

Contents

| | |
|---|-----------|
| PART I - INFORMATION ON CAPITAL STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE | 3 |
| A. Capital Structure | 3 |
| I. Capital structure | 3 |
| II. Holdings of Shares and Bonds | 4 |
| B. Corporate Boards and Committees..... | 6 |
| I. General Meeting | 6 |
| II. Management and Supervision..... | 7 |
| III. Auditing | 22 |
| IV. Statutory Auditor..... | 26 |
| V. External Auditor..... | 27 |
| C. Internal Organization..... | 29 |
| I. Articles of Association | 29 |
| II. Notification of Irregularities (Whistleblowing) | 29 |
| III. Internal control and risk management | 30 |
| IV. Investor Support | 32 |
| V. Website (59 to 65) | 32 |
| D. Remuneration | 33 |
| I. Powers to determine remuneration..... | 33 |
| II. Remuneration Committee..... | 33 |

| | |
|--|-----------|
| III. Remuneration structure | 34 |
| IV. Disclosure of remuneration..... | 36 |
| V. Agreements with implications for remuneration | 38 |
| VI. Stock or stock option plans | 38 |
| E. Related Party Transactions | 39 |
| I. Control Procedures | 39 |
| II. Details of transactions..... | 39 |
| PART II – ASSESSMENT OF CORPORATE GOVERNANCE | 40 |
| 1. Identification of the Corporate Governance Code adopted..... | 40 |
| 2. Analysis of compliance with the Corporate Governance Code adopted | 40 |
| 3. Other disclosures | 48 |
| ANNEX I – Disclosures required by articles 447 and 448 of the companies code and paragraphs 6 and 7 of article 14 of Securities Market Commission Regulation 5/2008 | 49 |
| ANNEX II – Remuneration policy statement..... | 52 |
| ANNEX III – Declaration required under article 245.1 c) of the Securities Code | 60 |

Part I - Information on Capital Structure, Organization and Corporate Governance

A. CAPITAL STRUCTURE

I. CAPITAL STRUCTURE

1. Capital structure (share capital, number of shares, distribution of capital between shareholders, etc.), including indication of shares not admitted to trading, different classes of shares, the rights and obligations attaching to these and the percentage of share capital that they represent (Article 245-A.1 a)).

Semapa has share capital of 118,332,445 Euros, represented by a total of 118,332,445 shares, with a nominal value of one euro each. All shares are ordinary shares and have the same rights and obligations attached to them, and are admitted for trading.

A breakdown of the capital structure, indicating shareholders with qualifying holdings, is provided in the table in item 7 below.

2. Any restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A.1 b)).

Semapa has no restrictions of any kind on the transferability or ownership of its shares.

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

Semapa holds 5,447,975 own shares, corresponding to 4.6% of its share capital. If the voting rights were not suspended, the percentage of voting rights would be the same as the percentage of the total capital.

4. Significant agreements to which the company is party and which take effect, are amended or terminate in the event of a change in the control of the company as a result of a takeover bid, together with the respective effects, unless, due to its nature, disclosure of such agreements would be seriously detrimental to the company, except if the company is specifically required to disclose such information by other mandatory provision of law (Article 245-A.1 j)).

Semapa is not party to any agreements which come into effect, are altered or terminate in the event of a change of control over the company.

5. Rules applicable to the renewal or revocation of defensive measures, in particular those providing for limits on the number of votes which can be held or cast by a single shareholder individually or in a concerted manner with other shareholders.

There are no defensive measures in place in the company, namely any limiting shareholder's voting rights.

6. Shareholders' Agreements known to the company or which might lead to restrictions on the transfer of securities or voting rights (Article 245-A.1 g)).

The company is unaware of the existence of any shareholders' agreement relating to the shares in its capital, notwithstanding the ongoing and open coordination of the exercise of voting rights mentioned in item 7 below.

II. HOLDINGS OF SHARES AND BONDS

7. Identification of persons and organizations who, directly or indirectly, own qualifying holdings (Article 245-A.1 c) and d) and Article 16), detailing the percentage of the share capital and votes imputable and the respective grounds.

The owners of qualifying holdings in Semapa are identified in the following table:

| Entity | No. shares | % capital and voting rights | % non-suspended voting rights |
|--|-------------------|-----------------------------|-------------------------------|
| A - Sodim, SGPS, S.A. | 15,657,505 | 13.23% | 13.87% |
| Cimigest, SGPS, SA | 3,185,019 | 2.69% | 2.82% |
| Cimo - Gestão de Participações, SGPS, S.A. | 16,199,031 | 13.69% | 14.35% |
| Longapar, SGPS, S.A. | 21,505,400 | 18.17% | 19.05% |
| OEM - Organização de Empresas, SGPS, S.A. | 535,000 | 0.45% | 0.47% |
| Sociedade Agrícola da Quinta da Vialonga, S.A. | 625,199 | 0.53% | 0.55% |
| Total: | 57,707,154 | 48.77% | 51.12% |
| B - Banco BPI, S.A. | - | - | - |
| Banco Português de Investimento, S.A. – own portfolio | 3,294 | 0.00% | 0.00% |
| BPI Vida - Companhia de Seguros de Vida, S.A. | 405,804 | 0.34% | 0.36% |
| Pension funds managed by BPI Pensões - Sociedade Gestora de Fundos de Pensões, S.A. | 10,362,388 | 8.76% | 9.18% |
| Investment Funds managed by BPI Fundos – Gestão de Fundos de Investimento Mobiliário, S.A. | 1,237,518 | 1.05% | 1.10% |
| Total: | 12,009,004 | 10.15% | 10.64% |
| C - Bestinver Gestión, SA, SGIIC | - | - | - |
| Bestinver Bolsa, F.I. | 3,820,550 | 3.23% | 3.38% |
| Bestifond, F.I. | 3,432,923 | 2.90% | 3.04% |
| Bestinver Global, FP | 907,128 | 0.77% | 0.80% |
| Bestinver Hedge Value Fund, FIL | 855,353 | 0.72% | 0.76% |

| | | | |
|---|------------------|--------------|--------------|
| Bestinver Mixto, F.I. | 639,125 | 0.54% | 0.57% |
| Soixa, SICAV | 603,626 | 0.51% | 0.53% |
| Bestinver Bestvalue, SICAV | 550,645 | 0.47% | 0.49% |
| Bestinver Ahorro, F.P. | 540,058 | 0.46% | 0.48% |
| Texrenta Inversiones, SICAV | 162,753 | 0.14% | 0.14% |
| Bestinver Value Investor, SICAV | 146,200 | 0.12% | 0.13% |
| Bestinver Renta, F.I. | 94,353 | 0.08% | 0.08% |
| Bestinver Prevision, F.P. | 33,828 | 0.03% | 0.03% |
| Divalsa de Inversiones, SICAV, SA | 26,132 | 0.02% | 0.02% |
| Bestinver Empleo, F.P. | 23,517 | 0.02% | 0.02% |
| Linker Inversiones, SICAV, SA | 15,964 | 0.01% | 0.01% |
| Sumeque Capital, SICAV | 10,719 | 0.01% | 0.01% |
| Bestinver Empleo II, F.P. | 1,415 | 0.00% | 0.00% |
| Bestvalue, F.I. | 921 | 0.00% | 0.00% |
| Total: | 11,865,210 | 10.03% | 10.51% |
| D - Norges Bank (the Central Bank of Norway) | 5,649,215 | 4.77% | 5.00% |

The voting rights relating to the companies in group A are allocated on the basis of (i) direct ownership of the shares; (ii) the open coordination of the exercise of voting rights by the companies Sodim, SGPS, S.A., Cimigest, SGPS, S.A., Cimo - Gestão de Participações, SGPS, S.A., Longapar, SGPS, S.A., OEM - Organização de Empresas, SGPS, S.A. and Sociedade Agrícola da Quinta da Vialonga, S.A., which means that the voting rights held by these companies taken together in Semapa are allocated to each of them, as follows from the list of qualifying holdings, and (iii) the existence of controlling relationships of Sodim, SGPS, S.A. over Cimigest, SGPS, S.A., the latter controlling Cimo - Gestão de Participações, SGPS, S.A. and Longapar, SGPS, S.A., resulting in an allocation to Sodim, SGPS, S.A. of 50.09% of non suspended voting rights on Semapa.

In relation to the companies in groups B and C, voting rights are allocated on the basis of direct and indirect ownership of shares, by virtue of domain relations.

For the company in Group D, voting rights are allocated on the basis of the direct ownership of shares.

8. Indication of the number of shares and bonds held by members of the management and supervisory bodies.

This information is provided in Annex I to this Report.

9. Special powers of the management board, in particular concerning resolutions to increase capital (Article 245-A.1 i)), indicating, with regard to these, the date on which they were granted, the period during which such powers may be exercised, the upper limit for the increase in share capital, shares already issued under the powers granted and the form taken by these powers.

Under the Articles of Association, the Board of Directors has no powers to resolve on increases in share capital.

10. Information on the existence of significant dealings of a commercial nature between qualifying shareholders and the company.

In 2013 there were no significant dealings of a commercial nature between qualifying shareholders and the company, on the basis of the criteria set out in item 91 below.

B. CORPORATE BOARDS AND COMMITTEES

I. GENERAL MEETING

a) Composition of the General Meeting

11. Officers of the General Meeting and their term of office (starting and ending dates).

The officers of the General Meeting are:

| | |
|------------|--|
| Chairman: | Francisco Xavier Zea Mantero (term of office from 18/05/2012 to 31/12/2013) |
| Secretary: | Rita Maria Pinheiro Ferreira Soares de Oliveira (term of office from 22/04/2010 to 31/12/2013) |

b) Exercise of voting rights

12. Any restrictions on voting rights, such as limitations on the exercise of voting rights based on the ownership of a given number or percentage of shares, time limits for exercising voting rights, or systems for detaching voting rights from ownership rights (Article 245-A.1 h));

Under Semapa's Articles of Association, each 385 shares in the company carry one vote. Nonetheless, the minimum number of shares required by the company for a shareholder to be able to attend and vote is well below the limit indicated in Article 384.2 a) of the Companies Code (which is for at least one vote for each 1000 euros of share capital), and this limit is merely intended to prevent participation by shareholders with negligible holdings in the capital from prejudicing the interests of the company and the shareholders in general; it does not function as a real restriction as shareholders are in any case entitled to group together as provided for in law.

Despite the existence of time limits established in Semapa's Articles of Association for attendance of general meetings, the mandatory legal rules on this matter apply, such as Article 23-C of the Securities Code. The time limit established by the Articles of Association for exercise of postal rights is the day prior to the general meeting. The Articles of Association make no provision for electronic voting and as no shareholder has yet informed Semapa of its intention of voting electronically, the company has never implemented the means needed for this purpose. This situation will be reconsidered if any request is received to this effect.

