and loss, not only through their profitability but also through the dividends distributed.

On one hand the impairments, and on the other hand the value fluctuations of the financial instruments and shares measured at fair value can also have a significant impact in profit and loss due to the changes of the conditions and variables of the market.

PARPÚBLICA's results are highly affected by the financial expenses related to the bearing debt, together with the fact that a high company's assets percentage (credit over the State for not compensated privatization proceeds) is not remunerated.

I.4 Disclosure of compliance with the established guidelines

As established by the Supervisory Entity, PARPÚBLICA continued the Government re-privatization program during 2014 fully complying with the established guidelines. As referred in I.2, the re-privatization of REN – Redes Energéticas Nacionais, SGPS, S.A. and the privatization of CTT were concluded, the share sale of Empresa Geral do Fomento, S.A. was formalised by the sale contract signature and the privatization of the total share capital of TAP – Aeroportos de Portugal, S.A. was concluded.

II. EQUITY STRUCTURE

II.1 Equity structure

The share capital of PARPÚBLICA is 2 000 million euro, represented by 400 million shares with the nominal value of 5 euro each.

Under article 6 of the PARPÚBLICA's statutes approved by Decree Law nr 209/2000, of September 2 and amended to the current wording by deliberation of May 10 of 2012, the shares are mandatorily nominative and represented by certificates that incorporate the number of shares owned by each shareholder, and may take the book form (dematerialized), being both physical and book form of shares reciprocally convertible at the shareholder request.

PARPÚBLICA's share capital is entirely subscribed by the Portuguese State and paid up in the amount of 1 027 151 031,48 euro.

2. II.2 Restrictions to the transfer of shares

PARPÚBLICA's shares can be freely transferred and there are no restrictions relating their ownership, foreseen in the statutes.

II.3 Shareholders' agreements that may restraint securities or voting rights transmission

As PARPÚBLICA has a sole shareholder, the Portuguese State, there are no shareholders' agreements that can lead to possible restrictions.

III. SHARES AND BONDS HELD

III.1 Identification of individuals (governing bodies) and/or corporations (company) which directly or indirectly have shares in other entities with detailed percentage of equity and votes.

III.1.1 Individuals (governing bodies)

Name	Company	NIPC	% Capital	% Votes
Pedro Macedo Santos Ferreira Pinto	Eaufresh, S.A.	509866875	44	44
Fernanda Maria Mouro Pereira	Linhareal - Trade & Branding, Lda.	510616194	25	25
Carlos António Lisboa Nunes	Grant Thornton & Associados - Sroc, Lda.	502286784	38	38

III.1.2 Company

At 31 December 2014, PARPÚBLICA owned the following shares in other companies:

Name	Share Capital	Stake
		%
Sagestamo - Sociedade Gestora de participações Sociais Imob., SGPS, SA	934.000.000,00 €	100,00%
Baía do Tejo, SA	147.625.000,00 €	100,00%
Lazer&Floresta - Empresa de Desenvolvimento Agro-Florestal, Imobiliário e Cinegético, SA	57.887.635,00 €	100,00%
TAP, SGPS, SA	15.000.000,00 €	100,00%
Imprensa Nacional Casa da Moeda, SA	27.445.000,00 €	100,00%
Companhia das Lezírias, SA	5.000.000,00 €	100,00%
CE - Circuito Estoril, SA	30.000.000,00 €	100,00%
SIMAB - Sociedade Instaladora de Mercados Abastecedores, SA	40.145.882,00 €	100,00%
SPE - Sociedade Portuguesa de Empreendimentos, SA	10.000.000,00 €	81,13%
ADP - Águas de Portugal, SGPS, SA	434.500.000,00 €	81,00%
Sagesecur - Estudo, Desenv, e Part. Projetos de Invest. Valores Mobiliários, SA	22.500.000,00 €	80,50%
Margueira - Sociedade de Gestão de Fundos Invest. Imob., SA	500.000	51,00%

PARCAIXA, SGPS, SA	1.000.000.000	49,00%
CVP - Sociedade de Gestão Hospitalar, SA	2.500.000	45,00%
Propnery - Propriedade e Equipamentos, SA	506.521.926	41,82%
Isotal - Imobiliária do Sotavento Algarvio, SA	300.000	31,05%
INAPA - Investimentos e Participações de Gestão, SA (a)	180.135.111,43	10,88%
GALP Energia, SGPS, SA	829.250.635	7,07%
Efacec Internacional Financing, SGPS, SA	763.470	5,00%
Instituto de Habitação e de Reabilitação Urbana, IP	79.103.038	4,77%
Lisnave - Infraestruturas Navais, SA	25.530.000	2,08%
Lisnave - Estaleiros Navais, SA	5.000.000	2,97%
PT - Portugal Telecom, SGPS, SA	26.895.375	0,09%
NOS, SGPS, SA	5.151.614	0,02%
Unitenis, SA		0,02%

(a) Stake in ordinary shares

3. III.2 Acquisition and alienation of investments as well as the investment in any entity of associative or founding nature

In the scope of its activity of management of public investments, significant changes in the investment portfolio of PARPÚBLICA took place during 2014.

Under Order nr 734/14-SET, of 29 April of 2014, the final values of the public investments transferred at January 2013⁴ by DGTF to PARPÚBLICA's portfolio were established in order to settle its credit over the Portuguese State relating the delivery of the re-privatization's proceeds.

Accordingly and under the above mentioned Order, the transferred investments and related value were as follows:

Company	% equity to be transferred	Investment value (after final adjust.)
ANA – Aeroportos de Portugal, S.A.	31,44	363.788.165,1 €
CTT – Correios de Portugal, S.A.	100	827.421.895,2 €
Propnery – Propriedades e Equipamentos, S.A.	41,82	1.000.000,0 €
Efacec International Financing, SGPS, S.A.	5	18.000 €
LISNAVE – Estaleiros Navais, S.A.	2,97	2.000.000 €
SIMAB – Soc. Instaladora dos Mercados Abastecedores, SA.	100	17.551.000 €
AdP – Águas de Portugal, S.A.	8,82	69.902.528,1 €
SPE – Soc. Portuguesa de Empreendimentos, S.A.	466 ações	0 €

⁴ Under Order nr 2468/12-SET of 28 December

The 2nd stage of REN – Redes Energéticas Nacionais, SGPS, S.A. re-privatization⁵ was concluded at June of 2014 with the sale of ordinary shares in the total amount of 58.740.000, representing 11% of the share capital still held by the Portuguese State through PARPÚBLICA and CGD.

On the other hand, the 2nd stage of CTT's privatization was carried out during September of 2014. The stake of 31,503% of CTT's share capital held by PARPÚBLICA was sold and therefore PARPÚBLICA has no more investments in the company's share capital.

Following the Government decisions concerning the privatizations' program, the sale agreement for EGF (*sub-holding* of Adp Group for the waste business) share capital was also concluded in 2014 being the process still waiting for the fulfilment of previous established conditions.

III.3 Shares and bonds owned by the members of the managing and supervising bodies under nr 5 of article 447 of TCC

The members of the managing and supervising bodies do not own any company shares or bonds.

III.4 Information about significant commercial relationships between the owners of qualified shares and the company

There are no significant commercial relationships between the sole shareholder and the company, except those coming from its activity, duly framed by the related statutes.

See Information about Transactions with Related Entities and Others - point VII

⁵ Approved by Decree-Law nr106-B/2011, of 3 November

IV. GOVERNING BODIES AND SPECIAL COMMITTEES

IV. Board of the General Assembly

IV.A.1 Composition of the Board of the General Assembly and remunerations of its members

As foreseen in the company Statutes⁶, the Board of the General Assembly consists of a chairman, a vice-chairman and a secretary appointed by the General Assembly for a period of three years under proposition of the shareholders or major shareholder, considering the appointing year as complete.

The following members of the Board of the General Assembly were elected for the three-year period of 2013-2015:

Mandate (Begin-End)	Function	Name
2013-2015	CBGA	Elsa Maria Roncon Santos
2013-2015	VCBGA	Bernardo Xavier Alabaça
2013-2015	SBGA	Maria Luísa da Silva Rilho

Caption:
CBGA– Chairman of the Board of the General Assembly
VCBGA - Vice- Chairman of the Board of the General Assembly
SBGA – Secretary of the Board of the General Assembly

IV.A.2 Shareholders’ deliberations subject to qualified majority voting

The deliberations are unanimously adopted since PARPÚBLICA share capital is entirely owned by the Portuguese State.

However, the PARPÚBLICA statutes foresee that, in case of company share capital dispersal⁷, the deliberations, concerning amendments to the statutes, merger, division, transformation or dissolution of the company and purchase or alienation of shares should be approved by 51% of the votes, either in the first or second call.

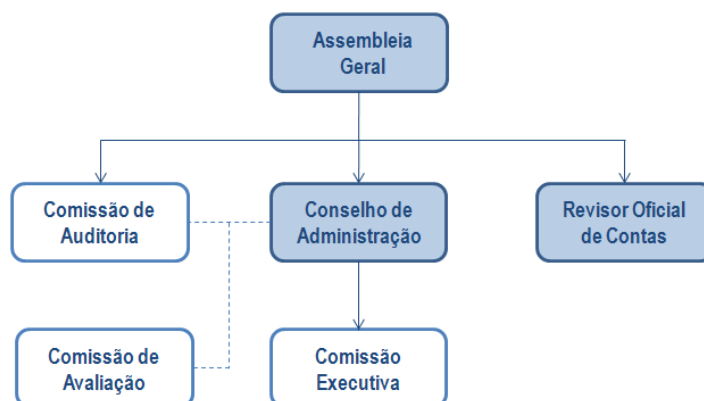
⁶ Article 10

⁷ Nr 3 of Article 11

IV.B Management and supervision

IV.B.1 Adopted governance model

PARPÚBLICA adopts a model of Anglo-Saxon inspiration⁸ for the management and supervision of the company, therefore consisting of the following Bodies elected by the General Assembly⁹: on the one hand, the Board of Directors that delegates the current management and includes an Audit Committee¹⁰, on the other, the Statutory Auditor.



In view of the above, the legal demand¹¹ of effective separation between the executive management duties and the supervision duties is fulfilled.

IV.B.2 Statutory regulations about procedures applicable to the appointment and replacement of members of the Board of Directors

The members of the Board of Directors are appointed by the General Assembly, according to the law and the statutes¹², for renewable periods of three years¹³ with a maximum of three successive renewals, considering the appointing calendar year as complete.

⁸ Foreseen in paragraph b) of nr 1 of article 278 of the Trade Companies Code

⁹ Foreseen in paragraph b) of nr 1 of article 278 of the Trade Companies Code

¹⁰ Foreseen in paragraph b) of nr 1 of article 278 of the Trade Companies Code

¹¹ Cf article 30 of article 30 of Decree Law nr 133/2013, of October 3

¹² Paragraph b) of nr 1 of article 12

¹³ Paragraph b) of nr 1 of article 12

The members of the Board of Directors assume their duties immediately after the appointment and remain in office until replacement¹⁴.

According to the Statutes¹⁵, two unjustified successive or not absences, in each fiscal year, to the Board of Directors meetings, correspond to a definite absence of Director and should be declared as such by the Board.

In case of dismissal, permanent impediment or expiry of the mandate due to excessive unjustified absences leading to the definitive absence of the Director¹⁶, the mandate can continue till its term by a co-opted member, being his appointment ratified, within one year, by the General Assembly meeting immediately after¹⁷.

IV.B.3 Composition of the Board of Directors

According to the Statutes, the Board of Directors consists of five to seven members, appointed by deliberation of the shareholders. The Chairman, the executive and non-executive members and the Audit Committee members are chosen by the shareholders¹⁸.

The Governing Bodies members are in office for renewable periods of three years with a maximum of three successive renewals, considering the appointing calendar year as complete¹⁹.

The current mandate (2013-2015) of the Board of Directors members, approved by the General Assembly of May 29 of 2013, ends at 31 December of 2015.

In 2014, the Board of Directors consisted of six members, including three non-executive members.

¹⁴ Nr 2 of article 21 of the Statutes

¹⁵ Nr 2 of article 21 of the Statutes

¹⁶ According to nr 5 of article 15 of the Statutes and nr 5 of article 6 of the Regulation of the Board of Directors

¹⁷ Nr 3 of article 13 of the Statutes and nr 2 of article 1 of the Regulation of the Board of Directors

¹⁸ Nr 1 of article 13 of the Statutes and nr 1 of article 1 of the Regulation of the Board of Directors

¹⁹ Nr 1 of article 13 of the Statutes and nr 1 of article 1 of the Regulation of the Board of Directors

Mandate (Begin-End)	Position	Name	Doc. Current Appointment	Nr of Mandates in the Company	Comments
2013-2015	CBD	Pedro Macedo Santos Ferreira Pinto	WUD	1	-
2013-2015	Executive Member	Carlos Manuel Durães da Conceição	GA	2	-
2013-2015	Executive Member	José Manuel Pereira Mendes de Barros	GA	2	-
2013-2015	Non-Executive Member, CAC and MEC	Fernanda Mouro Pereira	GA	3	-
2013-2015	Non-Executive Member, MAC and MEC	Maria João Dias Pessoa de Araújo	GA	1	-
2013-2015	Non-Executive Member, MAC and MEC	Pedro Miguel Nascimento Ventura	GA	2	-

Caption: WUD (written unanimous deliberation);

GA- General Assembly

OOPR – Option for the origin place remuneration; O/D - Origin / Destination

CBA – Chairman of the Board of Directors

CAC – Chairman of the Audit Committee

MEC – Member of the Evaluation Committee

MAC – Member of the Audit Committee

IV.B.4 Identification of the Board of Directors executive and non-executive members and of the independent members

In 2014, the Board of Director consisted of the following executive and non-executive members:

Name	Executive / Non-Executive	Comments
Pedro Macedo Santos Ferreira Pinto	Chairman (Executive)	In office from 06.01.2014
Carlos Manuel Durães da Conceição	Executive	-
José Manuel Pereira Mendes de Barros	Executive	-
Fernanda Maria Mouro Pereira	Non- Executive	-
Maria João Dias Pessoa de Araújo	Non- Executive	-
Pedro Miguel Nascimento Ventura	Non- Executive	-

The evaluation of independence of the Audit Committee members (non-executive directors) follows the criteria established in the Trade Companies Code²⁰. To the other members of the Board of Directors the criterion of the existing association to any group of specific interests in the company is applied as well as of any circumstance

²⁰ Nr 1 of article 414-A and nr 5 of article 414 of the Trade Companies Code

that can affect their impartiality of analysis or decision. According to the referred criteria of independence, all Directors of the company are considered independent.