There are no systems for detaching voting rights from ownership rights.

Lastly, Semapa has no procedures in place which result in mismatching between the right to receive dividends or to

subscribe new securities and the voting right attached to each ordinary share.

13. Indication of the maximum percentage of the voting rights which can be exercised by a single shareholder or by shareholders connected in any of the forms envisaged in Article 20.1

There are no rules in the Articles of Association which lay down that voting rights are not counted if in excess of a given number, when cast by a single shareholder or shareholders related to him.

14. Identification of shareholder resolutions which, under the Articles of Association, can only be adopted with a qualified majority, in addition to those provided for in law, and details of the majorities required.

The company has established no quorums for constituting meetings or adopting resolutions different from those provided for on a supplementary basis in law.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Identification of the governance model adopted

The company has adopted the governance model provided for in Article 278.1 a) of the Companies Code (Board of Directors and Audit Board) and in Article 413.1 b) (Audit Board and Statutory Auditor), of the same code.

16. Rules in the Articles of Association on procedural and material requirements applicable to the appointment and substitution of members, as the case may be, of the Board of Directors, the Executive Board of Directors and the General and Supervisory Board (Article 245-A.1 f) .

Semapa's Articles of Association set no special rules on the appointment and replacement of directors, and the general supplementary rules contained in the Companies Code therefore apply here.

17. Composition, as the case may be, of the Board of Directors, the Executive Board of Directors and the General and Supervisory Board, detailing the provisions of the Articles of Association concerning the minimum and maximum number of directors, duration of term of office, number of full members, and the date when first appointed and the end of their terms of office for each member.

The company's Articles of Association (11.1) stipulate that the Board of Directors comprises three to fifteen directors appointed each for a four-year term.

We indicate below the date of first appointment of each member, together with the date on which their term of office expires:

| Members of the Board of Directors: | Date of first appointment and end date of term of office: |
|---|---|
| Pedro Mendonça de Queiroz Pereira | 1991-2013 |
| Maude Mendonça de Queiroz Pereira Lagos (*) | 1994-2013 |
| José Alfredo de Almeida Honório (**) | 1994-2013 |
| Francisco José Melo e Castro Guedes | 2001-2013 |
| José Miguel Pereira Gens Paredes | 2006-2013 |
| Paulo Miguel Garcês Ventura | 2006-2013 |
| Rita Maria Lagos do Amaral Cabral (***) | 2006-2013 |
| António da Nóbrega de Sousa da Câmara | 2006-2013 |
| Joaquim Martins Ferreira do Amaral | 2006-2013 |
| António Pedro de Carvalho Viana-Baptista | 2010-2013 |
| Vítor Manuel Galvão Rocha Novais Gonçalves | 2010-2013 |

(*) Maude Mendonça de Queiroz Pereira Lagos resigned from office on 5 December 2013, her resignation taking effect on 31 January 2014.

(**) José Alfredo de Almeida Honório resigned from office on 31 January 2014, his resignation taking effect on 28 February 2014.

(***) Rita Maria Lagos do Amaral Cabral resigned from office on 7 November 2013, her resignation taking effect on 31 December 2013.

18. Distinction between executive and non-executive members of the Board of Directors and, in relation to non-executive directors, identification of those who can be regarded as independent or, if applicable, identification of the independent members of the General and Supervisory Board.

The executive members of the Board of Directors are those who belong to the Executive Board, the others being non-executive.

Despite this classification, some of Semapa's directors who are not members of the Executive Board play a role which goes beyond providing advice at board meetings, and take part more directly through committees set up by the board, such as the Strategy Committee which works in greater proximity to management.

Given that, at 31 December 2013, the company's Board of Directors comprised eleven members, only five of which sat on the Executive Board, we consider that it had a number of non-executive directors which assures they are effectively able to oversee, assess and monitor the work of the other directors.

On the basis of the criteria laid down by the Securities Market Commission, the following non-executive directors may be classified as independent: Messrs. António da Nóbrega de Sousa da Câmara, António Pedro de Carvalho Viana-Baptista and Vítor Manuel Galvão Rocha Novais Gonçalves.

The director Joaquim Martins Ferreira do Amaral is not independent because during the financial year of 2013 he was director of a company owning a qualifying holding in Semapa.

Lastly, the two directors who resigned from office in late 2013, Mesdmes. Maude Mendonça de Queiroz Pereira Lagos and Rita Maria Lagos do Amaral Cabral, cannot be classified as independent as they held directorships in companies which own qualifying holdings in Semapa, the former also being the sister of the Chairman of the Board of Directors, who holds directorships in companies which own qualifying holdings in Semapa.

19. Professional qualifications and other relevant biographical details of each of the members, as the case may be, of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors.

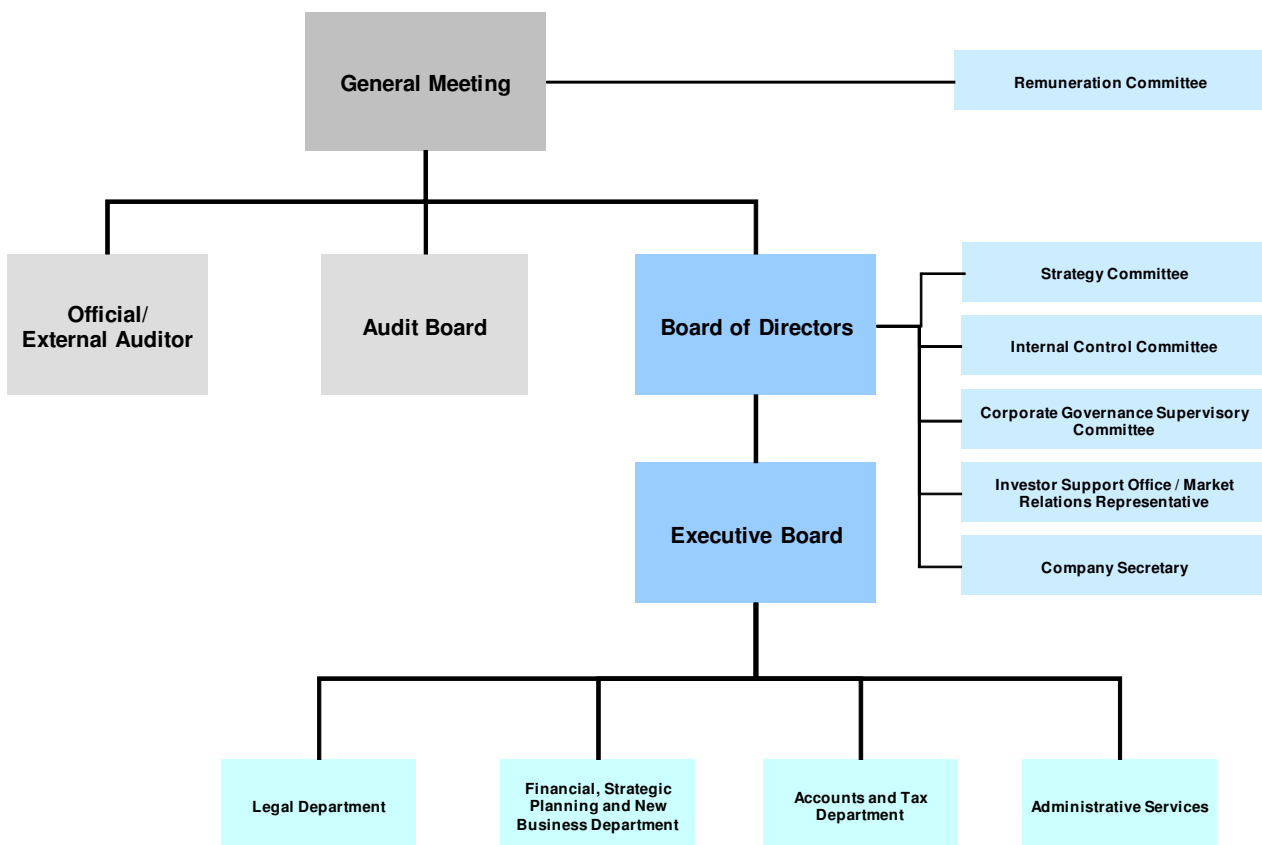
| Members of the Board of Directors: | Professional qualifications and other relevant biographical details |
|--|---|
| Pedro Mendonça de Queiroz Pereira | General High School Certificate in Lisbon and attended Instituto Superior de Administração. |
| Maude Mendonça de Queiroz Pereira Lagos | General High School Certificate |
| José Alfredo de Almeida Honório | Degree in Economics from the Faculty of Economics, University of Coimbra |
| Francisco José Melo e Castro Guedes | Degree in Finance from the Instituto Superior de Ciências Económicas e Financeiras and MBA from Insead |
| José Miguel Pereira Gens Paredes | Degree in Economics, Portuguese Catholic University |
| Paulo Miguel Garcês Ventura | Degree in Law from the Faculty of Law, University of Lisbon, member of the Portuguese Bar Association and IEP from Insead |
| Rita Maria Lagos do Amaral Cabral | Degree in Law from the Faculty of Law, University of Lisbon, member of the Portuguese Bar Association |
| António da Nóbrega de Sousa da Câmara | Degree in Civil Engineering from Instituto Superior Técnico, MSc and PhD in Environmental Engineering Systems, Professor of the Faculty of Science and Technology, Universidade Nova de Lisboa. |
| Joaquim Martins Ferreira do Amaral | Degree in Mechanical Engineering from Instituto Superior Técnico |
| António Pedro de Carvalho Viana-Baptista | Degree in Economics from the Portuguese Catholic University, Post-graduate studies in European Economics from the Portuguese Catholic University, MBA from Insead |
| Vítor Manuel Galvão Rocha Novais Gonçalves | Degree in Business Management from ISC-HEC-Brussels |

20. Habitual and significant family, professional or business ties between members, as the case may be, of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors with shareholders to whom a qualifying holding greater than 2% of the voting rights may be allocated.

Applying the criteria referred to in item 91, there are no habitual or significant family, professional or business ties between members of the Board of Directors and shareholders in Semapa which own qualifying holdings.

21. Organizational or functional charts showing the division of powers between the different corporate boards, committees and/or company departments, including information on delegated powers, in particular with regard to delegation of the day-to-day management of the company.

The following simplified chart shows the organization of Semapa’s different bodies, committees and departments:



The management of the company is centred on the relationship between the Board of Directors and the Executive Board.