IV.B.5 Relevant curricula of each member of the Board of Directors

The *curricula* of each of the Board of Directors' members are disclosed in Appendix I of this Report.

IV.B.6 Governing Bodies statement about any own company stakes, as well as any relationship with suppliers, clients, financial entities or any business partner that may lead to a conflict of interest (article 52 of Decree-Law nr 133/2013)

The members of the Board of Directors have no investments in the company as well as no relations with suppliers, clients, financial entities or any business partners which may originate a conflict of interest. Therefore a statement of the referred members was presented to the Board of Directors and to the Supervision bodies as well as to the IGF, accordingly to the law.

IV.B.7 Usual and significant family, professional or commercial relationship with shareholders

The members of the Board of Directors have no family, professional or commercial relations with the sole shareholder.

IV.B.8 Division of competences between the Governing Bodies

According to the organisational chart included in point IV.B.1, PARPÚBLICA adopts a model of Corporate Governance of Anglo-Saxon inspiration including the following governing bodies appointed by the General Assembly: (i) the Board of Directors as managing body delegating the current management of the company to the Executive Committee, and (ii) the Audit Committee and the Statutory Auditor as supervision bodies, the Audit Committee consisting exclusively of non-executive directors

IV.B.8.a) General Assembly

The General Assembly consists of shareholders with voting right, mainly with the following competences²¹:

- To review the accounting statements and to decide about the application of the results;
- To appoint the Governing Bodies;
- To deliberate about any change in the Statutes or equity increases;
- To deliberate, according to the Board of Directors proposal, about acquisition, alienation or encumbrance of investment over 1% of share capital, except: re-privatization operations carried out under Law nr 11/90, of April 5, provided that all the related financial conditions are already established by a regulatory instrument of the Government; re-privatization operations carried out under Law nr 71/88, of May 24, already object of a previous order; and in general, the acquisition and direct alienation of State shares;
- To approve to take loans for a period of more than one year and the issue of bond loans;
- To deliberate about the remunerations of the Governing Bodies members. The GA can appoint a committee for settling the remunerations; and
- To deal with any other matter for which it was convened.

IV.B.8.b) Board of Directors

The Board of Directors has the competences and powers defined by the Trade Companies Code and the Statutes²²:

²¹ Cf nr 2 of Article 12 of the Statutes

²² Cf. article 14 of the Statutes and article 2 of the Board of Directors Regulation

- The management, with the widest powers, of all the corporate business, carrying out all the operations related to the corporate object;
- To approve the account-rendering documents, to be submitted to the general assembly;
- To represent the company, in Court or out of it, both actively and passively, being able to give up, to compromise, and confess in any pleas, and so celebrate conventions of arbitration;
- To suggest to the general assembly the contracting of loans and the emission of long-term bond loans;
- To suggest to the general assembly the acquisition, alienation or taxation of corporate investments over 1% of the share capital, except when related to: re-privatizations under Law nr 11/90, of April 5, provided that the related financial conditions are already determined by Government regulation; privatizations processes undertaken under Law nr 71/88, of May 24, subject to prior decision; and, in general, the acquisition and direct alienation of State shares;
- To contract commercial paper programmes and funding for a limit term of one year;
- To appoint temporary or permanent representatives in companies or other entities or public or private organisations.

The Chairman of the Board of Directors is especially responsible for²³:

- To represent the company, in Court or out of it;
- To coordinate the Board of Director's activity, as well to convene and run the related meetings;
- To cast the deciding vote;

²³ Cf. article 16 of the Statutes and article 3 of the Board of Directors Regulation

- To supervise the correct implementation of the Board of Directors' resolutions.

IV.B.8.c) Executive Committee

Under legal²⁴, statutory²⁵ and regulatory²⁶ provision, the Board of Directors delegated the Company's current management to the Executive Committee²⁷, composed by three members of the Board. However the Board of Directors reserved the right to decide on the same matters²⁸.

The delegation of powers from the Board of Directors to the Executive Committee was deliberated, as recorded in the Board meeting's minutes of June 26 of 2013, according to nr 2 of article 5 of the Board of Directors' Regulation.

The Board decided to delegate the following powers to the Executive Committee:

- The management, with the widest powers, of all the corporate business, carrying out all the operations related to the corporate object, which do not fit in the competence attributed to another body or exclusively to the Board of Directors, under the law, the statutes or the Board of Directors' Regulation;
- The proposal of the goals and the strategy of the company and of the group, to be approved by the Board of Directors;
- The preparation of the annual and of the multiannual business plans to be approved by the Board of Directors;
- The preparation of the annual account-rendering documents to be approved by the Board of Directors;
- The designation of attorneys-in-fact for the general assemblies of the controlled or participated companies;

²⁴ Nrs 3 and 4 of article 407 of the Trade Companies Code

²⁵ Nr 2 of article 13 of the Statutes

²⁶ Paragraph n) of nr 2 of article 2 of the Board of Directors' Regulation

²⁷ Nr 1 of article 5 of the Board of Directors' Regulation

²⁸ Nr 8 of article 407 of the Trade Companies Code Nr 5 of the Board of Directors' Regulation

- The contracting of commercial paper programmes and funding foreseen in the budget or in approved plans;
- To check the budgetary performance of the company and the elaboration of the quarterly budgetary performance reports, to be submitted to the responsible entity;
- The approval, by submission to the general assembly, of financing agreements of the company and of the group, as well as to issue long term bond loans not foreseen in the budget or in the plans approved;
- The approval, by submission to the responsible entity, of acquisitions, alienations or supervisions of investment encumbrances in other companies;
- To acquire, alienate or encumber any real estate;
- To represent the company, in Court of out of it, active or passively, being able to give up, compromise and confess in any pleas, as well as to celebrate conventions of arbitration.

The Board of Director further deliberated that the delegation of powers to the Executive Committee did not exclude the Board competence to deliberate on the same matters, under Article 407, nr 8 of the Trade Companies Code, being effective since May 29 of 2013, date of the election of the governing bodies' members. All the acts, performed under the related provision, had been ratified.

On the other hand, under the Board of Directors Regulation²⁹, the following subjects cannot be delegated³⁰ to the Executive Committee:

- To co-opt members of de Board, to convene general assemblies, to approve the account-rendering documents to be submitted to the general assembly, to render collaterals and personal or real guarantees in the Company name, to move the corporate;

²⁹ Article 4 of the Board of Directors Regulation

³⁰ Under nr 4 of article 407 of the Trade Companies Code

- To approve the annual and multiannual business plans.

IV.B.8.d) Audit Committee and Statutory Auditor

The Audit Committee and the Statutory Auditor are the supervising bodies of the company and their main competences are described in sections IV.B.9. d) and IV.D.1, respectively.

IV.B.9 Board of Directors functioning

The regulation of the Board of Directors functioning is available at the Company Website (www.parpublica.pt).

IV.B.9.a) Number of meetings held and attendance level

The PARPÚBLICA's Statutes establishes that the Board of Directors should meet ordinarily once every quarter and, besides that, whenever it is convened by the Chairman or by two Directors. During 2014, the Board of Directors meet 13 times and the related attendance was as follows:

Name	Attendance	Comments
Pedro Macedo Santos Ferreira Pinto	100%	
Carlos Manuel Durães da Conceição	100%	
José Manuel Pereira Mendes de Barros	100%	
Fernanda Maria Mouro Pereira	100%	
Maria João Dias Pessoa de Araújo	100%	
Pedro Miguel Nascimento Ventura	92%	A justified absence to one meeting

The Executive Committee of the Board of Directors meet 42 times, during 2014, and the attendance level was as follows:

Name	Attendance	Comments
Pedro Macedo Santos Ferreira Pinto	100%	
Carlos Manuel Durães da Conceição	98%	A justified absence to one meeting
José Manuel Pereira Mendes de Barros	100%	

IV.B.9.b) Information about positions held simultaneously in other companies and other significant activities held during the year

During 2014, the positions in other companies and other significant activities of the members of PARPÚBLICA, SGPS' Board of Directors were as follows:

Name	Positions
Pedro Macedo Santos Ferreira Pinto	<ul style="list-style-type: none"> Member of the Board of Directors of Parcaixa, SGPS, S.A, 49% owned subsidiary
Carlos Manuel Durães da Conceição	<ul style="list-style-type: none"> Non-executive Member of the Board of Directors of CVP - Sociedade de Gestão Hospitalar, S.A. 45% owned subsidiary
José Manuel Pereira Mendes de Barros	<ul style="list-style-type: none"> Chairman of the Board of Directors of SAGESECUR – Sociedade de Estudos, Desenvolvimento e Participação em Projetos, S.A., 80.5% owned subsidiary. Non-executive Member of the Board of Directors of Águas de Portugal, S.G.P.S.,S.A, 81% owned subsidiary. Member of the Board of Directors of CE – Circuito Estoril, SA, 100% owned subsidiary.
Fernanda Maria Mouro Pereira	<ul style="list-style-type: none"> Did not hold further positions in other companies during the year concerning the current report.
Maria João Dias Pessoa de Araújo	<ul style="list-style-type: none"> Assistant General Manager of the General Directorate of Treasury and Finance. Chairman of the Board of the General Assembly of Parque EXPO 98, S.A. Member of the General and Supervision Board of Portugal Capital Ventures - Sociedade de Capital de Risco, S.A. Member of the Supervisory Board of PME INVESTIMENTOS - Sociedade de Investimento, S.A.
Pedro Miguel Nascimento Ventura	<ul style="list-style-type: none"> Assistant Manager of the General Directorate of Treasury and Finance. Effective Member of the Supervisory Board of Rede Ferroviária Nacional - REFER, E.P.E Chairman of the Supervisory Board of Fundação Abreu Callado, IPSS

IV.B.9. c) Competent company bodies to evaluate the directors' performance and the applicable criteria

The Evaluation Committee evaluates the executive directors' performance of PARPÚBLICA, namely the proper compliance with the strategic guidelines defined

by the shareholder and with the legal practices of good governance. The referred evaluation is made under the Public Manager Statute³¹, approved by Decree Law nr 8/2012, of January 18, and by Decree Law nr 133/2013, of October, which approved the regime to be applicable to the State corporate sector.

Albeit not foreseen in the Statutes, the Evaluation Committee was constituted by the Board of Directors with the objective to accomplish the rules of good governance established for the State-owned Corporate Sector³², issuing an annual evaluation report³³ relating each year's compliance level and conditions of the defined guidelines, as well as of the individual performance of the executive managers and the general evaluation of the structures and mechanisms of the company governance in force.

The evaluation of the executive directors' performance is made under the Public Manager Statute³⁴, approved by Decree Law nr 8/2012, of January 18, and by Decree Law nr 133/2013, of October, which approved the regime to be applicable to the State corporate sector, and also under the management contracts signed by the Shareholder.

IV.B.9. d) Board of Directors' committees

- Executive Committee

In 2014, the Executive Committee included the following members:

Name	Comments
Pedro Macedo Santos Ferreira Pinto	-
Carlos Manuel Durães da Conceição	-
José Manuel Pereira Mendes de Barros	-

The powers of the Executive Committee are described in section IV.B.8.c).

In 2013, as referred in section IV.B.9.a), point 24, the Executive Committee convened 42 times.

³¹ Article 7 of the Public Manager Statute

³² Section II of Decree Law nr 133/2013, of October 3

³³ According to nr 1 of article 7 of the Public Manager Statute

³⁴ Article 7 of the Public Manager Statute

- Audit Committee

In 2014, the Audit Committee's members were the following:

Name	Comments
Fernanda Maria Mouro Pereira – (Presidente)	-
Maria João Dias Pessoa de Araújo	-
Pedro Miguel Nascimento Ventura	-

In 2014, the Audit Committee convened 17 times.

- Evaluation Committee

In 2014, the Evaluation Committee's members were the following:

Name	Comments
Fernanda Maria Mouro Pereira	-
Maria João Dias Pessoa de Araújo	-
Pedro Miguel Nascimento Ventura	-

The powers of the Evaluation Committee are described in section IV.B.9.c) above.

In 2014, the Evaluation Committee convened once with the attendance of all its members.

IV.C. Supervision

IV.C.1. i. Identification of the Supervision Committee

As referred in section IV.B.1 above, PARPÚBLICA adopts a Governance model of Anglo-Saxon inspiration, which includes the Audit Committee and the Statutory Auditor as supervision bodies. The Audit Committee includes only non-executive and independent directors with the adequate powers for their duties' performance.

IV.C.1.ii. Composition of the Audit Committee

The composition of the Audit Committee is shown in the following tables:

Mandate (Begin - End)	Position	Name	Doc. Current Appointment	Nr of Mandates in the Company	Comments
2013-2015	Chairman of the Audit Committee, Non-exec.Member and Member of the Evaluation Committee	Fernanda Mouro Pereira	GA	3	-
2013-2015	Member of the Audit Committee, Non-exec.Member and Member of the Evaluation Committee	Maria João Dias Pessoa de Araújo	GA	1	-
2013-2015	Member of the Audit Committee, Non-exec.Member and Member of the Evaluation Committee	Pedro Miguel Nascimento Ventura	GA	2	-

The minimum and maximum statutory number of the Audit Committee's members is foreseen in the company Statutes, being from three to five Board of Directors' members³⁵, one of them acting as Chairman.