The two bodies are coordinated and kept in contact by the fact that they have a common chairman, and through regular transmission of all relevant information on the day-to-day management of the company to the non-executive directors, in order to keep them abreast of the company’s life at all times. In addition, meetings of the Board of

Directors are called for all decisions regarded as especially important, even if they fall within the scope of the powers delegated to the Executive Board.

It is relevant to note in this regard that the members of the Executive Board are available at all times to provide the information requested by the other members of the Board of Directors. It is standard practice for this information to be transmitted immediately when the importance or urgency of the matter so requires. Information requested by the other members of corporate boards is also provided in good time and in an appropriate form by the members of the Executive Board.

In order to assure that information is communicated on a regular basis, the Chief Executive Officer also sends the notices and minutes of meetings of the Executive Board to the Chairman of the Audit Board.

Although duties and responsibilities are not rigidly compartmentalized within the Board of Directors, four main areas may be distinguished in the way responsibilities are shared:

1. Strategic planning and investment policy, which are the responsibility of the Chairman of the Board of Directors, Pedro Mendonça de Queiroz Pereira.
2. Financial policy and risk management, which is the responsibility of the directors José Alfredo de Almeida Honório and José Miguel Pereira Gens Paredes.
3. Human resources policy and management control, which is the responsibility of the director Francisco José de Melo e Castro Guedes.
4. Legal and IT issues, which are the responsibility of the director Paulo Miguel Garcês Ventura.

The Executive Board has been granted broad management powers, largely detailed in the respective act of delegation, and only limited with regard to the matters indicated in article 407, paragraph 4 of the Companies Code. Powers are specifically delegated for the following:

- a) To negotiate and resolve to enter into any commercial or civil contract, by public or private act, on the terms and conditions it deems most appropriate, and to take all decisions it sees fit in the performance of these contracts;
- b) To resolve to issue, sign, draw, accept, endorse, guarantee, protest or carry out any other act in connection with the use of bills or credit instruments;
- c) To resolve on all routine banking operations, with Portuguese or foreign financial institutions, namely opening, consulting and establishing the form of effecting movements in bank accounts, in all the legally admissible forms;
- d) To negotiate and resolve to contract and amend loan agreements, with financial institutions or other entities, including the provision of the respective guarantees in cases where the law permits such delegation, all on the terms it sees fit;
- e) To resolve to acquire, dispose of and encumber assets of all kinds, on the terms and conditions it sees fit, negotiating and resolving on the conclusion for such purposes, by public or private document, of any contractual instrument, and carrying out any accessory or complementary acts which may be necessary for the performance of these contracts;
- f) To take all decisions and carry out all acts in connection with the exercise by the company of its position as shareholder, namely by appointing its representatives at the general meetings of companies in which it has holdings and adopting unanimous resolutions in writing;
- g) To draft the company reports, balance sheets, financial statements and proposals for allocation of profits;

- h) To take all steps necessary or appropriate in connection with the company's industrial relations with its employees, namely contracting, dismissing, transferring, defining terms of employment and pay, and revising and amending the same;
- i) To resolve on representation of the company before any court or mediation or arbitration body, taking all decisions as may be necessary or appropriate in connection with any proceedings pending before the same or to bring the same, and namely to desist, confess or settle;
- j) To appoint attorneys for the company within the powers delegated to it;
- k) To take all steps necessary or appropriate in connection with existing or planned issues of bonds and commercial paper, including the actual decision to issue; and
- l) In general, to carry out all acts of day-to-day management in the company, save those which cannot be delegated under Article 407.4 of the Companies Code.

The Executive Board is barred from resolving on the following:

- i) Selection of the Chairman of the Board of Directors;
- ii) Co-opting of directors;
- iii) Requests for the call of a general meeting;
- iv) Annual reports and financial statements;
- v) Provision of bonds and personal or real guarantees by the company;
- vi) Change in registered offices and increases in share capital; and
- vii) Plans for merger, break-up or transformation of the company.

In the case of the Audit Board, which has the powers established in law, there are no delegated powers or special areas of responsibility for individual members.

The main purpose of the Internal Control Committee (ICC) is to detect and control all relevant risks in the company's affairs, in particular financial risks, and the Committee enjoys full powers to pursue this aim, as set out in item 29 of this report.

The Strategy Committee has the central mission of following through and assessing the main strategic options of the Executive Board and the Board of Directors, with the specific responsibilities detailed in item 29 of this report.

The Corporate Governance Supervisory Committee (CGSC) exists to monitor, on a permanent basis, compliance by the company with corporate governance requirements established in law, regulation and the Articles of Association, and to exercise the other powers detailed in item 29 of this report.

The functions of the Investor Support Office are detailed in item 56 of this report.

The Company Secretary is appointed by the Board of Directors and has the powers defined in law.

The Remuneration Committee draws up an annual statement on remuneration policy for members of the board of directors and audit board, and sets the remuneration of directors.

The Legal Department provides the company with legal advice in order to assure that procedures and proceedings comply with the relevant legislation.

The Financial, Strategic Planning and New Business Division is primarily engaged in financial management and planning and research to identify and implement new business opportunities.

Finally, the Accounts and Tax Department is principally responsible for rendering the company's accounts and complying with its tax obligations, avoiding abusive tax planning.

b) Functioning

22. Existence of the rules of procedure of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors, as the case may be, and place where these may be consulted.

The board of directors has rules of procedure which are published on the company website (www.semapa.pt), where they may be consulted.

23. Number of meetings held and attendance record of each member of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors, as the case may be.

The Board of Directors met 7 times in 2013, and attendance by each member was as follows:

| Members of the Board of Directors: | Attendance (%) |
|--|----------------|
| Pedro Mendonça de Queiroz Pereira | 100% |
| Maude Mendonça de Queiroz Pereira Lagos | 57% |
| José Alfredo de Almeida Honório | 57% |
| Francisco José Melo e Castro Guedes | 100% |
| José Miguel Pereira Gens Paredes | 100% |
| Paulo Miguel Garcês Ventura | 86% |
| Rita Maria Lagos do Amaral Cabral | 57% |
| António da Nóbrega de Sousa da Câmara | 86% |
| Joaquim Martins Ferreira do Amaral | 57% |
| António Pedro de Carvalho Viana-Baptista | 71% |
| Vítor Manuel Galvão Rocha Novais Gonçalves | 100% |

24. Indication of the company bodies empowered to assess the performance of executive directors.

The body empowered to conduct the performance assessment of executive directors is the Remuneration Committee.

25. Predetermined criteria for assessing the performance of executive directors.

The Remuneration Committee assesses the performance of executive directors on the basis of the information at its disposal and other information and documents requested from the Chairman of the Directors, as the main person

responsible for the team, and from non-executive directors and members of the Audit Board who are best placed to observe the performance of the executive members of the Board of Directors and have direct access to these members.

However, in view of the actual nature of the situation, this is not a technical/functional assessment in which the assessor is responsible for setting objectives, monitoring progress and discussing performance with the person assessed. Instead, this is a general assessment of performance based on the information and documents referred to.

There are no predetermined mandatory criteria at Semapa for assessing the performance of executive directors, notwithstanding the criteria defined in item 2 of chapter VI of the Remuneration Policy Statement for setting the variable remuneration component.

As a basic tool for setting variable remuneration, the members of the Remuneration Committee work with a system of KPIs which have evolved and are not publicly disclosed, although remuneration has not been set merely by appraising and applying quantitative elements in direct arithmetic fashion. Certain defined percentages are set in accordance with value judgements.

26. Availability of each of the members of the Board of Directors, the General and Supervisory Board and the Executive Board of Directors, as the case may be, indicating office held simultaneously in other companies, inside and outside the group, and other relevant activities carried on by the members of these bodies during the period.

The members of the Board of Directors have the appropriate time available to perform the duties entrusted to them, and the other activities carried on by the executive members during the period, outside the business group to which Semapa belongs, are negligible when compared to performance of their duties in the companies and other companies in the same business group.

The members of the Board of Directors hold office in other companies as detailed below:

Pedro Mendonça de Queiroz Pereira

Office held in other companies belonging to the same group as Semapa:

| | |
|--------------------------------------|------------------------------------|
| ABOUTBALANCE SGPS S.A. | Chairman of the Board of Directors |
| CELCIMO, S.L. | Chairman of the Board of Directors |
| GREAT EARTH – Projectos, S.A. | Chairman of the Board of Directors |
| INSPIREDPLACE, S.A. | Chairman of the Board of Directors |
| SEINPART - Participações, SGPS, S.A. | Chairman of the Board of Directors |
| SEMINV - Investimentos, SGPS, S.A. | Chairman of the Board of Directors |

Office held in other companies:

| | |
|---|------------------------------------|
| ABOUT THE FUTURE – Empresa Produtora de Papel, S.A. | Chairman of the Board of Directors |
| CIMINPART - Investimentos e Participações, SGPS, S.A. | Chairman of the Board of Directors |
| CMP - Cimentos Maceira e Pataias, S.A. | Chairman of the Board of Directors |

| | |
|---|------------------------------------|
| PORTUCEL, S.A. | Chairman of the Board of Directors |
| SECIL - Companhia Geral de Cal e Cimento, S.A. | Chairman of the Board of Directors |
| SECILPAR, S.L. | Chairman of the Board of Directors |
| SOPORCEL - Sociedade Portuguesa de Papel, S.A. | Chairman of the Board of Directors |
| CIMIGEST, SGPS, S.A. | Chairman of the Board of Directors |
| CIMO – Gestão de Participações Sociais, S.A. | Chairman of the Board of Directors |
| COSTA DAS PALMEIRAS – Turismo e Imobiliário, S.A. | Chairman of the Board of Directors |
| ECOVALUE – Investimentos Imobiliários, Lda. | Manager |
| OEM - Organização de Empresas, SGPS, S.A. | Chairman of the Board of Directors |
| SODIM, SGPS, S.A. | Chairman of the Board of Directors |
| TEMA PRINCIPAL – SGPS, S.A. | Sole Director |
| TERRAÇOS D’AREIA – SGPS, S.A. | Chairman of the Board of Directors |

Maude Mendonça de Queiroz Pereira Lagos

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|----------------------------|----------|
| YDREAMS - Informática S.A. | Director |
| QP4TH Consulting, S.A. | Director |

José Alfredo de Almeida Honório

Office held in other companies belonging to the same group as Semapa:

| | |
|--------------------------------------|----------|
| ABOUTBALANCE SGPS S.A. | Director |
| CELCIMO, S.L. | Director |
| GREAT EARTH – Projectos, S.A. | Director |
| INSPIREDPLACE, S.A. | Director |
| SEINPART - Participações, SGPS, S.A. | Director |
| SEMINV - Investimentos, SGPS, S.A. | Director |

Office held in other companies:

| | |
|---|--------------------------------------|
| ABOUT THE FUTURE – Empresa Produtora de Papel, S.A. | Director and Chief Executive Officer |
| CIMINPART - Investimentos e Participações, SGPS, S.A. | Director |
| CMP - Cimentos Maceira e Pataias, S.A. | Director |
| COLOMBO ENERGY, INC. | Chairman of the Board of Directors |

| | |
|--|---|
| COUNTRYTARGET, SGPS, S.A. | Chairman of the Board of Directors |
| EUCALIPTUSLAND, S.A. | Chairman of the Board of Directors |
| PORTUCEL, S.A. | Director and Chief Executive Officer |
| PORTUCELPAPEL SETÚBAL S.A. | Chairman of the Board of Directors |
| PORTUCEL FLORESTAL – Emp. de Desenv. Agroflorestal, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Energia, SGPS, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL FINE PAPER, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL FLORESTAL, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Internacional Ltd. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Internacional, SGPS, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Papel – SGPS, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Parques Industriais, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Participações, SGPS, S.A. | Chairman of the Board of Directors |
| PORTUCELSOPORCEL Pulp, SGPS, S.A. | Chairman of the Board of Directors |
| PORTUCEL SOPORCEL SALES & MARKETING S.A. | Director |
| PORTUCELSOPORCEL Switzerland Ltd | Director and Chief Executive Officer |
| PORTUCEL FINANCE spółka z ograniczoną odpowiedzialnością | Chairman of the Board of Directors |
| SECIL - Companhia Geral de Cal e Cimento, S.A. | Director |
| SOPORCEL – Sociedade Portuguesa de Papel, S.A. | Director and Chief Executive Officer |
| SOPORCEL PULP, S.A. | Chairman of the Board of Directors |
| CELPA – Associação da Indústria Papeleira | Chairman of the General Board and member of Executive Board |
| CEPI – Confederation of European Paper Industries | Director and Member of Executive Board |

Francisco José Melo e Castro Guedes

Office held in other companies belonging to the same group as Semapa:

| | |
|--------------------------------------|----------|
| ABOUTBALANCE SGPS S.A. | Director |
| CELCIMO, S.L. | Director |
| GREAT EARTH – Projectos, S.A. | Director |
| INSPIREDPLACE, S.A. | Director |
| SEINPART - Participações, SGPS, S.A. | Director |
| SEMINV - Investimentos, SGPS, S.A. | Director |

SEMAPA Inversiones, S.L.

Chairman of the Board of Directors

Office held in other companies:

ABOUT THE FUTURE – Empresa Produtora de Papel, S.A.

Director

CMP- Cimentos Maceira e Pataias, S.A.

Director

CIMENT DE SIBLINE S.A.L.

Director

CIMIGEST, SGPS, S.A.

Director

CIMINPART - Investimentos e Participações, SGPS, S.A.

Director

CIMO – Gestão de Participações Sociais, S.A.

Director

LONGAPAR, SGPS, S.A.

Chairman of the Board of Directors

MARGEM – Companhia de Mineração

Director

PORTUCEL, S.A.

Director

SECIL - Companhia Geral de Cal e Cimento, S.A.

Director

SUPREMO CIMENTOS, S.A.

Chairman of the Board of Directors

SOPORCEL – Sociedade Portuguesa de Papel, S.A.

Director

UNICONCRETO – Betão Pronto, S.A.

Director

José Miguel Pereira Gens Paredes

Office held in other companies belonging to the same group as Semapa:

ABAPOR - Comércio e Indústria de Carnes, S.A.

Chairman of the Board of Directors

ABOUTBALANCE SGPS S.A.

Director

Aprovechamiento Integral de Subproductos Ibéricos, S.A.

Director

BIOLOGICAL - Gestão de Resíduos Industriais, Lda.

Manager

CELCIMO, S.L.

Director

ETSA Investimentos, SGPS, S.A.

Chairman of the Board of Directors

ETSA LOG, S.A.

Chairman of the Board of Directors

GREAT EARTH – Projectos, S.A.

Director

INSPIREDPLACE, S.A.

Director

I.T.S. - Indústria Transformadora de Subprodutos, S.A.

Chairman of the Board of Directors

SEBOL - Comércio e Indústria de Sebo, S.A.

Chairman of the Board of Directors

SEINPART - Participações, SGPS, S.A.

Director

SEMINV - Investimentos, SGPS, S.A.

Director

Office held in other companies:

ABOUT THE FUTURE – Empresa Produtora de Papel, S.A.

Director

| | |
|---|----------|
| CIMINPART - Investimentos e Participações, SGPS, S.A. | Director |
| PORTUCEL, S.A. | Director |
| SECIL - Companhia Geral de Cal e Cimento, S.A. | Director |
| SOPORCEL – Sociedade Portuguesa de Papel, S.A. | Director |
| CIMIPAR – Sociedade Gestora de Participações Sociais, S.A. | Director |
| MOR ON-LINE – Gestão de Plataformas de Negociação de Resíduos On-Line, S.A. | Director |
| OEM – Organização de Empresas, SGPS, S.A. | Director |

Paulo Miguel Garcês Ventura

Office held in other companies belonging to the same group as Semapa:

| | |
|---|----------|
| ABAPOR - Comércio e Indústria de Carnes, S.A. | Director |
| ABOUTBALANCE SGPS S.A. | Director |
| Aprovechamiento Integral de Subproductos Ibéricos, S.A. | Director |
| BIOLOGICAL - Gestão de Resíduos Industriais, Lda. | Manager |
| CELCIMO, S.L. | Director |
| ETSA Investimentos, SGPS, S.A. | Director |
| ETSA LOG, S.A. | Director |
| GREAT EARTH – Projectos, S.A. | Director |
| INSPIREDPLACE, S.A. | Director |
| I.T.S. - Indústria Transformadora de Subprodutos, S.A. | Director |
| SEBOL - Comércio e Indústria de Sebo, S.A. | Director |
| SEINPART - Participações, SGPS, S.A. | Director |
| SEMAPA Inversiones, S.L. | Director |
| SEMINV - Investimentos, SGPS, S.A. | Director |

Office held in other companies:

| | |
|---|---------------------------------|
| ABOUT THE FUTURE – Empresa Produtora de Papel, S.A. | Director |
| CIMINPART - Investimentos e Participações, SGPS, S.A. | Director |
| PORTUCEL, S.A. | Director |
| SECIL - Companhia Geral de Cal e Cimento, S.A. | Director |
| SOPORCEL – Sociedade Portuguesa de Papel, S.A. | Director |
| ANTASOBRAL - Sociedade Agropecuária, S.A. | Chairman of General Meeting |
| BEIRA-RIO – Sociedade Construtora de Armazéns, S.A. | Chairman of the General Meeting |

| | |
|--|------------------------------------|
| CIMILONGA – Imobiliária, S.A. | Chairman of the General Meeting |
| CIMIPAR – Sociedade Gestora de Participações Sociais, S.A. | Chairman of the Board of Directors |
| ESTRADAS DE PORTUGAL, S.A. | Vice-Chairman of General Meeting |
| GALERIAS RITZ – Imobiliária, S.A. | Chairman of the General Meeting |
| HOTEL RITZ, S.A. | Chairman of the General Meeting |
| LONGAVIA – Imobiliária, S.A. | Chairman of the General Meeting |
| OEM – Organização de Empresas, SGPS, S.A. | Director |
| PARQUE RITZ – Imobiliária, S.A. | Chairman of the General Meeting |
| REFUNDOS – Soc. Gest. de Fundos de Invest. Imobiliário, S.A. | Chairman of the General Meeting |
| SONAGI – Imobiliária, S.A. | Chairman of the General Meeting |
| VÉRTICE – Gestão de Participações, SGPS, S.A. | Chairman of the General Meeting |
| Sociedade Agrícola da Quinta da Vialonga, S.A. | Chairman of the General Meeting |

Rita Maria Lagos do Amaral Cabral

Office held in other companies belonging to the same group as Semapa:

| | |
|---------------|----------|
| CELCIMO, S.L. | Director |
|---------------|----------|

Office held in other companies:

| | |
|---|---------------------------------|
| Companhia Agrícola da Quinta do Duque, S.A. | Chairman of the General Meeting |
| Sociedade Amaral Cabral & Ass. – Soc. de Advogados, RL. | Director |
| Sociedade Agrícola do Margarido, S.A. | Chairman of the General Meeting |
| Banco Espírito Santo, S.A. | Director |

António da Nóbrega de Sousa da Câmara

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|----------------------------|------------------------------------|
| YDREAMS - Informática S.A. | Chairman of the Board of Directors |
| YD YNVISIBLE, S.A. | Director |

Joaquim Martins Ferreira do Amaral

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|--|------------------------------------|
| AEM – Assoc Emp. Emitentes de Valores Cotados em Mercado | Chairman of General Board |
| CIMIGEST, SGPS, S.A. | Director |
| LVT - Lisboa Vista do Tejo | Chairman of the Board of Directors |
| LUSOPONTE – Concessionária para a Travessia do Tejo S.A. | Chairman of the Board of Directors |
| Transdev – Transportes | Consultant |
| Cimo – Gestão de Participações, SGPS, S.A. | Director |
| Longapar, SGPS, S.A. | Director |

António Pedro de Carvalho Viana-Baptista

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|---|--|
| Credit Suisse AG (for Spain and Portugal) | CEO |
| JERÓNIMO MARTINS SGPS, S.A. | Director and Member of the Audit Committee |
| Largo Ltd | Chairman of the Board of Directors |
| Arica B.V. | Director |
| Jasper Wireless Inc. | Director |

Vítor Manuel Galvão Rocha Novais Gonçalves

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|--|----------|
| ZOOM INVESTMENT, SGPS, S.A. | Director |
| TCARE - Conhecimento e Saúde, S.A. | Director |
| MAGALHÃES e GONÇALVES - Consultoria e Gestão, Lda. | Manager |

c) Committees belonging to the management or supervisory bodies and managing directors

27. Identification of committees set up by the Board of Directors, the General and Supervisory Board and the Executive Board of Directors, as the case may be, and place where the rules of procedure may be consulted

The following committees exist in the company within the Board of Directors: Executive Board, Internal Control

Committee, Corporate Governance Supervisory Committee and the Strategy Committee.

All the committees have rules of procedure, access to which is reserved for the company.

28. Composition, if applicable, of the executive board and/or identification of the managing director(s).

The Executive Board comprises the following members:

Pedro Mendonça de Queiroz Pereira, who chairs the board;
Francisco José Melo e Castro Guedes;
José Miguel Pereira Gens Paredes; and
Paulo Miguel Garcês Ventura.