In 2014, the remunerations of the Audit Committee's members were as follows:

Mandate (Begin - End)	Position	Name	Doc. Current Appointment	
			Fixed (€)⁽¹⁾	Paid Gross (€)⁽²⁾
2013-2015	Chairman of the Audit Committee, Non-exec.Member and Member of the Evaluation Committee	Fernanda Mouro Pereira	21.364,98	21.364,98
2013-2015	Member of the Audit Committee, Non-exec.Member and Member of the Evaluation Committee	Maria João Dias Pessoa de Araújo	21.364,98	21.364,98
2013-2015	Member of the Audit Committee, Non-exec.Member and Member of the Evaluation Committee	Pedro Miguel Nascimento Ventura	21.364,98	21.364,98

* According nr 2 of article 29 of EGP the members of the audit committee received not only the remuneration fixed to non-executive members but also an additional compensation.

Caption: (1) Fixed attendance fee; (2) Before remuneration reductions

IV.C.2 Identification of the independent members of the Audit Committee

See section IV.B.4 above.

³⁵ Cf article 18 of the Statutes

IV.C.3 Curricula of the members of the Audit Committee

See section IV.B.5 above.

IV.C.4 Audit Committee functioning

The Audit Committee regulation can be consulted in the company's site - www.parpublica.pt.

IV.C.4.a) Number of meetings held and attendance level

The Audit Committee meets at least twice a month convened by the Chairman or any other member or the Statutory Auditor³⁶.

Nr of 2014 Meetings	Location	Attendance	Audit Committee Absent Members
17	Headquarters	Chairman and Members of the Audit Committee	1 justified absence of the member Pedro Miguel Nascimento Ventura

IV.C.4.b) Specification of positions carried out at the same time in other companies and other significant activities performed during the year

The information related to the accumulation of positions in other companies, is described in section IV.B.9.b) above.

IV.C.4.c) Procedures and criteria related to the contracting of additional services to the Statutory Auditor by the supervision body

Under Decree Law nr 133/2013, of October 3, approving the legal regime applicable to the public corporate sector, the public companies classified in A and B Groups³⁷, such as PARPÚBLICA, has to annually submit the financial information to an external audit, to be carried out by an auditor registered in the Securities Market Commission

³⁶ Cf article 7 of the Regulation of the Audit Committee

³⁷ Under the Resolutions of the Council of Ministers nrs 16/2012, of February 12 and 18/2012, of February 16

(CMVM)³⁸. PARPÚBLICA is also obliged to that procedure under the Securities Code due to the fact that it owns securities admitted to trading at a regulated market.

The Regulation of The Audit Committee foresees³⁹ that this Committee can contract independent and qualified external auditors, propose their remuneration and ensure that they have all the appropriate conditions to fulfil their duties in the company.

In this context, the Audit Committee has to check the qualifications and independence of the Statutory Auditor and external auditors⁴⁰ and to supervise the independence of the Statutory Auditor and external auditors chosen by the Committee, relating the company, namely concerning the additional services rendered⁴¹.

IV.C.4.d) Other duties of the supervision bodies

Without prejudice of other legal and statutory powers⁴², this committee has to supervise the company's management, to elaborate an annual report about its supervision activity and to issue an opinion about the report, accounts and proposals presented by the management and, under the Regulation of the Audit Committee⁴³, to support the Board of Directors and the Executive Committee in the following functions:

- To analyse and monitor the integrity and efficiency of the control and risk management systems of the PARPÚBLICA, minimizing the latter;
- To ensure the compliance with the sustainability, economy, efficiency, effectiveness and legality management principles;
- To assess the quality and reliability of the financial and accounting disclosure of PARPÚBLICA;
- To control the qualifications and independence of the Statutory Auditor and external auditors.

³⁸ Cf nr 2 of article 45 of Decree Law nr 133/2013, of October 3

³⁹ In paragraph g) of article 5 and in nr 1 of article 9 of the Regulation of The Audit Committee

⁴⁰ Cf paragraph b) of nr 2 of article 3 of the Regulation of the Audit Committee

⁴¹ Cf paragraph j) of article 5 of the Regulation of the Audit Committee

⁴² Nr 3 of article 18 of the Statutes

⁴³ Nr 1 of article 3 of the Regulation of the Audit Committee

Concerning the monitoring of the control and risk management systems, this Committee has to⁴⁴:

- Assess the effectiveness of the internal control system of PARPÚBLICA concerning the preparation of the annual and interim financial reports;
- Assess the review reports related to the internal control over the financial disclosure process, as well as over other significant conclusions of those reviews, the related improvement or corrective suggestions and the related answers;
- Assess the models of obtaining the current situation, the development forecast and the risk management of the market, the interest rates, the liquidity and the credit operations;
- Assess the effectiveness of the internal control and risk management functions, including the evaluation of their level of compliance with the patterns usually accepted for these functions and issued by the relevant entities;
- Propose measures, to the Executive Committee, for the improvement of the internal control systems of financial information disclosure;
- Follow the evolution of the relevant financial indicators and possible changes in the formal and informal company *rating*;
- Insert an opinion about the effectiveness and adequacy of the internal control and risk management systems, in the Committee annual report.

In turn, concerning the financial supervision, the Audit Committee has to⁴⁵:

- Check the regularity of the supporting books, accounting records and documents;

⁴⁴ Cf article 4 of the Regulation of the Audit Committee

⁴⁵ Cf article 5 of the Regulation of the Audit Committee

- Check the extension of cash flow and inventories of any kind of goods or values belonging to the company or received as security, deposit or otherwise, whenever deemed convenient and in the manner considered appropriate by the Committee;
- Supervise the preparation and disclosure process of the financial information;
- Supervise the process review of accounting documents and confirm their accuracy, namely if the information is accurate, complete and consistent with the information known by the Committee members;
- Check if the accounting policies and the valuation criteria adopted by the company led to a correct evaluation of its assets and profit and loss;
- Annually report about its supervision activity and give an opinion about the report, accounts and proposals presented by the Board of Directors;
- Choose independent and qualified external auditors;
- Submit to the General Assembly the Statutory Auditor's appointment;
- Follow the Statutory Auditor performance;
- Check the independence of the Statutory Auditor and the External auditors, chosen by the Committee, relating the company, mainly concerning additional services provision.

In what the assessment of the compliance of the company with the legal and regulatory rules are concerned, the Audit Committee has to⁴⁶:

- Check the compliance with the legal and regulatory rules, with the articles of association (statutes) and with the shareholder's decisions and guidelines, as well as with the controlling and supervising entities;

⁴⁶ Cf article 6 of the Regulation of the Audit Committee

- Follow the inspection and auditing actions in the company carried out by the controlling and supervising services and entities above mentioned, namely ensuring the execution of the related proposals;
- Receive and carry forward the communications of irregularities reported by company employees or third parties;
- Assess the annual Statutory Auditor's and Auditors' reports with the Statutory Auditor and the external auditors, namely concerning possible reservations made, for the purpose to present recommendations to the Executive Committee.

IV.D Statutory Auditor

IV.D.1 Identification of the Statutory Auditor and its representing partner

The effective Statutory Auditor of PARPÚBLICA is Grant Thornton & Associados, SROC, registered with CMVM with the nr 314. It is represented in the current mandate (2013-2015) by Dr. Carlos António Lisboa Nunes (ROC nr 427).

Dr. Pedro Miguel Raposo Lisboa Nunes (ROC nr 1202) is the alternate Statutory Auditor.

The identifications of Statutory Auditors are summed up as follows:

Mandate (Begin-End)	Position	Name	Doc. Current Appointment	Nr of Mandates in the Company	Comments
2013-2015	SA	Grant Thornton & Associados, SROC, representada pelo Dr Carlos António Lisboa Nunes (ROC nº 427)	WUD	3	-
2013-2015	Alternate SA	Pedro Miguel Raposo Lisboa Nunes (ROC nº 1202)	WUD	1	-

Under Order nr 2174-SET/13, the remuneration of the Statutory Auditor in 2014 was as follows:

Mandate (Begin-End)	Position	Name	Annual Remuneration	
			Fixed (€) ⁽¹⁾	Paid Gross (€) ⁽²⁾
2013-2015	SA	Grant Thornton & Associados, SROC, representada pelo Dr. Carlos António Lisboa Nunes (ROC nº 427)	67.500,00	67.500,00
2013-2015	Alternate SA	Pedro Miguel Raposo Lisboa Nunes (ROC nº 1202)	0	0

Caption: (1) Fixed attendance fee; (2) Before remuneration reductions

IV.D.2. Legal and other constraints related to the number of working years of the SA in the company

The Decree Law nr 224/2008 of November 20, approving the Portuguese Institute of Statutory Auditors Bill, obliges, as a requirement of independence, the rotation of the partner responsible for directing or carrying out the statutory audit, stating that the appointed statutory auditors cannot be changed before the end of the mandate or, in the absence of any related indication or any contractual provision, for four years periods, except with their written consent or if there is good cause under the Trade Companies Code and related legislation for other companies or entities⁴⁷.

In the mandate beginning at 2013 and thus complying with legal rotation concerning the company's Statutory Auditor., the representatives in PARPÚBLICA of Grant Thornton & Associados, SROC were replaced.

IV.D.3 Number of consecutive working years of the Statutory Auditor in the company and/or group

Grant Thornton & Associados, SROC provides external auditing services to PARPÚBLICA, under services provision contracts, since 2007, i.e for seven years, including this referred year.

⁴⁷ Article 54 of the Statute of the Order of Chartered Accounts

IV.D.4 Description of other services rendered by the SA to the company

The Statutory Auditor of PARPÚBLICA also performs as company's external auditor. For more information about the services rendered, see section IV.D.3 above.

IV.E. External Auditor

IV.E.1 Identification of the external auditor and of the number of consecutive working years of the external auditor in the company and/or group

The External Auditor of PARPÚBLICA is Grant Thornton & Associados, SROC, registered in CMVM with the nr 314.

Grant Thornton & Associados, SROC provides external auditing services to PARPÚBLICA, under services provision contracts, since 2007, i.e for seven years including this referred year.

IV.E.2 Policy and frequency of the rotation of the external auditor and of the company body responsible for its evaluation

No procedures are formally established relating the frequency of the external auditor in the company. However, it should be mentioned that the Audit Committee is responsible for contracting independent and qualified external auditors⁴⁸, as well as for monitoring the independence, relating to the company, of the Statutory Auditor and external auditors chosen by the Committee, namely concerning the additional services rendered⁴⁹.

However, the Decree Law nr 224/2008 of November 20, approving the Portuguese Institute of Statutory Auditors Bill, obliges, as a requirement of independence, to a rotation of the partner responsible for directing or carrying out the statutory audit.

The Audit Committee, complying with its regulation⁵⁰, is responsible for checking the qualifications and independence of the Statutory Auditor and external auditors.

⁴⁸ Cf nr 1 of article 9 of the Regulation of the Audit Committee

⁴⁹ Cf paragraph j) of article 5 of the Regulation of the Audit Committee

⁵⁰ Cf paragraph b) of nr 2 of article 3 of the Audit Committee Regulation

IV.E.3 Identification of other than auditing works carried out by the external auditor for the company and/or companies in a controlling relationship with her, as well as information about the internal procedures related to the approval of the referred works contracting and the reason for it

No services, other than auditing services, were rendered by the external auditor/Statutory Auditor to PARPÚBLICA.

IV.E.4 Annual remuneration paid by the company and/or by other individuals or corporations in a controlling or group relationship to the auditor or other individuals or corporations belonging to the same network and detailing the percentage related to the following services

In 2014, the total amount of services rendered to PARPÚBLICA and its subsidiaries by the external auditor, including all the individuals or corporations belonging to the same “network”⁵¹, and under the remuneration statute established by Order nr 2174-SET/13, was as follows:

Remuneration paid to SA (including annual and consolidated accounts)		
Auditing services*	67.500,00	100%
Tax consulting services	-	-
Other services	-	-
Total paid by the company	-	100%
By entities of the Group (including annual and consolidated accounts)		
Auditing services	36.275,00	-
Tax consulting services	-	-
Other services	-	-
Total paid by entities of the Group	36.275,00	-

⁵¹ According to the Recommendation of the European Commission nr C (2002) 1873, of May16

V. INTERNAL ORGANISATION

V.A. Statutes and Communication

V.A.1 Rules applicable to changes in the company's statutes

The company's Statutes can only be changed by deliberation of the General Assembly⁵², except in what the change of company's headquarters is concerned that can also be decided by the Board of Directors⁵³.

Other deliberations about changes in the Statutes (or merger, demerger, transformation, winding up of the company and acquisition or alienation of own shares) have to be approved by 51% of the votes corresponding to share capital⁵⁴, both in first and second call.

V.A.2. Communication of irregularities

The Audit Committee is responsible for receiving and carrying forward the communications of irregularities reported by company's employees or by third parties⁵⁵.

PARPÚBLICA's policy of communication of irregularities, stated in its Code of Ethics, has been disclosed to all company's employees, broadly identifying the types of irregularities and gathering a set of internal rules and procedures to handle with them. These irregularities are assessed under legal, regulatory and statutory provisions, recommendations applicable at any given time and principles and rules included in the mentioned Code of Ethics.

The Code of Ethics establishes the guiding patterns and principles of the activity of the company's employees, as well as the relationship with the shareholder, the Group's subsidiaries, the public entities and the civil society.

⁵² Cf paragraph c) of nr 2 of article 12 of the Statutes

⁵³ Cf nr 2 of article 2 of the Statutes

⁵⁴ Cf nr 3 of article 11 of the Statutes

⁵⁵ Cf article 5 of the Regulation of the Audit Committee

Therefore, the Code of Ethics establishes, namely, that the employees should communicate all situations that can generate a conflict between personal interests and the loyalty duty towards the company or other employees.

This kind of communications should be delivered to the Audit Committee, by closed letter sent to the related Chairman, or to the direct e-mail address of the Audit Committee (Auditoria@Parpublica.pt) and the confidentiality of the complainant will be ensured.

In 2014, the Audit Committee received a complaint related to a significant irregularity that was duly addressed and carried forward by the Committee.

V.A.3. Identification of adopted anti-fraud policies and existing tools to mitigate and prevent the organizational fraud

PARPÚBLICA has a Prevention Plan of Risk of Fraud, Corruption and Related Infractions drawn up in 2010 under the deliberations of the Corruption Prevention Council (“CPC”)⁵⁶ relating to the assessment of the strategy of corruption risk management and related infractions.