29. Indication of the powers of each of the committees created and summary of the activities carried on the exercise of these responsibilities.

The powers of the Executive Board are described in item 21 of this report.

The ICC has the following powers and responsibilities:

- a) To assure compliance by the company with the entire regulatory framework applicable to it, deriving both from law and regulations;
- b) To monitor the company's business affairs, with integrated and permanent analysis of the risks associated with these affairs;
- c) To propose and follow through the implementation of specific measures and procedures relating to the control and reduction of the company's business risks, with a view to perfecting the internal risk control and management system, involving at least the following components:
 - Setting strategic aims for the company in terms of risk-taking;
 - Identifying the main risks associated with the specific business carried on and the events which may give rise to risks;
 - Analysis and measurement of the impact and likelihood of the occurrence of each of the potential risks;
 - Risk management with a view to aligning the risks effectively run with the company's strategic options on risk-taking;
 - Procedures for monitoring the execution of risk management measures adopted and their effectiveness;
 - Adoption of internal reporting and notification procedures on the various system components and for risk alerts.
- d) To check implementation of the adjustments to the internal control and risk management system proposed by the Audit Board;
- e) To monitor the quality of financial and accounting information, taking steps to ensure that it is reliable; and
- f) To issue its opinion on the choice of external auditors and to monitor their independence.

The Strategy Committee has the following powers and responsibilities:

- a) To cooperate in long term strategic planning, including identification and setting of strategic aims for business development and implementation of initiatives for growth;
- b) To advise, by drawing up recommendations, and to discuss the company’s strategic options;
- c) To oversee the company’s strategic options, proposing, if necessary, the approval of specific measures and procedures for developing, adopting and modifying the strategies adopted; and
- d) To analyze and assess the evolution of the impact of external factors, such as changes in the economy, competition and technology, on the group’s overall strategy.

The CGSC monitors on a continuous basis the company’s compliance with the provisions of the law, regulations and articles of association applicable to corporate governance, and is responsible for critical analysis of the company’s practices and procedures in the field of corporate governance and for proposing for debate, altering and introducing new procedures designed to improve the structure and governance of the company. The CGSC is required to submit a full annual report to the Board of Directors on corporate governance, together with any proposals for changes, as it sees fit.

III. AUDITING

a) Composition

30. Identification of the supervisory body corresponding to the model adopted.

The company’s affairs are supervised by the Audit Board and the Statutory Auditor, in accordance with Article 413.1 b) of the Companies Code.

31. Composition, as applicable, of the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs, indicating the minimum and maximum numbers of members and duration of their term of office, as established in the Articles of Association, number of full members, date of first appointment and end date of the term of office of each member; reference may be made to the item in the report where this information is contained in accordance with paragraph 17.

As established in the Articles of Association, the Audit Board consists of three to five full members, one of which serves as Chairman with a casting vote, and of one or two alternate members, depending on whether there are three or more full members, all holding office for four year terms.

| Members of the Audit Board | Date of first appointment and end date of term of office: |
|--|---|
| Miguel Camargo de Sousa Eiró (Chairman) | 2006-2013 |
| Duarte Nuno d’Orey da Cunha | 2004-2013 |

| Members of the Audit Board | Date of first appointment and end date of term of office: |
|--|---|
| (Full member) | |
| Gonçalo Nuno Palha Gaio Picão Caldeira | 2006-2013 |
| (Full member) | |
| Marta Isabel Guardalino da Silva Penetra | 2006-2013 |
| (Alternate member) | |

32. Identification, as applicable, of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs who are deemed independent, in accordance with Article 414.5 of the Companies Code; reference may be made to the item in the report where this information is contained in accordance with paragraph 18.

All the members of the Audit Board are independent in accordance with the criteria set down in Article 414.5 of the Companies Code. This understanding was reinforced by the opinion of the Securities Market Commission of 12 November 2011, which concluded that only the third "re-election" of members of the audit board, for a fourth term of office, causes them not to meet the independence criterion.

33. Professional qualifications, as applicable, of each of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs and other relevant biographical details; reference may be made to the item in the report where this information is contained in accordance with paragraph 21.

| Members of the Audit Board | Professional qualifications and other relevant biographical details |
|--|---|
| Miguel Camargo de Sousa Eiró (Chairman) | Degree in Law from Faculty of Law, University of Lisbon |
| Duarte Nuno d'Orey da Cunha (Full member) | Degree in Finance, ISCEF |
| Gonçalo Nuno Palha Gaio Picão Caldeira (Full member) | Degree in Law from Portuguese Catholic University, Master of Business Administration (MBA) from Universidade Nova de Lisboa, and attendance of Post-graduate course in Real Estate management and valuation, ISEG |
| Marta Isabel Guardalino da Silva Penetra (Alternate member) | Degree in Management from Instituto Superior de Economia e Gestão, Post-graduate studies in Advanced Banking management (ISGB/UCP) |

b) Functioning

34. Existence and place where the rules of procedure may be consulted for the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs, as the case may be; reference may be made to the item in the report where this information is contained in accordance with paragraph 22.

The audit board has rules of procedure which are published on the company website (www.semapa.pt), where they may be consulted.

35. Number of meetings held and rate of attendance at meetings of the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs, as the case may be; reference may be made to the item in the report where this information is contained in accordance with paragraph 23.

In the financial year 2013, the Audit Board met 8 times, with all members present at all meetings.

36. Availability of each of the members of the Audit Board, the Audit Committee, the General and Supervisory Board or the Committee for Financial Affairs, as the case may be, indicating office held simultaneously in other companies, inside and outside the group, and other relevant activities carried on by the members of these bodies during the period; reference may be made to the item in the report where this information is contained in accordance with paragraph 26.

The members of the Audit Board have the appropriate time available to perform the duties entrusted to them.

The members of the Audit Board hold office in other companies as detailed below:

Miguel Camargo de Sousa Eiró

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

PORTUCEL, S.A.

Chairman of the Audit Board

SECIL - Companhia Geral de Cal e Cimento, S.A.

Chairman of the Audit Board

Duarte Nuno D'Orey da Cunha

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|--|---------------------------|
| PORTUCEL, S.A. | Member of the Audit Board |
| Secil – Companhia Geral de Cal e Cimento, S.A. | Member of the Audit Board |
| VÉRTICE – Gestão de Participações, SGPS, S.A. | Director |

Gonçalo Nuno Palha Gaio Picão Caldeira

Office held in other companies belonging to the same group as Semapa: No office held in other companies belonging to the same group as Semapa

Office held in other companies:

| | |
|---|---------------------------|
| PORTUCEL, S.A. | Member of the Audit Board |
| Secil – Companhia Geral de Cal e Cimento, S.A. | Member of the Audit Board |
| LOFTMANIA – Gestão Imobiliária, Lda. | Manager |
| LINHA DO HORIZONTE – Investimentos Imobiliários, Lda. | Manager |

c) Powers and responsibilities

37. Description of the procedures and criteria applicable to the work of the supervisory body for the purposes of contracting additional services from the external auditor.

In the exercise of its powers relating to the provision of additional services by the external auditor, the Audit Board analyzes the additional services and proposals submitted by the external auditor for provision of the same as transmitted to them by the directors, seeking to safeguard, essentially, that the independence and impartiality of the external auditor needed for the provision of audit services is not undermined and that the additional services are provided to a high standard of quality and independence.

38. Other duties of the supervisory bodies and, if applicable, of the Committee for Financial Affairs.

As stated above, the Audit Board has the duties established in law, in particular those stated in Article 420 of the Companies Code, as well as those indicated in the Rules of Procedure of the Audit Board, which are:

- To oversee the management of the company;
- To ensure compliance with the law and the articles of association;
- To check that books, accounting records and the respective supporting documents are in order;
- To check, as and when it sees fit, the state of cash and inventories of any type of goods or valuables belonging to the company or received by the same as security, deposit or on another basis;
- To check the accuracy of financial reporting;
- To check that the accounting policies and valuation criteria adopted by the company lead to a correct valuation of the company's assets and profits or loss;

- To draw up an annual report on its audit activities and to issue its opinion on the report, accounts and motions submitted by the directors;
- To call the general meeting, when the respective chairman fails to do so;
- To monitor the effectiveness of the risk management system, or internal control system and the internal audit system, if any;
- To receive reports of irregularities (whistleblowing) submitted by shareholders, company employees or others;
- To contract the provision of services by experts who assist one or more of its members in the exercise of their duties, which experts shall be contracted and remunerated in line with the importance of the matters entrusted to them and the economic situation of the company;
- To perform any other duties established in law or the articles of association;
- To oversee the process of drafting and disclosure of financial information;
- To propose to the general meeting the appointment of the statutory auditor;
- To oversee the auditing of the company's financial statements and reports;
- To monitor the independence of the statutory auditor, namely with regard to the provision of additional services.

Nonetheless, although the powers of the Audit Board do not expressly include the possibility of proposing dismissal of the auditor to the general meeting, it is fully accepted that these powers derive from its general duties and responsibilities – oversight and notification of irregularities detected to the first general meeting held after such discovery. If the irregularities constitute due cause for dismissal, the Audit Board must inevitably submit a proposal to the shareholders to this effect.

The Audit Board is also the prime point of contact with the External Auditor, with direct access to and knowledge of his work. The company believes that this direct supervision by the Audit Board is possible, without interference from the Board of Directors, in relation to the work carried on by the External Auditor, provided that it does not undermine a prompt and adequate information of the management body, which has ultimate responsibility for the company's affairs and financial statements. Complying with this principle, the External Auditor's reports are addressed to the Audit Board and discussed at joint meetings of this board with a member of the Board of Directors, and the Audit Board ensures that the necessary conditions are in place in the company for the provision of audit services. Regarding the appointment of the External Auditor, the Audit Board proposes its candidate, under the terms of Article 420.2 b) of the Companies Code, and the respective remuneration.

IV. STATUTORY AUDITOR

39. Identification of the statutory audit firm and the partner and statutory auditor representing the same.

Statutory Auditor

Full: PricewaterhouseCoopers & Associados – SROC, Lda, represented by Dr. António Alberto Henriques Assis (ROC) or Dr. César Abel Rodrigues Gonçalves (ROC) (*)

Alternate: Dr. Jorge Manuel Santos Costa (ROC)

(*) It should be noted that, as from 16 January 2014, PricewaterhouseCoopers has been represented by Dr. António Alberto Henriques Assis (ROC) or Dr. José Pereira Alves (ROC)

40. Indication of the consecutive number of years for which the statutory audit firm has held office in the company and/or group.