In order to comply with the goals established by the Plan, a *Risk of Fraud Management Policy* was designed to be applied to all company’s employees, suppliers and other third entities acting in name of the company, and: i) includes the definition of fraud, corruption and related infractions and the company’s position concerning this kind of infractions, (ii) details the main measures and behaviors to be followed to prevent, detect and answer to fraud, corruption and related infractions, (iii) assigns responsibilities within the company and (iv) describes the content of the related periodic reporting to be elaborated by the Board of Directors.

The above mentioned policy is in force in the company since March 31 of 2010, was reviewed for the third time at December 2012 and should be reviewed, at least, every two years by the Manager of the Internal Audit Department or by an external qualified

⁵⁶ In compliance with the guidelines established by Recommendations nr 1/2009, of July 1 and nr 5/2012, of November 7 of the Corruption Prevention Council

entity under the supervision of the Audit Committee. Therefore, the related review began in 2014 and is now waiting for the final approval of the Board of Directors.

The *Risk of Fraud Management Policy* is defined by the following elements:

- Examples
- Board of Directors' statement concerning fraud
- Responsibilities
- Interest statement
- Assessment of Risk of Fraud
- Monitoring of the Internal Control System
- Recruitment of employees
- Communication and training
- Research
- Policy Review
- *Links*

Since September 2012, when the mentioned Policy was reviewed, it was foreseen to send annually a related questionnaire to all employees and governing bodies' members of the company.

Thus, and in order to detect any possible situation of conflict of interests, all employees, including Management, have to declare their family interests/connections with entities related to the company, namely other Group companies, trade debtors, trade creditors and other external entities. A declaration of interests form is available and should be filled and sent to the anti-fraud coordinator at least once a year and/or whenever changes occur.

The Chairman of the Audit Committee is responsible for coordinating the anti-fraud mechanisms and policies, which include the mechanisms for preventing, detecting and answering to fraud situations and irregular behavior.

On the other hand and in order to keep an updated fraud risk assessment, the Internal Audit Department, or the related qualified subcontracted entity, is responsible for the review of the risk and control matrix, the review of the procedures carried out by each area/department of the company and for testing the effectiveness of the identified controls. The goal of this measure is to ensure that controls are adequate and consistently working throughout a certain period and according to their purpose of mitigating the existing risks.

V.B. Internal control and risks management

V.B.1 Internal Control System (ICS)

Since 2010, a set of internal control measures has been implemented and developed according to the company's size and complexity in order to protect its investments and its assets. These measures have been implemented through several instruments (Procedures Handbook – constantly evolving -, Code of Ethics, Management and Risk of Fraud Policy) with the purpose to identify, to enable the following and control of the risks related to the company business and also to mitigate their impacts. The Internal Audit Department and the Audit Committee are responsible for the periodic monitoring of those instruments.

V.B.2 Responsibility for the internal auditing and/or implementation of the risk management and control system

The Internal Audit Department and the Audit Committee are responsible for monitoring the Internal Control System of PARPÚBLICA and for the periodic review of the implemented measures in order to ensure that the Internal Control System is updated in accordance with the surrounding environment of the Company.

On its turn and through a policy of accuracy, transparency and accountability, the Board of Directors encourages a control culture by following and monitoring the company's performance at all levels.

V.B.3 Plan of strategy and of risk policy of the company

The Internal Audit Department acts according to the recommendations of the *Institute of Internal Auditors* and of *COSO – Committee of Sponsoring Organizations*, which are internationally considered as the best sector practices.

On the other hand and concerning the fraud risk, the performance of the company's directors and employees is framed by a regulatory and legislative system with the aim of preserving the assets value managed by PARPÚBLICA and the quality of the services rendered. Among these documents, there are namely the *Plan of Prevention of Fraud Risk, Corruption and Related Infractions* and the *Policy of Risk Management and Related Infractions*.

V.B.4 Relationships of hierarchic and/or functional dependency

The Internal Audit Department reports directly to the Audit Committee, that supports the Board of Directors and the Executive Committee in matters such as: analyzing the integrity and effectiveness of the system of control and management of risks of PARPÚBLICA⁵⁷, ensuring the risks minimization and issuing an annual report concerning the effectiveness and adequacy of the system of control and management of risks.

In accordance, the Audit Committee has to make an information report to the Board of Directors where the Committee informs the Board about its meetings' minutes and other documents or information considered relevant⁵⁸.

V.B.5. Other functional areas responsible for the risk control

Not applicable, without prejudice of the powers of the Board of Directors related to these subjects.

⁵⁷ Cf Article 3 of the Regulation of the Audit Committee

⁵⁸ Cf nr 2 of article 8 of the Regulation of the Audit Committee

V.B.6. Most relevant risks

The most relevant risks related to PARPÚBLICA's activity are the following: risk related to the preservation of its assets value; financial and credit risks, and; risk of fraud.

PARPÚBLICA identify the following financial risks that can affect its assets value: (i) credit risk, (ii) liquidity risk, and (iii) market risk.

Related to the market risk, there are the risk from changes in *spreads*, the risk of interest rate variation and the risk attached to current *swaps* and to the derivative embedded in exchangeable bonds.

Together with the ongoing management of the priority risks of PARPÚBLICA, namely its biggest risk, the variation of its assets value, it is most important to guarantee an adequate and efficient management of the risk of fraud, taking into consideration its possible impact.

V.B.7. Process of identification, assessment, follow up, control and management of risks

In what concerns detecting, prevention and managing of the risks of PARPÚBLICA's business, the Internal Audit Department has a crucial role. It was created in the end of 2010 and functionally reports to the Audit Committee (comprising PARPÚBLICA non-executive Directors), that, in 2014, continued its auditing activity not only at an operational level and as support to the current business of the parent company PARPÚBLICA but mainly to its subsidiaries, in order to ensure a timely knowledge of the actual situation of the companies allowing, if needed, an adjustment to business practices in order to preserve their integrity and, consequently, the value of their assets. In this context, it should be mentioned that, in 2014, the Internal Audit Department concluded an auditing to Companhia das Lezírias, S.A with beginning at 2013. Likewise, an audit *follow-up* was carried out to Circuito Estoril, S.A., an audit was held in. SPE – Sociedade Portuguesa de Empreendimentos, S.A. and an ongoing audit began at Baía do Tejo, S.A.

The main goals defined for each internal audits, are as follows:

- Making a survey of the procedures and the inner control mechanisms currently in force in the subsidiary companies;
- Obtaining a bigger perception of the risks associated to each process and the existing controls, in view to their mitigation;
- Checking the accomplishment of the policies, procedures and agreements to which the subsidiary company is subject to, by carrying out tests to the controls;
- Identifying improvement opportunities in the processes and suggest improvement actions to optimize the aforesaid processes and to maintain an adequate inner control environment.

It should be emphasized that the methodology of approach, adopted in each audit action, consisted of analyzing all operational and supporting processes deemed as significant in each of the subsidiary companies.

On the other hand, in what the parent-company is concerned and in order to update all the operational and supporting procedures of the company's business,, it should be mentioned that the Manual of Procedures, an important instrument for the company risk management and protection of the sustainability, is periodically reviewed in order to show the changes related to the incorporation of PARPÚBLICA in the public accounts perimeter

V.B.8. Main elements related to the process of financial information disclosure

The financial information disclosure is based on the law applicable to the company. The departments together with the company Statutory Auditor elaborate the assets statements both under the budgetary accounting and assets point of view. They make the tables and data for disclosure according to the implemented models and to the guidelines issued by the Board of Directors. On the other hand and mainly relating its consolidated accounts, the company uses expert advice to analyze, review and follow up the financial statement. The Audit Committee of PARPÚBLICA analyses and gives its opinion about the process and the company Statutory Auditor also gives his legal opinion.

V.C. Regulations and Codes

V.C.1.i. Internal applicable regulations

The activity of PARPÚBLICA is subject to the company Statutes, approved by Decree Law nr 200/2009, of September 2.

On the other hand, PARPÚBLICA's employees are framed by the Code of Ethics and other internal regulations and by the State Corporate Sector regulations, namely in matters related to loyalty duties, professional secrecy and integrity attached to public service, and also concerning remuneratory subjects, such as specific legal decisions about remunerations' reduction.

Several Regulations are internally in force framing the company's current activity. These Regulations are characterised mainly by the functions segregation principle, together with a clear definition of the administrative and accounting circuits and of the functions and responsibilities allocation to the related intervenient parties. These aspects are essential to ensure the goals of transparency, accuracy, integrity and security, which the company aims to achieve.

Among the internal regulations, it should be noted the Regulation of the Board of Directors and Executive Committee, establishing functioning rules for them, namely concerning the definition and allocation of specific areas of responsibility for the executive directors.

The Manual of Procedures, approved by the Board of Directors already in 2012, is functionally particularly important and was developed by the Internal Audit Department together with all the other company's areas, in order to conduct a complete survey about all operational and support processes of the company business.

Also functionally speaking, it is worth mentioned the Manual of *Gestdoc*, defining principles, systematizing rules and identifying the responsible players for the different stages of the document management process. The management is based on a computer application that ensures the control of issuing, receipt and organization process of all

correspondence and documents, including accounting documents and also the archive management.

It should also be mentioned, the Regulation for purchase of goods and services, lease of goods and contracting of works by PARPÚBLICA, a document related to the Policy of Risk of Fraud Management, approved in 2010 and reviewed in 2012, and the Plan of Prevention of Risk of Fraud, approved in 2010.

All these Regulations are framed by the principles of the Code of Ethics and the Regulations related to the company's relationship with external parties are available in the company's website.

V.C.1.ii. External regulations to which the company is subject by law

The PARPÚBLICA's business is subject to legal rules concerning share companies, mainly to the Trade Companies Code and to those related to its statute of public company, legally framed by Decree Law nr 133/2013, of October 3.

Due to PARPÚBLICA's public equity, it is also relevant the legislation concerning the financial control by the Court of Auditors under Law nr 98/87, of August 26⁵⁹.

The PARPÚBLICA's business is subject to special regulation for corporate investments managing companies supported by Decree Law nr 495/88, of December 30, and to further legislation, being therefore under the control of the Inspectorate-General of Finance. And, as PARPÚBLICA issues marketable securities in regulated markets, it is also subject to the specific Regulations of CMVM and Banco de Portugal (Portuguese central Bank), mainly in matters concerning management transparency and guarantee of integrity and adequate disclosure of relevant information as owner of qualified shareholdings and issuer of marketable securities in regulated markets.

⁵⁹ Amended by Law nr 87-B/98, of December 31; Rectification Statement nr 1/99, of January 16; Law nr 1/2001, of January 4; Law nr 55-B/2004, of December 30; Rectification Statement nr 5/2005, of February 14; Law nr 48/2006, of August 29; Rectification Statement nr 72/2006, of October 06; Law nr 35/2007, of August 13; Law nr 3-B/2010, of April 28; Law nr 61/2011, of December 07 and; Law nr 2/2012, of January 06 and Law nr 20/2015 of March 09.

On their turn, the PARPÚBLICA's directors are covered by the Public Manager Statute, approved by Decree Law nr 71/2007, of March 27, amended by Decree Law nr 8/2012, of January 18, concerning remuneration, management contracts and other benefits.

Still in this scope, the company has to comply with Decree Law nr 64-B/2011, of May 17, defining, among others, the concept of financial commitment and establishing reinforcement measures of the duty of financial information disclosure, namely, the public companies' obligation to monthly inform the Directorate General of Treasury and Finance about the total amount of the active, net and payable debts due after 90 days.

At last, it should be mentioned that PARPÚBLICA became part of the State Budget perimeter as from 1 of January of 2015, with the related enforcement of some diploma such as the Law of Commitment and Payment Delay for public entities – Law nr 8/2012, of 21 of February and the State Financial Management Regime (RAFE) – Decree-Law nr 155/92 of 28 of July, as amended by Decree-Law nr 29-A/2011 of 1 of March.

V.C.2 Code of Ethics

The article 47 of Decree Law nr 133/2013 of October 3, foresees that the companies owned by the State adopt or subscribe a code of ethics complying with demanding ethical and conduct performances. It also foresees the disclosure of the referred code of ethics to all co-workers, clients and suppliers of the company and to the public in general. This demand was already stated in the Resolution of the Council of Ministers nr 49/2007 of March 28 (repealed by the above mentioned diploma).

Therefore and since 2008, PARPÚBLICA adopted a Code of Ethics in order to organize and disclose the basic underlying performance principles of the company and of its employees. The Code of Ethics of PARPÚBLICA was reviewed in 2014 and is waiting for the approval of the Board of Directors.

The adopted principles system aims to ensure the adoption of conduct patterns complying with the legislation, accuracy, honesty, transparency and integrity, equal opportunities, anti-corruption, environmental preservation, sustainability and social responsibility and also with the information confidentiality and security. Besides those goals, the management and running of the business are performed in order to promote the efficient use of resources and development of human capital.

The company Code of Ethics is adequately disclosed and is available in the company's website⁶⁰. There is also a channel for communication and answering of questions.

V.C.3 Action plans to prevent internal frauds

PARPÚBLICA has a Prevention Plan of Risk of Fraud, Corruption and Related Infractions, drafted in 2010 according to the deliberations of the Prevention of Corruption Council ("CPC")⁶¹ about the assessment of the management of risk of corruption frauds and related infractions strategy.

In order to comply with the goals established by the Plan, a *Risk of Fraud Management Policy* was drafted for all the company co-workers, service providers and all third parties acting in the name of the company: i) gives the definition of fraud, corruption and related infractions and the company position in relation to them, (ii) details the main measures and conducts to be followed relating the prevention, detecting and reaction to fraud, corruption and related infractions, (iii) assigns the responsible people within the company and (iv) describes the content of the periodic report to be made by the Board of Directors in this regard.

The above mentioned policy is in force in the company since March 31 of 2010, was reviewed for the third time at December 2012 and should be reviewed, at least, every two years by the Manager of the Internal Audit Department or by an external qualified entity under the supervision of the Audit Committee. Therefore, the related *Risk of*

⁶⁰ <http://www.parpublica.pt/index.php/home/emp/codigo-de-etica>

⁶¹ In compliance with the guidelines established by Recommendations nr 1/2009, of July 1 and nr 5/2012, of November 7 of the Corruption Prevention Council

Fraud Management Policy review began in 2014 and is currently waiting for the final approval of the Board of Directors.

The company *Risk of Fraud Management Policy* is duly disclosed and is available at the company website⁶².

Since September 2012, it was established to annually send a related survey to all the co-workers and members of the governing bodies of the company.

Thus, and in order to detect any possible situation of conflict of interests, all employees, including Management, have to declare their family interests/connections with entities related to the company, namely other Group companies, trade debtors, trade creditors and other external entities. A declaration of interests form is available and should be filled and sent to the anti-fraud coordinator at least once a year and/or whenever it changes.

The Chairman of the Audit Committee is responsible for coordinating the anti-fraud mechanisms and policies, which include the mechanisms for preventing, detecting and answering to fraud situations and irregular behavior.

On the other hand and in order to keep an updated fraud risk assessment, the Internal Audit Department, or the related qualified subcontracted entity, is responsible for the review of the risk and control matrix, the review of the procedures carried out by each area/department of the company and for testing the effectiveness of the identified controls. The goal of this measure is to ensure that controls are adequate and consistently working throughout a certain period and according to their purpose of mitigating the existing risks.

Therefore, the Code of Ethics establishes, namely, that the co-workers should communicate all situations that can generate a conflict between personal interests and the loyalty duty towards the company or other co-workers.

⁶² <http://www.parpublica.pt/index.php/home/emp/politica-de-gestao-de-risco-de-fraude>

This kind of communications should be delivered to the Audit Committee, by sealed letter sent to the related Chairman, or to the direct e-mail address of the Audit Committee (Auditoria@Parpublica.pt) and the confidentiality of the complainant will be ensured.

In 2014, the Audit Committee received a complaint related to a significant irregularity that was duly addressed and carried forward by the Committee.

Hitherto and after the related analysis and processing, the responsible bodies did not find any proof of fraud and therefore no Incident Report was made.

V.D. Special duties of information

In 2014 and considering the current legal regime, PARPÚBLICA reported to the Directorate General of Treasury and Finance and to the General Inspectorate of Finance: the annual and multiannual business and budgetary plans, including annual investments and related financing sources; the annual and multiannual budget; the annual financial statements related to separate and consolidated accounts, as well as the external auditor's reports; the budget monitoring quarterly reports together with the supervisory body report and copy of the General Assembly minutes.

This information was sent by the SIRIEF (Financial and Economic Information Collection System).

On the other hand, all report obligations to the Banco de Portugal (Central Bank of Portugal) were accomplished namely concerning the biannual and annual accounts statements and the minutes of the accounts approval. The latter report was made through the related institutional e-mail of Banco de Portugal.

The information related to the accounts disclosure and approval and bond issues among other, is also disclosed in the website of CMVM.

In compliance with the transparency obligations of the company, the entire information related to accounts statements and approval, portfolio changes, medium term payments, among other, is immediately disclosed in the company's *website*.

V.E. Internet website

V.E.1 Address

The PARPÚBLICA *website* can be consulted in www.parpublica.pt.

V.E.1.a) Consultation site of company information, public company status, headquarters and other elements referred in article 171 of the Trade Companies Code

Company information, share capital and other elements referred in article 171 of TCC are disclosed in PARPÚBLICA's *website*⁶³ in a tab called «Identification».

<http://www.parpublica.pt/index.php/home/emp/idendificacao>

V.E.1.b) Consultation site of the statutes and regulations of the bodies and /or committees' functioning

In the PARPÚBLICA's *website*⁶⁴ there is a tab relating "Statutes" where the Articles of Association can be found.

<http://www.parpublica.pt/index.php/home/emp/estatutos>

In the tab called "Mandatory Information" there is another tab called "Internal and External Regulations" where the following Regulations can be found:

- Regulation of the Board of Directors
- Contracting Regulation
- Regulation of the Audit Committee

<http://www.parpublica.pt/index.php/informacao/informacao-obrigatoria/regulamentos-internos-e-externos>

⁶³ www.parpublicasgps.com

⁶⁴ www.parpublicasgps.com

V.E.1.c) Consultation site of information related to members of the governing bodies

In PARPÚBLICA's *website*⁶⁵, in a tab called «Parpública», there is a tab called “Governing Bodies” where the composition of the governing bodies can be found.

<http://www.parpublica.pt/index.php/home/emp/orgaos-sociais>

The *curricula* and remunerations of the members of the Board of Directors, under nr 2 of article 53 of Decree Law nr 133/2013, of October 3, can be found in the tab “Identifications of Governing Bodies”, within tab “Mandatory Information”.

<http://www.parpublica.pt/index.php/informacao/informacao-obrigatoria/identificacao-de-orgaos-sociais>

V.E.1.d) Consultation site of financial statements

In PARPÚBLICA's *website*⁶⁶, and under nr 2 of article 53 of Decree Law nr 133/2013, of October 3, there is a tab called “Financial Information”, where the annual and bi-annual financial statements are disclosed and available for five years.

<http://www.parpublica.pt/index.php/informacao/informacao-financeira/relatorio-e-contas>

V.E.1.e) Consultation site of the public service duties of the company according to its public service contract

As PARPÚBLICA is not obliged to the public service constraints, this type of information is not disclosed in the company's website.

V.E.1.f) Consultation site of the underlying financing model and of Government grants during the last three years

In the website of PARPÚBLICA⁶⁷ there is a tab relating the “Financing Model”:

⁶⁵ www.parpublicasgps.com

⁶⁶ www.parpublicasgps.com

⁶⁷ www.parpublica.pt

<http://www.parpública.pt/index.php/informacao/informacao-obrigatoria/modelo-de-financiamento>

V.F Public or of General Interest Service Rendered (if applicable)

Not applicable.

VI. REMUNERATIONS

VI.A Competence to determine

VI.A.1 Competence to determine the remuneration of the governing bodies, members of executive committee and other company directors

According to paragraph f) of nr 2 of article 12 of the Statutes, the General Assembly has the duty to deliberate about the remunerations of the governing bodies and, for that purpose, is allowed to appoint a committee to settle those remunerations.

Therefore, according to nr 6 of article 28 of the Public Manager Statute⁶⁸, the remunerations paid to the governing bodies' members, during 2014, were approved by the sole shareholder in the General Assembly meeting of May 29 of 2014. During the mentioned meeting the governing bodies' members were appointed according to the rules applicable to public companies.

VI.A.2 Adopted mechanisms to prevent current or eventual conflict of interest between the company bodies' or committees' members and the company

The members of the governing bodies of PARPÚBLICA know about the regime of impediments established by Law nr 64/93, of August 26⁶⁹, by the Statute of the Public Manager⁷⁰ and by Decree Law nr 133/2013, of October 3⁷¹, in which the principles related to cumulative functions are established, as well as the obligation of no interference in the decisions involving own interests. The above mentioned members also know Law nr 4/83, of February 2, as amended by Law nr 25/95, of August 18⁷².

⁶⁸ Approved by Decree Law nr 71/2007, of March 27, as amended by Decree Law nr 8/2012, of January 18

⁶⁹ Approving the legal regime of incompatibility and impediments of the owners of political offices and high public offices

⁷⁰ Approved by Decree Law nr 71/2007, of March 27, as amended by Decree Law nr 8/2012, of January 18

⁷¹ Approving the legal regime applicable to the business State sector

⁷² Relating the public supervision of the wealth of holders of political offices

In view of the above, the PARPÚBLICA governing bodies' members fulfil the following obligations:

- a) no intervention in deliberations in which they have direct or indirectly interests⁷³, mainly in the approval of their own expenses⁷⁴;
- b) disclosure, in writing, to the Inspectorate General of Finance, of all the stakes and assets they hold, direct or indirectly in the company or any other⁷⁵;
- c) delivery to the Constitutional Court of the statement of income, assets and public functions of the holders of political offices⁷⁶;
- d) delivery of no incompatibility or impediments statement to the Attorney General's Office⁷⁷;
- e) compliance with the other provisions included in the Statute of the Public Manager⁷⁸ and in the Trade Companies Code relating the prevention of the conflict of interests.

As required by law, the members of the Board of Directors presented a statement to the Board of Directors and to the company supervisory bodies as well as to IGF declaring that they do not have any investments in the company, as well as any relationship with suppliers, clients, financial entities or other business partners that may cause conflicts of interest.

The signature of two directors is mandatory concerning the purchase of goods and services and to the payment of expenses.

⁷³ Cf. nr 7 of article 22 of the Statute of the Public Manager

⁷⁴ Article 51 of Decree Law nr 133/2013, of October 3

⁷⁵ According to nr 9 of article 22 of the Statute of the Public Manager and article 52 of Decree Law nr ° 133/2013, of October 3

⁷⁶ According to article 1 and nrs 1 and 3 of article 2 of Law nr 4/83, of April 2, as amended by Law nr 25/95 of August 18, Law nr 28/82, of November 15 and Regulatory Decree nr 1 /2000, of March 9.

⁷⁷ Under article 11 of Law nr 64/93 of August 26.

⁷⁸ Specifically regarding non-executive directors of nr 2 of article 21 of EGP

VI.A.3 Statement of the Board of Directors' members about not interfering in any decision relating their own interests

Attached to this report, there is a copy of the statements of the Board of Directors relating to their non-interference in decisions involving their own.

VI.B. Remunerations Committee

Not applicable.

VI.C. Structure of remunerations

VI.C.1 Remuneration policy of the managing and supervisory bodies

The remuneration policy of the members of the Board of Directors, in force during 2014, obeyed to the Public Manager Statute⁷⁹, to the Resolution of the Council of Ministers nr 16/2012, of February 9, and to the Resolution of the Council of Ministers nr 36/2012 of March 26.

The remuneration policy of public managers takes into account specific distinguishing criteria for the related settlement, namely between companies subject or not subject to free competition markets whose main goal is the production of market goods and services, including financial services, and the remaining companies outside that scope.

Under article 32 of the Public Manager Statute, the use of credit cards and other payment instruments by public managers is prohibited for payments of expenses when at the service of the company. However, this ban was already in force in PARPÚBLICA and the members of the Board of Directors have no credit cards. On the other hand, this article also prohibited the reimbursement of any personal expenses to the public managers. At last, and concerning the expenses with communications, there shall be a maximum value settled by the General Assembly.

According to the amendments introduced by the Resolutions of the Council of Ministers nr 16/2012, of February 14 and nr 36/2012, of March 26, the remuneration

⁷⁹ Approved by Decree Law nr 71/2007, of March 27, as amended by Decree Law nr 8/2012, of January 18

policy of the managing body is no longer determined by the General Assembly and is now determined by criteria established in the above mentioned legal acts. In this context and for the purpose of settling the monthly remuneration of the Public Managers, PARPÚBLICA was classified as an “A”, considering its dimension (namely, the net assets and turnover of the company) and the complexity of its management.

Therefore, the remuneration policy followed in 2014 complied not only with the principles established by the Public Manager Statute but also with the related legal acts: Order nr 764/SETF/2012, of May 25 issued by the Secretary of State of Treasury and Finance, Law nr 12-A/2010 of June 30 of 2010 introducing a 5% reduction in the monthly net remuneration of public managers, article 27 of Law nr 66-B/2012, of December 31, approving the State Budget for 2014 that established the implementation of the remuneration reductions and article 37 of the same act, foreseeing that no management bonuses would be paid. The remuneration reductions foreseen in article 27 of Law nr 66-B/2012, of December 31, were also applied to the company Statutory Auditor.

These decisions cause an effective drop in the remunerations of the governing bodies, included in a wider program to actually reduce the entire remuneration structure of the State Administrative and Corporate sectors.

It should also be mentioned that the directors of PARPÚBLICA did not receive any additional remuneration concerning management responsibilities in other Group's companies.

VI.C.2. Remuneration structure and interest of the company

The remuneration of the managing body's members is a fixed remuneration paid 14 times per year as a basic component and 12 times relating Representation Expenses and currently, according to the legal regulation, no variable annual component is paid relating the annual established goals. However, remunerations always depend on what is in force both legally and regulatory or by guidelines of the supervisory entities.

VI.C.3. Variable component of the remuneration

Not applicable, under article 37 of Law nr 66-B/2012, of December 31, prohibiting the payment of management bonuses.

VI.C.4. Deferred payment of the variable component

Not applicable as explained above.

VI.C.5. Parameters and grounds established in the managing contract for variable bonus payment

Not applicable.

VI.C.6. Complementary pension or early retirement schemes

PARPÚBLICA contributes each month to the Pension Fund relating to executive director José Manuel Pereira Mendes de Barros, which is member of that Fund.

VI.D. Remunerations disclosure

VI.D.1 Annual amount of the remuneration paid to the members of the company managing bodies

Name	Annual Remuneration (€)						
	Variable	Fixed **	Other	Reduction Law 12-A/2010	Reduction (Law SB)	Reduction previous years*	Gross after reductions
Pedro Macedo Santos Ferreira Pinto	-	10.5670,37	-	5.283,52	7.595,55	-	92.791,30
Carlos Manuel Durães da Conceição	-	86.084,33	-	4.304,22	6.205,47	-	75.574,64
José Manuel Pereira Mendes de Barros	-	86.084,33	-	4.304,22	6.205,47	-	75.574,64
Fernanda Mouro Pereira	-	21.365,46	-	1.068,27	942,35	-	19.354,84
Maria João Dias Pessoa de Araújo	-	21.365,46	-	1.068,27	942,35	-	19.354,84
Pedro Miguel Nascimento Ventura	-	21.365,46	-	1.068,27	942,35	-	19.354,84

Note: Reductions of previous years: concerns to remunerations paid in the current year but related to previous years; *refer the underlying reasons; ** remuneration and representation expenses

VI.D.2 Amounts paid by other companies in a controlling relationship or group

Name	Accumulation of Positions					
	Entity	Position	Regime	Gross	Reduction (law SB)	Gross after reductions
Pedro Macedo Santos Ferreira Pinto	Parcaixa, SGPS, SA	Executive Member	Private	0	n.a	n.a
Carlos Manuel Durães da Conceição	CVP - Soc. de Gestão Hospitalar, S.A.	Non-executive Member	Private	0	n.a	n.a
José Manuel Pereira Mendes de Barros	Sagesecur - Soc. De Estudos, Desenvolvimento e Participação em Projectos, S.A.	Chairman of the Board of Directors	Public	0	n.a	n.a
José Manuel Pereira Mendes de Barros	Águas de Portugal, S.G.P.S., S.A.	Non-executive Member	Public	0	n.a	n.a
José Manuel Pereira Mendes de Barros	CE - Circuito Estoril, S.A.	Executive Member	Public	0	n.a	n.a

VI.D.3 Remuneration paid as a share in profits and/or bonuses

Not applicable.