PricewaterhouseCoopers has held office with the company for 11 consecutive years.

41. Description of other services provided by the statutory auditor to the company.

In addition to legal auditing services, PricewaterhouseCoopers provides the company with tax consultancy and reliability assurance services.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed for the purposes of Article 8 and the partner and statutory auditor representing such firm in the discharge of these duties, together with their respective registration number with the Securities Market Commission.

The company's external auditor and its representative are indicated in item 39, and PricewaterhouseCoopers is registered with the Securities Market Commission under number 9077.

43. Indication of the consecutive number of years for which the external auditor and the respective partner and statutory auditor representing the same in the discharge of these duties has held office in the company and/or group.

The external auditor is the statutory auditor which has held office in the company for 11 years as stated in item 40. The (full) representative of the external auditor, Dr. António Alberto Henriques Assis, has held office with the company for 4 consecutive years, having been appointed for the first time at the start of the present term of office.

44. Policy on rotation of the external auditor and the respective partner and statutory auditor representing the same in the carrying out of these duties, and the respective frequency of rotation.

The company has no policy that requires the rotation of the external auditor or its representative. However, if the Audit Board decides to retain the external auditor for more than two terms of office it must issue a recommendation in favour of such continued appointment.

This was the procedure adopted at the annual general meeting in 2010, when the Audit Board submitted to the shareholders a proposal for retaining the External Auditor, issuing its opinion in a report in which it argued that the

quality of the work performed by PricewaterhouseCoopers and the firm's accrued experienced in the sectors in which Semapa invests outweighed the drawbacks of retaining it. Nonetheless, in line with best international practices, rotation of the partner representing the firm was proposed and approved.

45. Indication of the body responsible for assessing the external auditor and the intervals at which this assessment is conducted.

As part of its supervisory work and auditing of the company's accounts, the Audit Board assesses the external auditor each year, and the result of this assessment is included in its Report and Opinion on the annual accounts.

46. Identification of work, other than audit work, carried out by the external auditor for the company and/or companies in a controlling relationship with it, and indication of the internal procedures for approval of the contracting of these services and indication of the reasons for contracting them.

The services provided by the external auditor are those referred to in item 41 and all additional work was approved in each case by the Audit Board. In relation to tax consultancy services and services other than auditing, our auditors have set strict internal rules to guarantee their independence, and these rules have been adopted in the provision of these services and monitored by the company, in particular by the Audit Board and the Internal Control Committee. It is only decided to appoint the external auditor for services other than audit services when justified by the technical quality of its staff.

47. Indication of the annual remuneration paid by the company and/or controlled, controlling or group entities to the auditor and other individuals or organizations belonging to the same network, specifying the percentage relating to the following services:

| Services | Company | | Group entities (including the company itself) | |
|--|----------------|----------------|---|----------------|
| | Value | Percentage | Value | Percentage |
| Value of auditing services | 93,324 | 88.61% | 1,297,160 | 77.92% |
| Value of reliability assurance services | 6,000 | 5.70% | 260,892 | 15.67% |
| Value of tax consultancy services | 6,000 | 5.70% | 106,638 | 6.41% |
| Value of other services other than auditing services | - | 0.00% | - | 0.00% |
| Total: | 105,324 | 100.00% | 1,664,690 | 100.00% |

NOTE: Figures in Euros

In 2013, services other than audit services contracted by the company or controlling entities from the External Auditor, including by entities belonging to the same corporate group or service network, represented 6.41% of the

total services provided, which percentage is well below the recommended upper limit of 30%. These services consist essentially of support services to safeguard compliance with tax obligations in Portugal and abroad, and are approved by the Audit Board. The Board of Directors and the Audit Board consider that the contracting of these services is justified by the External Auditor's accrued experience in the sectors in which the company operates and by the quality of its work, in addition to the fact that there are sufficient procedures in place to safeguard the independence of the auditors, through careful definition of the services required at the contracting stage.

C. INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to amendment of the articles of association (Article 245-A.1 h)).

There are no specific rules at Semapa on the amendment of the Articles of Association, and the general supplementary rules contained in the Companies Code therefore apply here.

II. NOTIFICATION OF IRREGULARITIES (WHISTLEBLOWING)

49. Whistleblowing - procedures and policy

The company has a set of "Regulations on Notification of Irregularities", which govern the company's procedures that employees can use to report irregularities allegedly taking place within the company.

These regulations lay down the general duty to report alleged irregularities, requiring that such reports are made to the Audit Board, and also provide for an alternative solution in the event of conflicts of interests on the part of the Audit Board regarding to the report in question.

The Audit Board, which may be assisted for these purposes by the Internal Control Committee, shall investigate all facts necessary for assessment of the alleged irregularity. This process ends with the report being filed or submitted to the Board of Directors or the Executive Board, depending on whether a company officer is implicated or not, a proposal for application of the measures most appropriate in light of the irregularity in question.

The regulations also contain other provisions designed to safeguard the confidentiality of the disclosure and non-prejudicial treatment of the employee reporting the irregularity, as well as rules on providing information on the regulations throughout the company.

Access to the "Regulations on Notification of Irregularities" is reserved.

The Company also has a set of "Principles of Professional Conduct", approved by the Board of Directors. This document establishes ethical principles and rules applicable to company staff and officers.

In particular, this document establishes the duty of diligence, requiring professionalism, zeal and responsibility, the duty of loyalty, which in relation to the principles of honesty and integrity is especially geared to safeguard conflict of interest situations, and the duty of confidentiality, in relation to the treatment of relevant information.

The document also establishes duties of corporate social responsibility, namely of environmental conservation and

protection of all shareholders, ensuring that information is fairly disclosed, and all shareholders treated equally and fairly.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. People, bodies or committees responsible for internal audits and/or implementation of internal control systems.

Although the company has no specific independent structure for internal audits, internal control and risk management are conducted by the Board of Directors, the Audit Board, the External Auditor and through an organizational unit with special responsibilities in this area, the Internal Control Committee (ICC).

51. Description of the lines of command in this area in relation to other bodies or committees; an organizational chart may be used to provide this information

The lines of command are shown in the organizational chart in item 21 of this report, and the responsibilities of the bodies and committees involved are better described in item 54.

52. Existence of other departments with responsibilities in the field of risk control.

There are no other departments with responsibilities in the field of risk control.

53. Identification of the main risks (economic, financial and legal) to which the company is exposed in the course of its business.

Chapter 2 of the notes to the consolidated financial statements provides a detailed analysis of all financial and operational risks, including foreign exchange risk, interest rate risk, credit risk, liquidity risk, price risk, raw material supplies risk, sales price risk, risk of product demand, risk of competition, risk of environmental legislation, human resources risk, energy cost risk and economic and market risks in general.

With regard to legal risks, which are not detailed in the same way in the notes to the financial statements, it is important to point out that they derive essentially from tax and regulatory risks which are covered by the analysis of operational risks, specific general liability risks or risks relating to the negotiation and conclusion of contracts. These risks are controlled by legal counsels both in Semapa as the holding company and in its subsidiaries, and through recourse to external lawyers whenever justified by their particular expertise, the amount at stake or other factors in specific cases.

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

The Audit Board plays a particularly important role in this field, with all the powers and responsibilities assigned to it directly by law.

The main purpose of the ICC is to detect and control all relevant risks in the company's affairs, in particular financial

risks, and the Committee has the responsibilities and powers described in item 21.

In addition to the important role played by the Audit Board in this field, internal procedures for risk control are also particularly important in each of the company's main subsidiaries. The nature of the risks and the degree of exposure vary from company to company, and each subsidiary therefore has its own independent system for controlling the risks to which it is subject to.

Independent audits of Semapa and the companies it controls are carried out by PricewaterhouseCoopers. The company's External Auditor checks, in particular, the application of remuneration policies and systems, and the effectiveness and workings of internal control procedures through the information and documents provided by the company, and in particular by the Remuneration Committee and the Internal Control Committee. The respective conclusions are reported by the External Auditor to the Audit Board which then reports the shortcomings detected, if any.

The implemented internal control and risk management systems have proven to be effective, and no situations have so far arisen which have not been anticipated, duly guarded against or expressly accepted in advance as controlled risks.

As stated above, in addition to its own powers in this field and in order to safeguard against the acceptance of excessive risks by the company, the Board of Directors created the ICC which, in accordance with the responsibilities defined by the Board of Directors, is responsible for assuring internal control and risk management. The Audit Board is responsible for overseeing the effectiveness of the risk management system and the internal control system, proposing adjustments to the existing system whenever necessary, being the ICC responsible for implementing these adjustments. Finally, it should be noted that these systems are monitored and overseen at all times by the Board of Directors, which has ultimate responsibility for the company's internal activities.

55. Main elements of the internal control and risk management systems implemented in the company with regard to the process of disclosure of financial information (Article 245-A.1 m)).

The disclosure of financial information is the responsibility of the market relations officer and, where applicable, it falls to the Audit Board, the Internal Control Committee and the External Auditor to assess the quality, reliability and completeness of the financial information approved by the company's Board of Directors and drawn up by the Financial and Accounts and Tax departments.

The process of preparing financial information is subject to an internal control system and to rules which are designed to assure that the accounting policies adopted by the company are properly and consistently applied and that the estimates and judgements used in preparing this information are reasonable.

With regard to internal control procedures for the process of disclosing financial information, the company has implemented rules which are intended to assure that disclosures are made in good time and to mitigate the risk of unevenness in the information provided to the market.

IV. INVESTOR SUPPORT

56. Office responsible for investor support, composition, functions, information provided and contact details

The investor support service is provided by an office reporting to the director José Miguel Paredes. This office is adequately staffed and enjoys swift access to all sectors of the company, in order to ensure an effective response to requests, and also to transmit relevant information to shareholders and investors in due time and without any inequality.

Dr. José Miguel Gens Paredes can be contacted through his email address (jmparedes@semapa.pt) or on the company's general telephone numbers. All public information regarding the company can be accessed by these means. It should be noted, in any case, that the information most frequently requested by investors is available at the company's website at www.semapa.pt.

57. Market relations officer

The market relations officer is Dr. José Miguel Paredes.

58. Information on the number of enquiries received in the period or pending from previous periods, and enquiry response times.

Semapa receives various types of enquiries, which are normally answered within 24 hours of receipt, although some enquiries, because of their breadth, scope and/or complexity, necessarily take longer to process. There are also specific times of the year when Semapa receives more enquiries, in particular in the run-up to general meetings and the payment of dividends, when response times may sometimes be longer. There are no enquiries pending from previous years.