VI.D.4 Compensations paid to former executive directors

Not applicable.

VI.D.5 Annual remuneration amount received by the members of the company

The remuneration reductions foreseen in article 33 of Law nr 83-C/2013, of December 31, were applied to the remuneration of the Statutory Auditor. The contracted remuneration during 2014 was as follows:

Mandate	Position	Identification SROC/ROC		Designation		Remuneration (€)		Nr of mandates in the company
(Begin-End)		Name	Nr	Doc. (1)	Date	Fixed Limit	Contracted	
2013-2015	SROC	Grant Thornton & Associados, SROC, represented by Dr. Carlos António Lisboa Nunes (ROC nr 427)	67	WUD	25-11-2013	-	67.500,00	3
2013-2015	Alternate ROC	Pedro Miguel Raposo Lisboa Nunes (ROC nr 1202)	1202	WUD	25-11-2013	-	0	1

Caption: (1) WUD – Written Unanimous Deliberation

VI.D.6 Remuneration of the members of the board of the general assembly in the reference year

Mandate (Begin-End)	Position	Name	Annual Remuneration	
			Fixed (€) (1)	Gross (€) (2)
2013-2015	CBGA	Elsa Maria Roncon Santos	650,00	650,00
2013-2015	VCBGA	Bernardo Xavier Alabaça	525,00	525,00
2013-2015	SBGA	Maria Luísa da Silva Rilho	400,00	400,00

Legenda: (1) Valor da Senha de presença fixada; (2) Antes das reduções remuneratórias

CBGA – Chairman of the Board of the General Assembly

VCBGA - Vice- Chairman of the Board of the General Assembly

SBGA – Secretary of the Board of the General Assembly

In 2014 the remuneration reductions, foreseen in article 33 of Law nr 83-C/2013, of December 31, were carried out in what the members of the board of the General Assembly are concerned.

VII. TRANSACTIONS WITH RELATED PARTIES AND OTHERS

VII.1 Transactions with Related Parties

VII.1.i. Controlling mechanisms of transactions with related parties

PARPÚBLICA makes transactions with the sole shareholder, the Portuguese State, as well as with companies of the Group.

The transactions with the Portuguese State and the transfer of re-privatizations revenues are carried out under the article 16 of Law nr 11/90, of April 5 and article 9 of Decree Law nr 209/2000, of September 2, as established by the Order of the Minister of Finance defining the allocation of revenues.

On the other hand, the granting of supplies to subsidiary companies is carried out after deliberation of the Executive Committee.

VII.1.ii. Controlled transaction during the reference year

In 2014, and concerning the Portuguese State, the most important transactions were related to the delivery of re-privatizations' revenues. In this context, it should be mentioned that, during 2014, the 2nd stage of the REN – Redes Energéticas Nacionais, SGPS, S.A.'s re-privatization⁸⁰ was concluded originating a payment to PARPÚBLICA in the amount of 9.756.754.26 euro⁸¹ as a payment of the price. On the other hand, the 2nd stage of CTT- Correios de Portugal, S.A.' privatization took place, originating the payment of 38.284.058.94 euro⁸² to PARPÚBLICA. The revenues delivered in 2014 by PARPÚBLICA to the State, resulting from the re-privatizations, amounted to 383.566.907.22 euro.

During 2014, PARPÚBLICA was exempt from the Principle of Unity of the State Treasury under Order nr 2574/14-SET, of 19 December. Therefore there was no payment of net interests relating to investments outside IGCP, I.P. to the Directorate General for the Treasury and Finance.

Also in what the relationships with the State are concerned and reflecting the particularly restrictive conditions of the financial markets functioning, in 2011, an explicit guarantee from the State was necessary for a financing operation in the amount of 620 million euro, concerning the renewal and replacement of former loans and the funding of operations under the Program of Real Estate Management. This guarantee was in force at the end of 2013 and will be due in June of 2014.

In what the relationships with subsidiary companies are concerned, it is worth mentioned, in 2014, both the receipt of dividends in the net amount of 84.975.653.28euro, and the delivery of supplies by PARPÚBLICA to one subsidiary (SPE), in order to support their current activities. In 2014, loans granted to subsidiaries amounted to 1.627.000.00euro. In turn, the subsidiaries made a supply reimbursement to PARPÚBLICA in the total amount of 23.127.582.46 euro.

⁸⁰ Approved by Decree-Law nr106-B/2011, of 3 November

⁸¹ Cf. Order nr 2578/14-SET, of 17 December

⁸² Cf. Order nr 15596/2014, of 26 December

VII.2. Other Transactions

VII.2.a) Procedures adopted for the acquisition of goods and services

PARPÚBLICA has transparent procedures related to the acquisition of goods and services and all purchases were carried out in market conditions and complied with all procedures and principles defined by the *Regulation for acquisition of goods and services, lease of goods and contract of works by PARPÚBLICA*, which reflects all the good practices established on this matter.

VII.2.b) Transactions carried out outside market conditions

Not applicable.

VII.2.c) Trade debtors representing more than 5% of supplies and external services

In 2014, the Caixa – Banco de Investimento, S.A. was the sole supplier representing more than 5% of supplies and external services, on an individual basis, and providing to PARPÚBLICA an invoicing higher than one million euro directly from its related role in the privatization processes carried out and/or concluded in 2014.

VIII. STUDY ABOUT THE COMPANY SUSTAINABILITY IN ECONOMIC, SOCIAL AND ENVIRONMENTAL MATTERS

VIII.1 Adopted strategies and compliance level with the defined goals

PARPÚBLICA's sustainability has always been underlying to the activity of its Board of Directors and employees.

The strategy adopted by PARPÚBLICA aims the threefold objective of maximizing the financial input to the State, through the sale of assets, to preserve the level of the financial ratios in terms of nature and liquidity of the assets and to improve the ability of the Group companies to add value.

In general, the goals established for the company have been fully achieved, but sometimes their timing of implementation is subject to government decisions conditioning the shareholder's guidelines, namely concerning the re-privatization's program.

Taking into account its statute and idiosyncratic characteristics, PARPÚBLICA runs a business in favour of the financial interests of the State, selling its investments according to Government guidelines and decisions. At 1st of January of 2015, taking into account its specific business aspects and under the European Rule SEC 2010, PARPÚBLICA became part of the public accounts in what the State Budget for 2015 is concerned. Therefore, during 2014 the company made human and technical adjustments in order to accomplish with the new procedures compatible with the public accounting rules and systems that the company has to ensure together with those in use.

It should be considered that the company assets has less share investments (and so less dividends received) and more than half of its amount is represented by the debt of the State concerning privatization's proceeds still not compensated. There is an ongoing dialogue with the Responsible Entity and further related Entities about the role and the future of the company and a first move was made towards the reorganisation of the holding real estate business which is expected to be concluded during the first half of 2015. .

VIII.2 Policies carried out for an economic, financial, social and environmental efficiency and to ensure the quality rules

The conducting of the company business is based on instruments of planning, execution and control which establish a management system able to ensure the economic and financial sustainability of the Group and its assets value.

The main concern has been to ensure that the intrinsic value of investments and other assets portfolio and its profitability are enough to timely fulfil the commitments made, namely with creditors.

In this context and having into account the current external and internal situation, marked by a high volatility and uncertainty, the adoption of conservative policies, concerning the appreciation of the financial and real estate assets, was justified. PARPÚBLICA's management philosophy was always characterized by principles of reasonableness and accuracy, having always into account the long term value projections.

Within the current economic context, an adequate study of the related risks of the company's business and its developing framework is therefore required in order to ensure a proactive governing bodies' performance safeguarding the company's interests.

In this sense, PARPÚBLICA changed in due time its governance model creating an Audit Committee that functionally coordinates the Internal Audit Department. This department took office in 2010 and began by defining the procedures of performance and control which allow an accurate identification and monitoring of the risks related to the company's performance. This work led to the approval of a Manual of Procedures which is an important tool for assessing risk management and company's sustainability.

It is also worth mentioned that the performance of the company and of its managers and employees is framed by a regulatory and legislative system in order to preserve the value of the assets managed by PARPÚBLICA and the quality of the services rendered. Among those documents, there is the Code of Ethics as well as documents concerning the Risk of Fraud Management Policy and Related Infractions, including the Prevention Plan of Risk of Fraud, Corruption and Related Infractions. Besides those documents, there are still the operating regulations concerning purchases and document management.

At last, it is worth mentioned that PARPÚBLICA tries to preserve its relationship with society through a communication policy based on principles of accuracy, transparency and opportunity and using the channels foreseen in the applicable rules or more suitable for each case. For that purpose, PARPÚBLICA has an expert press consultant

and also a representative for the relations with the stock market and the CMVM. Finally, all public information about PARPÚBLICA's activity is directly available in its *website*.

VIII.3. Ways of compliance with the principles related to an adequate corporate management

VIII.3.a) Social responsibility

In this context, it is worth mentioned that PARPÚBLICA do not provide any public service or any service of general interest and therefore it has a smaller role related to society and/or to consumers.

VIII.3.b) Environmental responsibility

The PARPÚBLICA business, while a SGPS (Corporate Investments Managing Company), do not handle directly with environmental issues, unless as user of goods and services. However, at Group level, there are several areas where these issues are significant and important enough to be handled with the care. In this context, the air transport and real estate companies are worthy mentioned with specific related procedures adopted. Also the water and waste segment, represented by AdP, includes mainly activities directly related to environmental issues and its main goal is to contribute to the safeguard of the environment through the proper use of resources, such as water, or to the solution of environmental problems (such as, solid waste treatment currently in privatization process).

VIII.3.c) Adoption of equality plans

PARPÚBLICA adopts a social responsibility policy within the principles of the law and corporate ethics and namely of equality and non discrimination, allowing the reconciliation of both personal, family and professional life under the corporate public sector regime approved by Decree-Law nr 133/2013, of 3 of October⁸³.

⁸³ Cf article 49 of Decree-Law nr 133/2013 of 3 of October

In this context, the Council of Ministers Resolution nr 19/2012 of 8 of March determined that all corporate public entities have to adopt plans for equality of gender establishing procedures to be followed by the companies. The above mentioned diploma also determined the plural presence of men and women in the appointments for governing and supervision positions.

Although PARPÚBLICA is concerned with the above mentioned matter, it has not yet adopted the referred equality plan. This situation will be solved till the end of the current year.

VIII.3.d) Real measures related to the Principle of Equality of Gender

The current Code of Ethics of PARPÚBLICA regulates the Equality of Gender issue within the company human resources. Therefore, a balance between the number of male and female co-workers has been ensured.

At October 2014, PARPÚBLICA presented the biannual information report relating the gender of the co-workers and members of the governing and supervision bodies to the responsible government member for equality.

VIII.3.e) Human Resources policies

PARPÚBLICA has been implementing human resources policies towards the individual valorization, the strengthening of motivation and stimulating the productivity growth, handling with its employees with respect and integrity and playing and active role in their professional valorization by investing in it⁸⁴. In this sense, in 2014, PARPÚBLICA paid, totally or in part, the fees related to courses attended by several employees

VIII.3.f) Economic responsibility

PARPÚBLICA promotes the sustainability of the economic development, complying with the guidelines of the sole shareholder, the Portuguese State, and, mainly, by

⁸⁴ Cf article 50 of Decree Law nr 133/2013, of October 30

preserving its assets, consisting of corporate investments of companies mostly belonging to the Portuguese economic tissue.

IX – EVALUATION OF THE CORPORATE GOVERNANCE

IX.1 Compliance with the Recommendations

PARPÚBLICA complies with the corporate governance Recommendations issued for the corporate public sector.

VALIDATION GRID OF THE CORPORATE GOVERNANCE REPORT

	Corporate Governance report	Identification		Disclosure		Page	Comments
		YES	NO	YES	NO		
I	Mission, Objectives and Policies						
1.	Mission statement and how to be accomplished, as well the vision and guiding values of the company	X		X			
2.	Policies and guidelines according to the established strategy	X		X			
2.a) e b)	Objectives statement and the level of compliance, as well as the reason for the deviations and the applied or to apply corrective measures	X		X			
3.	Key factors statement on which the company profit and loss depends	X		X			
4.	Disclosure of compliance with the established guidelines	X		X			
II	Equity Structure						
1.	Equity structure	X		X			
2.	Restrictions to the transfer of shares	X		X			
3.	Shareholders' agreements		X	X			Not applicable
III	Shares and Bonds held						
1.	Identification of individuals (governing bodies) and/or corporations (Company) direct or indirectly owners of stakes in other entities, with detailed information of the equity share and votes percentage	X		X			
2.	Acquisition and alienation of investment, as well as investment in any entities of associative or founding nature	X		X			

	Corporate Governance report	Identification		Disclosure		Page	Comments
		YES	NO	YES	NO		
3.	Shares and bonds owned by the managing and supervising bodies		X	X			Not applicable
4.	Information about significant commercial relationships between the owners of qualified shares and the company		X	X			Not applicable
IV	Governing Bodies and Committees						
A.	Board of the General Assembly						
1.	Composition, mandate and remuneration of the Board of the GA	X		X			
2.	Identification of shareholders' deliberations	X		X			
B.	Management and Supervision			X			
1.	Adopted governance model	X		X			
2.	Statutory regulations about procedures applicable to the appointment and replacement of members.	X		X			
3.	Composition, term of office and number of the effective members.	X		X			
4.	Identification of the BD executive and non-executive members and of the independent members of the GSC.	X		X			
5.	Relevant curricula of each member.	X		X			Appendix I
6.	Statement from the directors to the governing and supervision bodies.	X					
7.	Usual and significant family, professional or commercial relationships of the members with the shareholders to whom is attributable a qualified stake of more than 2% of the voting rights.		X	X			Not applicable
8.	Organisational charts concerning division of competences between of the Governing Bodies.	X		X			
9.	Board of Directors functioning.	X		X			
9.a)	Number of meetings held and attendance level.	X		X			
9.b)	Positions held simultaneously in other companies.	X		X			
9.c)	Competent company bodies to evaluate the directors' performance.	X		X			
9.d)	Board of Directors' committees.	X		X			
C.	Supervision						
1.	Identification of the supervision body concerning the adopted model and composition, minimum and maximum statutory number of members, term of office, number of effective and alternate members.	X		X			
2.	Identification of the Supervision members	X		X			
3.	Significant curricula of each member.	X		X			Appendix I
4.	Supervision functioning.	X		X			
4.a)	Number of meetings held and attendance level	X		X			

	Corporate Governance report	Identification		Disclosure		Page	Comments
		YES	NO	YES	NO		
4.b)	Positions held simultaneously in other companies	X		X			
4.c)	Procedures and criteria related to the contracting of additional services to the Statutory Auditor by the supervision body	X		X			
4.d)	Other duties of the supervision bodies	X		X			
D.	Statutory Auditor						
1.	Identification of the ROC, SROC.	X		X			
2.	Designation of the legal constraints.	X		X			
3.	Number of consecutive working years of the Statutory Auditor in the company and/or group.	X		X			
4.	Other services rendered by the SROC to the company.		X	X			Not applicable
E.	External Auditor						
1.	Identification.	X		X			
2.	Policy and frequency of rotation.	X		X			
3.	Identification of other than auditing works carried out.		X	X			Not applicable
4.	Annual paid remuneration amount.	X		X			
V.	Internal Organization						
A.	Statutes and Communications						
1.	Amendment to the company statutes – applicable rules	X		X			
2.	Communication of irregularities.	X		X			
3.	Anti-fraud policies.	X		X			
B.	Internal Control System and Risk Management						
1.	Internal control system (ICS).	X		X			
2.	Persons, bodies or committees responsible for the internal audit and/or ICS.	X		X			
3.	Plan of strategy and of risk policy	X		X			
4.	Relationships of hierarchic and/or functional dependence.	X		X			
5.	Other functional areas responsible for the control of risk	X		X			
6.	Most relevant risks.	X		X			
7.	Process of identification, assessment, follow up, control and management of risks.	X		X			
8.	ICS and risk management headings implemented in the company.	X		X			
C.	Regulations and Codes						
1.	Applicable internal regulations and external regulations.	X		X			
2.	Codes of conduct and Code of Ethics.	X		X			
3.	Action plans to prevent internal frauds.	X		X			
D.	Special Information Duties						
1.	Platform used to comply with the information duties.	X		X			

	Corporate Governance report	Identification		Disclosure		Page	Comments
		YES	NO	YES	NO		
2.	Platform used to comply with the transparency duties	X		X			
E.	Internet Website						
	Addresses and available information disclosure.	X		X			
F.	Public or of General Interest Service rendered		X	X			Not applicable
VI	Remunerations	X		X			
A.	Competence to determine						
1.	Competent body to determine remuneration.	X		X			
2.	Adopted mechanisms to prevent current or eventual conflict of interest	X		X			
3.	Statement of the Board of Directors' members	X		X			
B.	Remunerations Committee		X	X			Not applicable
	Composition.		X	X			Not applicable
C.	Structure of Remunerations						
1.	Policy of remunerations of the managing and supervisory bodies.	X		X			
2.	Remuneration structure.	X		X			
3.	Variable component of the remuneration and attributing criteria.		X	X			Not applicable
4.	Deferred payment of the variable component.		X	X			Not applicable
5.	Parameters and grounds for bonus payment.		X	X			Not applicable
6.	Complementary pension scheme.	X		X			
D.	Remunerations Disclosure						
1.	Annual amount of the remuneration received.	X		X			
2.	Amounts paid by other companies in a controlling relationship or group.	X		X			
3.	Remuneration paid as a share in profits and/or bonuses.		X	X			Not applicable
4.	Compensations paid to former executive directors.		X	X			Not applicable
5.	Annual remuneration amount paid to the supervisory body of the company.	X		X			
6.	Annual remuneration of the Board of the General Assembly.	X		X			
VII	Transactions with related Parties and Others						
1.	Controlling mechanisms of transactions with related parties.	X		X			
2.	Other transactions.	X		X			
VIII	Study about the company sustainability in economic, social and environmental matters						
1.	Adopted strategies and compliance level with the defined goals.	X		X			
2.	Policies carried out.	X		X			

	Corporate Governance report	Identification		Disclosure		Page	Comments
		YES	NO	YES	NO		
3.	Ways of compliance with the principles related to an adequate corporate management: a) Social Responsibility b) Environmental responsibility c) Adoption of equality plans d) Real measures related to the Principle of Equality of Gender e) Human Resources policies f) Economic responsibility.	X		X			
IX	Evaluation of the Corporate Governance						
1.	Compliance with the Recommendations	X		X			
2.	Other information		X	X			Not applicable

IX.2 Other Information

There is no other information further than the information disclosed in this Report.

- APPENDIX I -

Curricula of the Members of the Board of Directors and Supervision Bodies

APPENDIX I

CURRICULA

1. Members of the Board of the General Assembly

1.1. Chairman – Dr.^a Elsa Roncon Santos

Date of Birth:

Academic Qualifications

- Degree in Economics by Economia no Instituto Superior de Economia e Gestão (ISEG)
- Post graduation course by Gulbenkian Institute of Science.

Atividade Profissional

- Since August 16, 2011, Director General of Treasury and Finance, inherently: member of Ricardo Espírito Santo Foundation; Chairman of the Management Committee of the Supporting Fund for the Payment System of the National Health Care Service and Chairman of the Management Committee of the Rehabilitation and Preservation of the Patrimony;
- Chairman of the Joint Committee of the Portuguese Supporting Fund for the Investment in Mozambique; State Representative in the Standing Committee of Follow up the Framework Agreement related to the Re-privatization of the Banco Português de Negócios, S.A. signed by the Portuguese State and the Banco BIC Português; Chairman of the General Assembly of PARPÚBLICA – Participações Públicas (SGPS) S.A.; Member of the Managing Committee of the Resolution Fund appointed by the Minister of State and Finance;
- Chairman of the Supervisory Boards of EMEF – Empresa de Manutenção de Equipamento Ferroviário, S.A and CP Carga – Logística e Transportes Ferroviários de Mercadorias, S.A., from July of 2010 until August 16 of 2011;
- Chairman of the Ethics Committee of CP – Comboios de Portugal, EPE, from November of 2009 until August of 2011; Chairman of the Executive Committee of Fernave – Formação Técnica, Psicologia Aplicada e Consultoria em Transportes e Portos, SA; Chairman of the Board of Directors of Ecosauê, SA; Chairman of the Management Council of Pactogest, Lda and Member of SESI SA as representative of the shareholder Fernave, from February of 2005 till April of 2008;
- Chairman of the Board of Directors Chairman and Chairman of the Executive Committee of Fernave S.A., from January of 2003 until

- February of 2005; Member of the Board of Directors of REFER – Rede Ferroviária Nacional, EP responsible for the financial, supply and audit areas; Chairman of the Board of Directors of GIL – Gare Intermodal de Lisboa, SA, from July of 2001 until October of 2002; Member of the Management Board of CP – Caminhos de Ferro Portugueses, EP, responsible for the financial, information systems and Internal Audit areas; Member of the Board of Directors of EMEF, SA and Member of the Board of Directors of CPCOM, SA, from December of 1996 until March of 2000;
- Member of the Management Board of Metropolitano de Lisboa, EP, responsible for the financial, supply and planning; Member of the Board of Directors of ASSEER – ACE, and Chairman of the Supervisory Board of Fernave, SA, from August of 1994 until February of 1996;
- Member of the Supervisory Board of MARL, SA; Member of the Supervisory Board of SI – Sistemas de Informática, SA (Company of Grupo Caixa Geral de Depósitos), from December of 1993 until June of 1994;
- Chairman of the Supervisory Board of Valmet Tractor, S.A. until September of 1993, when the shareholder IPE, SA sold its entire stake, from 1991 until 1993;
- Senior Technician of the Board of Investments and Development, responsible for the foreign investment projects of a contractual nature; Chairman of the Supervisory Board of Valmet Tractor, SA (representing IPE, SA), and Executive Member of SOSET – Sociedade de Desenvolvimento Regional da Península de Setúbal, SA, from 1987 until 1991;
- Senior Technician of the Institute Of Foreign Investment with functions as technical member of the Cabinet of Studies and Planning and later as Deputy Director of the Department Board of Promotions, from 1978 until 1987;
- Secretary of the National Council of Income and Prices from 1976 until 1978.

Governmental Functions:

- Head of the Cabinet of the Secretary of State for the Budget of the XIV Constitutional Government, from 2000 until July of 2001;
- Head of the Cabinet of the Secretary of State of Finance of the XII Constitutional Government, from December of 1993 until June of 1994;
- Head of the Cabinet of the Secretary of State of Commerce of the XII Constitutional Government, from 1991 until 1993;
- Head of the Cabinet of the Secretary of State of Industry do XI Constitutional Government, from 1988 to 1989;

1.2. Vice-Chairman – Eng^o Bernardo Xavier Alabaça

Date of Birth: 8 of June of 1973

Academic Qualifications

- Degree in Engineering and Industrial Management

Professional Activity

- Since 16 of August of 2011, Sub-Director General of the Treasury and Finances;
- From December of 2009 up to August 2011 – assistant of the Board of Directors of “Pelicano, Investimento Imobiliário, S.A.” (Real Estate Investment, Inc.);
- From January 2008 up till November 2009 – trade and international development manager of EDIFER Imobiliária, S.A. (Real Estate, Inc.).

- From may 2006 up to December 2007 – director of the Real Estate Promotion department of “CB Richard Ellis S.A.” (Inc.);
- From October 2002 up to December 2005 – General-Director of the Infrastructures, of the national Defence Ministry;
- From August 2002 to September of 2002 – manager of the Evaluation Department of DTZ Portugal, International Property Advisors, S. A. (Inc.);
- From July 2001 up to July 2002 – Consultant of “Imométrica, Lda.” (Ltd.);
- From August 1999 up to August 2002 – managing partner of “Imorating – Consultores Imobiliários” (Real Estate Consultants);
- From October 1997 up to July 1999 – appraiser of “Luso-Roux, Lda” (Ltd.);
- From October 1997 up to July 1999 – appraiser of “Luso-Roux, Lda” (Ltd.);
- From 1996 up to September 1997 – Senior Technician of EDIFER Construções, S.A..

1.3. Secretary - Dra. Maria Luísa da Silva Rilho

Date of Birth: 21 of May of 1953

Academic Qualifications

Law Degree by the Lisbon Faculty of Law, ended in July 1975

- Since February of 2000 – technician of the present “Direcção-Geral do Tesouro e Finanças” (General Directorate of the Treasury and Finances) (DGTF), successively linked to “Núcleo de Bonificações e Incentivos” (Core of Bonuses and Incentives), “Gabinete de Prospectiva e Coordenação” (Prospective and Co-Ordination Office), “Direcção de Serviços de Gestão de Recursos” (Direction of Services of management of Resources), and “Direcção de Serviços de Gestão Financeira e Orçamental” (Direction of Budget and Financial Managing Services)
- From March 1991 up to January 2000 – Chief of the “Divisão das Participações do Estado” (DGT) (Division of the State Investments)
- From May 1988 to March 1991- Chief of the “Divisão da Dívida Interna Directa e Garantida (DGT)” (Division of the Guaranteed and Direct Inner Debt)
- From July 1990 to March 1991 - Chief of the “Direcção da Gestão do Pessoal (DGT)” (Direction of the Human Resources management), combining functions
- From June 1985 to May 1988 – Senior Technician of the Direcção-Geral do Tesouro (DGT) (General Directorate of the Treasury) relating Credit Recovery
- From November 1979 to June 1985 – Co-Ordinator of the “Gabinete Jurídico e de Contencioso da Direcção-Geral do Crédito CIFRE (Ministério das Finanças)” (Legal and Litigation Office of the General Directorate of Credit CIFRE (Finance Ministry)

Other

- From November 2008 – Member of the Directive Committee of the Fund of Support to the Payment System of the National Health Service
- From May 2008 – Member of the Supervising Council of “APL – Administração do Porto de Lisboa, S.A.” (APL – Lisbon Harbour Administration, Inc.)
- Since September 2000 – Secretary of the Board of the General Assembly of “PARPÚBLICA – Participações Públicas (SGPS), SA
- 2003 / 2005 – Chairman of the Board of the General Assembly of the Instituto Português de Oncologia de Coimbra, SA (Portuguese Oncology Institute in Coimbra, Inc.)
- 1997 /2004 – Member of the Supervisory Board of Lisnave -Estaleiros Navais, SA (Lisnave – Naval Shipyards, Inc.)
- 1992 / 2000 – Secretary of the Board of the General Assembly of PARTEST – Participações do Estado (SGPS), SA
- 1989 / 1995 – Common Representative of the Participants in the 1st and 2nd Issue of Equity Securities of RNIP, SA

2. Members of the Board of Directors

2.1. Executive Directors

2.1.1. Chairman of the BD - Dr. Pedro Macedo Santos

Ferreira Pinto

Date of Birth: 19 April of 1966

Academic Qualifications

- Degree in Economics by Universidade Católica Portuguesa
- Options Workshop May 95 - INSEAD / Chicago Board of Trade
- PAFISC -1st edition- Universidade Católica Portuguesa
- Advance Programme in Renewal Energies Management- 2nd edition - Universidade Católica Portuguesa

Professional Activity

Since January 2014_ Chairman of the Board of Directors of PARPÚBLICA

2011-2013_ Shareholder/Director of Eaufresh, SA

2012-2012_ Consultant of Matos Gil group – functional redesign of the Group, whose main business is PET plants; Invoicing 300 million euro/year; Plants in 4 countries - Canada, Portugal, Mexico e Brazil

2009-2011_ Director of ASK-Advisory Services Kapital,SA

2006- 2009 – Director of Lisbon Brokers, Sociedade de Corretagem, SA
 2004- 2009 – Director of Selecta SGFI,SA
 2003 – 2004 – Member of the Board of Directors of EFACEC
 2000-2005 Director of Adamastor Capital, SGPS (mean of “Private Equity”)
 1994 – 2000 Several positions in subsidiaries of Adamastor Capital, SGPS, namely: Chairman of the BD of Skysoft Portugal –Software e Tecnologias de Informação, SA; Member of the BD of Innovagency Consulting – Consultoria de Gestão, SA; Member of the BD of Contraste – Sistemas de Informação, SA; Member of the BD of E-health – Tecnologia, Informação e Investimento, S.A.
 1994 – 2000 – Director of Mello Valores – Sociedade Financeira de Corretagem, S.A.
 1994 – 2000 – Accumulated several positions in Banco Mello de Investimentos and related companies: Manager of the Department of “Corporate Bonds” of Banco Mello de Investimento (BMI); Manager of the Department “Private Equity” of BMI; Member of BD of Mello Finance (Ireland) Ltd; Member of BD of Somague – Concessões e Serviços
 1990 – 1994 – Responsible for the Bonds Department of Midas Corretora – Sociedade Corretora de Valores Mobiliários, S.A.
 1988 - 1990 - Trader of Corretora Judite Correia.