V. WEBSITE (59 TO 65)

| Description | Internet address |
|--|--|
| 59. Semapa Website | www.semapa.pt |
| 60. Address where information is provided on the company's name, public company status, registered office and other data required by Article 171 of the Companies Code | www.semapa.pt/en/location |
| 61. Address where the articles of association and rules of procedures of company boards and/or committees can be consulted | www.semapa.pt/sites/default/files/pdf_pb/estatutos_semapa_en.pdf www.semapa.pt/sites/default/files/pdf_pb/reg_cons_fisc_en.pdf www.semapa.pt/sites/default/files/pdf_pb/reg_cons_admin_en.pdf |

| Description | Internet address |
|---|--|
| 62. Address where information is provided on the identity of company officers, market relations officer, the Investor Support Office or equivalent structure, respective powers and responsibilities and contact details | www.semapa.pt/en/company-officers www.semapa.pt/en/investor-support-office |
| 63. Address for consultation of financial statements and reports, which must be accessible for no less than five years, together with the six-monthly corporate diary, disclosed at the start of each semester, including, amongst other things, general meetings, disclosure of annual, half-yearly and, if applicable, quarterly accounts | www.semapa.pt/en/demonstracoes-financeiras www.semapa.pt/en/eventos |
| 64. Address where notice of general meetings is posted, together with all preparatory information and subsequent information related to meetings | www.semapa.pt/en/general-meeting-may-31-2013 |
| 65. Address for consultation of historical archives, with resolutions adopted at the company's general meetings, the share capital represented and the results of votes, for the past three years | www.semapa.pt/en/ag-arquivo |

D. REMUNERATION

I. POWERS TO DETERMINE REMUNERATION

66. Indication of powers to set the remuneration of company officers, members of the executive board or managing director and the company managers.

Powers to determine the remuneration of the Board of Directors and the Audit Board lie with the Remuneration Committee.

Powers to determine the remuneration of company managers lie with the Board of Directors.

II. REMUNERATION COMMITTEE

67. Composition of the remuneration committee, including identification of individuals or organizations contracted to provide support, and declaration regarding the independence of each member and adviser.

The Remuneration Committee currently comprises Messrs. José Gonçalo Maury and Frederico José da Cunha Mendonça e Meneses.

The Commission usually comprises three members, but Ms. Sofia Frère resigned from the committee in September 2013.

The Remuneration Committee has never contracted any advisers.

Regarding the members of the committee, the Company considers them to be independent, except for Mr. Frederico da Cunha, for the reasons mentioned below.

Frederico da Cunha is no longer considered independent due to his appointment as member of the Board of Directors of Sodim, SGPS, S.A., during the course of 2013, company to which 51.12% of the non suspended voting rights are allocated, according to item 7 above.

With regard to José Maury, the company he represents, Egon Zehnder, provided services in 2013 to subsidiaries of Semapa, by completing projects originating in previous periods, with no new projects being started in the period. However the scale of these services is not such as could undermine the independence of this member of the committee.

Finally, Dr. Sofia Frère was also independent at all time, there existing no circumstance which could undermine the impartiality of her analysis or decisions. We would clarify however that, although she holds office in a number of companies in the Santander group, Semapa's commercial dealings with Santander do not fall within the scope of her responsibilities.

68. Expertise and experience of the members of the remuneration committee in the field of remuneration policy.

One of the members of the Remuneration Committee, José Maury has extensive knowledge and experience in the field of remuneration policy.

III. REMUNERATION STRUCTURE

69. Description of the remuneration policy for members of the management and supervisory bodies as referred to in Article 2 of Law no. 28/2009, of 19 June.

The remuneration policy for members of the management and supervisory bodies is set out in the Remuneration Policy Statement issued by the Remuneration Committee and contained in Annex II to this Report.

70. Information on how remuneration is structured in order to align the interests of members of the management body with the long term interests of the company, and on how it is based on performance assessment and discourages excessive risk-taking.

The way in which remuneration is structured and how it is based on the directors' performance follows with sufficient clarity the Remuneration Policy Statement of the Remuneration Committee, specifically item 1 of chapter VI, to which we make reference, and from the references to performance assessment included in item 25 above.

Regarding the discouragement of excessive risk-taking, we should clarify that there is no separate mechanism in place

with this specific aim. Risk is an intrinsic characteristic of any act of management and, as such, it is unavoidably and continuously considered in all management decisions. A quantitative or qualitative assessment of risk as good or bad cannot be made autonomously, but only in the light of its impact on company's performance over the time. Nonetheless, the factors considered by the Remuneration Committee also include any excessive risk-taking.

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

The remuneration of executive directors includes a variable component which depends on a performance assessment, as described in the Remuneration Policy Statement, in particular in item 2 of chapter VI.

There are no upper limits to remuneration, notwithstanding the limit set by the articles of association on directors' profit sharing.

In the case of non-executive directors, variable remuneration is sometimes awarded, albeit more exceptionally, in line not with the performance or value of the company, but rather with the outcome of the performance of management tasks closer in nature to executive duties.

The remuneration of the members of the Audit Board includes no variable component.

72. Deferred payment of the variable component of remuneration, indicating the deferral period.

Payment of the variable component of remuneration is not deferred at Semapa.

73. Criteria applied in allocating variable remuneration in shares and on the continued holding by executive directors of these shares, on any contracts concluded with regard to these shares, specifically hedging or transferring risk, the respective limits and the respective proportion represented of total annual remuneration.

At Semapa, the variable remuneration has no component consisting of shares.

74. Criteria applied in allocating variable remuneration on options and indication of the deferral period and the price for exercising options.

At Semapa, the variable remuneration has no component consisting of options.

75. Main parameters and grounds for any annual bonus system and any other non-cash benefits.

The criteria for setting annual bonuses are those related to the variable remuneration, as described in item 2 of chapter VI of the Remuneration Policy Statement, and no other non-cash benefits are allocated.

76. Main features of complementary or early retirement schemes for directors and the date of approval by the general meeting, on an individual basis.

The extraordinary general meeting of 27 December 2012 approved the abolition of the pension scheme for Semapa's directors in force up to that date, which had been unanimously approved by the shareholders at the general meeting of 30 March 2005; the scheme was wound up whilst safeguarding the legitimate rights and expectations in existence.

The resolution approved provided for the extinction of the rights and expectations already constituted, with regard to the individuals covered by the scheme who so agreed, by means of redemption with a discount, which was eventually set at 20% of the actuarial liability at the date on which the pension scheme was wound up. The winding up of the scheme was accepted by all those concerned, except for Frederico José da Cunha Mendonça e Meneses, who retains the retirement pension from the company.

IV. DISCLOSURE OF REMUNERATION

77. Indication of the annual remuneration earned from the company, on an aggregate and individual basis, by the members of the company's management body, including fixed and variable remuneration and, in relation to the latter, reference to the different components.

Below we indicate the remuneration earned in 2013, paid by Semapa to the members of the company's management body, distinguishing between fixed and variable remuneration, but without a breakdown of the different components of the latter, insofar as it is set as a whole, taking into account the factors described in the Remuneration Policy Statement issued by the Remuneration Committee, without identifying components.

| Board of Directors | Remuneration | Remuneration |
|--|---------------------|---------------------|
| | Fixed | Variable |
| Pedro Mendonça de Queiroz Pereira | 430,308.43 | 1,339,800.00 |
| Maude Mendonça de Queiroz Pereira Lagos | 430,308.43 | – |
| José Alfredo de Almeida Honório | 266,153.86 | 1,030,627.00 |
| Francisco José Melo e Castro Guedes | 61,781.31 | 127,446.00 |
| José Miguel Pereira Gens Paredes | 269,708.06 | 1,147,016.00 |
| Paulo Miguel Garcês Ventura | 270,469.75 | 1,079,318.00 |
| Rita Maria Lagos do Amaral Cabral | 4,901.31 | – |
| António da Nóbrega de Sousa da Câmara | 8,168.85 | – |
| Joaquim Martins Ferreira do Amaral | 226,772.85 | – |
| António Pedro de Carvalho Viana-Baptista | 128,305.13 | – |
| Vítor Manuel Galvão Rocha Novais Gonçalves | 128,305.13 | – |
| TOTAL | 2,225,183.11 | 4,724,207.00 |

NOTE: Figures in Euros

78. Amounts paid on any basis by other controlled, controlling or group companies or companies under common control.

It should be clarified that the amounts referred to in this item do not relate only to companies controlled by Semapa. They also include amounts over which Semapa and its officers have no control, as they are the concern of its shareholders, the shareholders of shareholders and other companies controlled by shareholders, where a controlling relationship is involved. The total amount paid by all companies controlled by or controlling Semapa, and by companies under common control, is 7,400,541.67 euros.

79. Remuneration paid in the form of profit sharing and/or payment of bonuses, and the grounds on which these bonuses and/or profit sharing were granted.

The amount of the remuneration paid in the form of profit-sharing and/or payment of bonuses corresponds to the variable remuneration referred to in item 77 of this report, which amounts were determined by the Remuneration Committee based on the actual application, as explained more fully in its report, of the criteria described in item 2 of chapter VI of the Remuneration Policy Statement.

80. Compensation paid or owing to former executive directors in relation to termination of their directorships during the period.

No compensation was paid or is due to former executive directors for termination of their directorships.

81. Indication of the annual remuneration earned, on an aggregate and individual basis, by the members of the company's supervisory body, for the purposes of Law 28/2009, of 19 June.

| Audit Board | Remuneration Fixed | Variable Remuneration |
|--|--------------------|-----------------------|
| Miguel Camargo de Sousa Eiró | 19,958.57 | – |
| Duarte Nuno d'Orey da Cunha | 14,256.13 | – |
| Gonçalo Nuno Palha Gaio Picão Caldeira | 14,256.13 | – |
| TOTAL | 48,470.83 | – |

NOTE: Figures in Euros

82. Indication of remuneration earned in the reporting period by the chairman of the general meeting.

During the financial year of 2013, the Chairman of the General Meeting earned 6,000.00 euros.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

83. Contractual limits for compensation payable for the unfair dismissal of directors and the respective relationship with the variable remuneration component;

Semapa has no contract with directors limiting or otherwise altering the supplementary legal rules on fair or unfair termination.

84. Reference to the existence and description of agreements between the company and directors or managers, as defined by Article 248-B.3 of the Securities Code, which provide for compensation in the event of resignation, dismissal without due cause or termination of employment contract as a result of a change of control of the company, indicating the amounts involved. (Article 245.-A.1 l)).

There are also no agreements between the company and the company officers or managers providing for compensation in the event of resignation, unfair dismissal or redundancy as the result of a takeover.

The company does not enter into any contracts with directors with the effect of mitigating the risk inherent to the variability of the remuneration set by the company. With regard to the conclusion of contracts of this type by directors with third parties, the company does not encourage this, nor is there any director who has done so.