2.1.2. Executive member of the BD - Dr. Carlos Manuel Durães da Conceição

Date of Birth: 9 February of 1950

Academic Qualifications

Degree in Finance by the Instituto Superior de Ciências Económicas e Financeiras, (Superior Institute of Financial and Economic Sciences), finished in 1974.

Professional Activity

- Since May 2010, Executive Member of the Board of Directors of “PARPÚBLICA, SGPS, SA” (Inc.), and of “Capitalpor, SGPS, SA” (Inc.), a company of the Group, that was closed in the meantime
- Since May 2010, Non-Executive Member of the Board of Directors of SGH, S.A. (Inc.) a subsidiary of PARPÚBLICA.
- From 2007 until 2010, General Manager of the Treasury and Finance
- From 2006 until 2007, General Manager of the Patrimony.
- From 2002 until 2005, Member of the Governing Board of the Institute of Employment and Professional Training

- From 2000 until 2001, Manager of the Leasing Unit and Manager of DB Rent and “DB Crédito” (DB Credit) of the Deutsche Bank Group;
- From 1994 until 2000, General Manager of DB Rent and of DB Credit, of the Deutsche Bank Group.
- From 1994 until 2000, General Manager of DB Rent and DB Credit, of the Deutsche Bank Group.
- From 1988 until 1991, General Manager of SLIBALL Portuguesa – Financial Lease Company, S.A. (Inc.), of the Crédit Lyonnais Group.
- From 1984 until 1988, Member of the Installing Committee and of the Governing Board of the “Instituto Nacional de Habitação” (National Dwelling Institute).
- From 1981 until 1988, Vice-Chairman of the “Fundo de Fomento da Habitação” (Dwelling Fostering Fund).
- From 1977 until 1981, Manager of the “Junta de Crédito Público” (Public Credit Board).
- Technician and Main Assistant of the “Direcção-Geral dos Impostos” (Authority for Taxes and Customs).

2.1.3. Executive member of the BD – Dr. José Manuel Pereira Mendes de Barros

Date of Birth: 26 September of 1971

Academic Qualifications

- Mastership-student in Finance by the ISCTE Business School (ended curricular part)
- Post-graduation in *Gestão de Riscos e Derivados (Management of Risk and Derivatives)* by ISEG/UNL/Bolsa de Derivados do Porto (2000)
- Decree in Business Management by the “Instituto Superior de Economia e Gestão (ISEG)” (Superior Institute of Economy and Management) – Universidade Técnica de Lisboa, ended in 1994

Professional activity

- Since 13 December of 2013, Non-executive Member of AdP - S.G.P.S., S.A. Board of Directors
- Since 19 December 2012, Liquidator of CREDIP – IFC, SA, a subsidiary of PARPÚBLICA, SGPS, S.A.
- Since 20 November 2012, Member of CE – Circuito Estoril, SA, a subsidiary of PARPÚBLICA, SGPS, S.A.
- Since May 2010, Executive Member of the Board of Directors of “PARPÚBLICA, SGPS, SA” and of “Capitalpor, SGPS, SA”), a company of the Group, closed in the meantime

- Since May 2010, Chairman of “Sagesecur”, a company of the Group.
- Since 2006 up to May 2010, Assistant-Manager of the Department of Supervision of Intermediation and market structures in “CMVM – Comissão de Mercado de Valores Mobiliários” (Securities Market Committee)
- Since 2004 until 2006, Assistant Manager of the Supervision Department for Special Investment Entities and Portfolio Management of – Comissão do Mercado de Valores Mobiliários (Securities Market Committee)
- Since 2002 up to 2004, Executive Coordinator of the Department of Entities Registration in CMVM – Comissão do Mercado de Valores Mobiliários (Securities Market Committee)
- Since 2001 up to 2002, Advisor of the Secretary of State of Treasury and Finance in the Ministry of Finance – Secretariat of State of Treasury and Finance
- Since 1994 up to 2002, Senior Economist technician in the Department of Supervision of the Management of Assets, in CMVM – Comissão de Mercado de Valores Mobiliários (Securities Market Committee)
- In 1993, Accounting Technician in “Concafé Sical, Lda.” (a company of Nestlé S.A. group).

2.1. Non-executive Directors

2.2.1. Member of the BD – Dra. Fernanda Maria Mouro Pereira

Date of Birth: 1 September of 1952

Academic Qualifications

- PADE – Programa de Alta Direcção de Empresas (XXI) (High Corporate Management Programme) by AESE in 1996
- Master of Business Administration by William E. Simon Graduate School of Business Administration, University of Rochester (U.S.A), in 1986.
- Degree in Economics by the Faculty of Economy of the Oporto University (1975).
- Advanced Course, Private Equity .Management Training, EVCA Institute, 2005.
- Eureko Top Management Seminar, INSEAD, 2002
- Grupo BCP Programme, INSEAD, 2001
- Eureko Programme, INSEAD, 1998
- Seminar on Economic Development, World Bank, October to December of 1980 (Brasília)

Professional Activity

- Non-executive member of the Board of Directors of Parpública, SGPS, SA
- Non-Executive member of the Board of Directors of “Hozar Portugal, SGPS, S.A. (Inc.)”, in representation of AICEP Capital Global, SCR, S.A. (Inc.).
- Non-Executive member of the Board of Directors of “Ciencinvest, Valorização Económica da Ciência, S.A.”- (Inc.) in representation of “AICEP Capital Global, SCR, S.A. (Inc.)” from October 2005 up to November 2008.
- Non-Executive member of the Board of Directors of “Investvar Comercial, SGPS, S.A. (Inc.)”, in representation of AICEP Capital Global, SCR, S.A. (Inc.) from April 2005 up to February 2008.

- Non-Executive member of the Board of Directors of “Logoplast – Gestão e Consultoria Financeira S.A.” (Management and Financial Consultants, Inc.), in representation of “API Capital”, from December 2004 up to January 2006.
- Member of the Board of Directors of “API Capital, Sociedade de Capital de Risco, S.A. (Risk Capital Company, Inc.)”, from October 2004 up to December 2006.
- “Business Manager” of a multinational project team for reconverting operations, processes and computer systems of life insurances and pensions of Insurance Companies, of Banco Comercial Português and of Eureko (from September 2002 up to march 2004)
- Member of the Board of Directors of “Ocidental – Companhia Portuguesa de Seguros de Vida S.A. (Ocidental – Portuguese Life Insurance Company, Inc.)”, from 2000 up to 2002.
- Member of the Board of Directors of “BPA Seguros Vida, S.A.” (BPA – Life Insurance Company, Inc.), from 1991 up to 2000.
- Member of the Board of Directors of BPA Seguros, S.A. and of “BPA Seguros Gest, SGPS, S.A.” (BPA Insurance Gest, SGPS, Inc.), from 1995 up to 2000
- Member of the Board of Directors of “Vanguarda – Sociedade Gestora de Fundos de Pensões, S.A.” (Vanguarda – Pension Funds Managing Company, Inc.), from 1997 up to 1999.
- Member of the Board of Directors of “Praemium – Sociedade Gestora de Fundos de Pensões, S.A (Pensions Funds Managing Company, Inc.)”, from 1991 up to 1999.
- Non-Executive member of the Board of Directors of “Gestiprimus – Gestão de Fundos Imobiliários, S.A. (Gestiprimus – Real Estate Funds Managing Company, Inc.)”, from 1995 up to 1996.
- Non-executive member of the Board of Directors of “Primogest – Gestão de Fundos Mobiliários, S.A.”

- (Chattel Funds Managing Company, Inc.), from 1995 up to 1996
- Non-Executive member of the Board of Directors of the Oporto Stock Exchange, in 1994 and in 1995, in representation of the Institutional Investors.
- Representative of BPA in the Board of Directors of the Oporto Growth Fund (1989-1992).
- From 1987 up to 1990, Director of the Financial Directorate, in charge for the activities in the capital market;
- Training in the Trust Department of the Chase Lincoln First Bank (Rochester, NY), in July and August 1986.
- Responsible for the Balance Sheet Database of the same Department from 1982 to 1984;
- Technician of the Economic Studies Department of Banco Português do Atlântico (1980-1982)
- Several above mentioned positions in Banco Português do Atlântico (till 1995) and Banco Comercial Português (since 1995). Member of the High Directorate (Central Manager) of Banco Comercial Português (since 1995)

2.2.3. Member of the BD – Dr. Pedro Miguel Nascimento Ventura

Date of Birth: 22 de abril de 1970

Academic Qualifications

- Degree in Law

Professional Activity

- Since May 2013 – Member of the Supervisory Board of Refer – Rede Ferroviária Nacional, EPE;
- Since August 2012 to November 2013 – Chairman of the Board of the General Assembly of CTT, SA.
- Since November 2011 –Non-executive Director, member of the Audit Committee and Evaluation Committee of Parpública, SGPS, S.A.;
- Since August 2011, General Assistant Manager of Treasury and Finance;
- From February 2006 to July 2011, Legal Advisor of the presidency of CIG – Presidency of the Council of Ministers in the legal, financial and HR areas;
- From April 2005 to January 2006, Manager of the Legal Studies Office of the Instituto da Droga e da Toxicodependência, I.P. (Institute of Drugs and Toxic-Dependency);
- From 2004 up to 2005, Assistant of the Minister of Social Security, Families and Children;
- From July 2003 to July 2004, Manager of the Legal Studies Office of the Instituto da Droga e da Toxicodependência, I.P. (Institute of Drugs and Toxic-Dependency);
- From January 2000 to June 2003, Legal Advisor to the bodies of the Instituto da Droga e da Toxicodependência, I.P. (Institute of Drugs and Toxic-Dependency)

2.2.4. Member of the BD – Dr.ª Maria João Araújo

Date of Birth: 25 September of 1958

Academic Qualifications:

- Degree in Economics by the Faculdade de Ciências Humanas da Universidade Católica Portuguesa;
- Post-graduation in European Studies – Economics by the Centro de Estudos Europeus da Universidade Católica Portuguesa.

Professional Activity:

- Assistant of the Secretary of State for Planning of the VI Constitutional Government from January 1980 to January 1981.
- Economist activity in a E GEFO - Gabinete de Estudos de Economia, Finanças e Organização (1974-1979).

Teaching Experience

- Assistant teacher and invited assistant teacher in the Faculdade de Economia U.Porto (1978-1982)
- Invited teacher in the Univ. Católica Portuguesa (Centro Regional do Porto – (1981-1991)

Other Qualifications

Languages: oral and written skill in english and french; basic knowledge of german.

Affiliations:

- Order of the Economists
- Member of the BETA GAMMA SIGMA, the honor society for collegiate schools of business
- Member of APAF – Associação Portuguesa de Analistas Financeiros
- Member of AAAFEP – Associação dos Antigos alunos da Faculdade de Economia do Porto.

- Since August 2011 – Assistant General Manager of the General Directorate of Treasury and Finance;
- Non-executive Director of Parpública – Participações Públicas (SGPS), S.A. since 29 May of 2013 - (Mandate 2013-2015).
- Representative of the Minister of Finance in the General Council and Supervision of the Portugal Capital Ventures - Sociedade de Capital de Risco, S.A. since 15 June of 2012 (Mandate 2012-2014).

- Member of the Supervisory Board of PME Investimentos – Sociedade de Investimento, S.A. since 10 February of 2012 - Mandate (2012-2014).
- Chairman of the Board of the General Assembly of Parque EXPO 98, S.A., since 2 November of 2011 - (Mandate 2011-2013).
- May 2007 to August 2011 – Manager of the Accounting Services of the Directorate of Community Affairs of the General Directorate of the Budget of the Ministry of Finance.
- 1999-2007 – Services Manager of the Monetary and Financial Affairs of the late General Directorate of the European Affairs and International Relations (DGAERI), of the MF.
- 1998-1999 – Assistant of the General Directorate of the European Affairs and Internacional Relations of the MF.
- 1986-1998 – Senior Technician of the European Affairs Office of the MF.
- 1981-1986 - Senior Technician of the Studies and Planning Office of the MF.

- APPENDIX II -

Statement of the members of the Board of Directors about not interfering in any decision relating their own interests