VI. STOCK OR STOCK OPTION PLANS

85. Identification of plan and beneficiaries

The company has no stock or stock option plans.

86. Description of plan (terms of allocation, non-transfer of share clauses, criteria on the price of shares and the price of exercising options, the period during which the options may be exercised, the characteristics of the shares to be distributed, the existence of incentives to purchase shares and/or exercise options)

Not applicable.

87. Stock option rights allocated to company employees and staff.

Not applicable.

88. Control mechanisms in an employee ownership scheme insofar as voting rights are not directly exercised by employees (Article 245-A.1 e)).

There is no employee ownership scheme in Semapa.

E. RELATED PARTY TRANSACTIONS

I. CONTROL MECHANISMS AND PROCEDURES

89. Procedures implemented by the company for controlling related party transactions (reference is made for this purpose to the concept deriving from IAS 24).

The company has established the procedures and criteria referred to in item 91 for transactions with holders of qualifying holdings.

90. Indication of transactions subject to control during reporting period

In 2013, no transactions were subject to control given that, through application of the criteria referred to in item 91 below, none of the company's transactions with the qualifying shareholders, or with entities in any way related to such shareholders, as defined in Article 20 of the Securities Code, were subject to prior clearance from the Audit Board. There were no transactions between the company and qualifying shareholders outside of regular market conditions.

91. Description of the procedures and criteria applicable to intervention by the supervisory body for the purposes of prior assessment of transactions to be carried out between the company and qualifying shareholders or related entities, under Article 20 of the Securities Code.

The Board of Directors must subject to review and prior opinion of the Audit Board the transactions between the company and qualifying shareholders or entities in any way related to these shareholders, as defined in Article 20 of the Securities Code, whenever one of the following criteria is met with regard to each period:

- a) When such transactions have a value greater than or equal to 1% of the company's consolidated turnover in the previous year;
- b) When the accrued value, with regard to the same qualifying shareholder, or entity related to the same in any way, as defined in Article 20 of the Securities Code, is greater than or equal to double the amount resulting from application of the criteria referred to in the preceding sub-paragraph.

II. DETAILS OF TRANSACTIONS

92. Indication of the place in the financial reports and account where information is available on related party transactions, in accordance with IAS 24, or, alternatively, reproduction of this information.

Information on related party transactions is contained in note 35 of the consolidated financial statements and note 28 of the individual financial statements.

Part II – Assessment of Corporate Governance

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

Semapa has adopted the 2013 Corporate Governance Code of the Securities Market Commission due to the natural evolution from the 2010 Corporate Governance Code of the same body, adopted in the past by Semapa.

The code adopted is disclosed by the Securities Market Commission and may be consulted at:

<http://www.cvm.pt/en/recomendacao/recomendacoes/Pages/default.aspx>

2. ANALYSIS OF COMPLIANCE WITH THE ADOPTED CORPORATE GOVERNANCE CODE

The following table indicates the recommendations adopted and not adopted. For the recommendations adopted, we indicate only the place in the report where detailed information is contained. For recommendations not adopted, information is provided below the table on the respective grounds for non-adoption and any alternative measures taken.

| # | Adoption | Text | Reference |
|--|----------------|--|-------------------------|
| I. Voting and Corporate Control | | | |
| I.1 | Adopted | Companies shall encourage shareholders to attend and vote at general meetings and shall not set an excessively large number of shares required for the entitlement to one vote, and implement the means necessary to exercise the right to vote by mail and electronically. | Part I, items 12 and 13 |
| I.2 | Adopted | Companies shall not adopt mechanisms that hinder the passing of resolutions by shareholders, including fixing a quorum for resolutions greater than that provided for by law. | Part I, item 14 |
| I.3 | Adopted | Companies shall not establish mechanisms intended to cause mismatching between the right to receive dividends or the subscription of new securities and the voting right of each common share, unless duly justified in terms of long-term interests of shareholders. | Part I, item 12 |
| I.4 | Not applicable | The company's articles of association that provide for the restriction of the number of votes that may be held or exercised by a single shareholder, either individually or in concert with other shareholders, shall also provide for a resolution by the General Assembly (5 year intervals), on whether that statutory provision is to be amended or prevails – without increased quorum requirements in addition to those required by law – and that in said resolution, all votes issued be counted, without applying said restriction. | Part I, item 13 |

| # | Adoption | Text | Reference |
|-----|----------|--|----------------|
| I.5 | Adopted | Measures shall not be adopted that require payment or acceptance of charges by the company in the event of change of control or change in the composition of the Board and that which appear likely to impair the free transfer of shares and free assessment by shareholders of the performance of Board members. | Part I, item 4 |

II. Supervision, Management and Oversight

II.1 Supervision and Management

| | | | |
|-----------|----------------|--|--|
| II.1.1. | Adopted | Within the limits established by law, and except due to the small size of the company, the board of directors shall delegate the day-to-day management of the company and said delegated powers shall be identified in the Annual Report on Corporate Governance. | Part I, items 21, 28 and 29 |
| II.1.2 | Not adopted | The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the company, ii) define business structure of the group iii) decisions considered strategic due to the amounts, risk and particular characteristics involved. | Explanation of Recommendations not adopted below |
| II.1.3 | Not applicable | The General and Supervisory Board, in addition to its supervisory duties supervision, shall take full responsibility at corporate governance level, and a requirement shall therefore be enshrined, in the articles of association or by equivalent means, that this body shall pronounce on the strategy and major policies of the company, the definition of the corporate structure of the group and the decisions that are to be considered strategic due to the amounts or risk involved. This body shall also assess compliance with the strategic plan and the implementation of key policies of the company. | Part I, item 15 |
| II.1.4 a) | Not adopted | Except for small-sized companies, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall create the necessary committees in order to: a) Ensure competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other committees. | Explanation of Recommendations not adopted below |
| II.1.4 b) | Adopted | b) Reflect on the governance system, structure and practices adopted, verify their effectiveness and propose to the competent bodies, measures to be implemented with a view to their improvement. | Part I, items 21, 27, 28 and 29 |
| II.1.5 | Adopted | The Board of Directors or the General and Supervisory Board, depending on the applicable model, shall set goals in terms of risk-taking and create systems for their control to ensure that the risks effectively incurred are consistent with those goals. | Part I, items 50 to 55 |
| II.1.6 | Adopted | The Board of Directors shall include a number of non-executive members ensuring effective monitoring, supervision and assessment of the activity of the remaining members of the board. | Part I, item 18 |

| # | Adoption | Text | Reference |
|---------|-------------|---|--|
| II.1.7 | Adopted | <p>Non-executive members shall include an appropriate number of independent members, taking into account the adopted governance model, the size of the company, its shareholder structure and the relevant free float.</p> <p>The independence of the members of the General and Supervisory Board and members of the Audit Committee shall be assessed in accordance with the law in force. The other members of the Board of Directors are considered independent if the member is not associated with any specific group of interests in the company nor is under any circumstance likely to affect an exempt analysis or decision, particularly due to:</p> <ul style="list-style-type: none"> a. Having been an employee at the company or at a related or group company in the past three years; b. Having, in the past three years, provided services or established a significant commercial relationship with the company or a related or group company, either directly or as a partner, board member, manager or director of a legal person; c. Being the beneficiary of remuneration paid by the company or by a related or group company, other than the remuneration deriving from a directorship; d. Living with a life partner or a spouse, relative or any first degree next of kin and up to and including the third degree of collateral affinity of board members or natural persons that are direct and indirectly holders of qualifying holdings; e. Being a qualifying shareholder or representative of a qualifying shareholder. | Part I, item 18 |
| II.1.8 | Adopted | Directors who exercise executive duties shall respond to enquiries from other company officers by providing the information requested in a timely and appropriate manner. | Part I, item 21 |
| II.1.9 | Adopted | The Chairman of the Executive Board or of the Executive Committee shall submit, as applicable, to the Chairman of the Board of Directors, the Chairman of the Supervisory Board, the Chairman of the Audit Committee, the Chairman of the General and Supervisory Board and the Chairman of the Financial Matters Board, the convening notices and minutes of the relevant meetings. | Part I, item 21 |
| II.1.10 | Not adopted | If the chairman of the board of directors exercises executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that these can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination. | Explanation of Recommendations not adopted below |

II.2 Oversight

| | | | |
|---------|---------|--|------------------|
| II.2.1. | Adopted | Depending on the applicable model, the Chairman of the Supervisory Board, the Audit Committee or the Financial Matters Committee shall be independent in accordance with the applicable legal standard, and have the necessary skills to carry out their relevant duties. | Part I, item 32 |
| II.2.2. | Adopted | The supervisory body shall be the main representative of the external auditor and the first recipient of the relevant reports, and is responsible, in particular, for proposing the relevant remuneration and ensuring that the proper conditions for the provision of services are provided within the company. | Part I, item 38. |
| II.2.3 | Adopted | The supervisory board shall assess the external auditor on an annual basis and propose to the competent body its dismissal or termination of the contract for provision of their services when there is a valid basis for such dismissal. | Part I, item 38 |

| # | Adoption | Text | Reference |
|---------|-------------|--|--|
| II.2.4. | Adopted | The supervisory board shall assess the functioning of the internal control systems and risk management and propose adjustments as may be deemed necessary. | Part I, items 50, 54 and 55 |
| II.2.5. | Not adopted | The Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and shall be recipients of reports made by these services at least when they concern matters related to financial reporting, identification or resolution of conflicts of interest and detection of potential illegalities. | Explanation of Recommendations not adopted below |

II.3 Remuneration setting

| | | | |
|-----------|----------------|---|--|
| II.3.1 | Adopted | All members of the Remuneration Committee or equivalent shall be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy. | Explanation of Recommendations not adopted below |
| II.3.2. | Adopted | No natural or legal person that provides or has provided services in the past three years, to any structure under the board of directors, the board of directors of the company itself or who has a current relationship with the company or consultant of the company, shall be hired to assist the Remuneration Committee in the performance of their duties. This recommendation also applies to any natural or legal person that is related by employment contract or provision of services with the above. | Part I, item 67 |
| II.3.3 a) | Adopted | The statement on the remuneration policy for the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: a) Identification and details of the criteria for determining the remuneration paid to the company officers; | Annex II to the Corporate Governance Report |
| II.3.3 b) | Not adopted | b) Information regarding the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances in which these maximum amounts may be payable; | Explanation of Recommendations not adopted below |
| II.3.3 c) | Adopted | d) Information on whether payments are due for the dismissal or termination of appointment of board members. | Annex II to the Corporate Governance Report |
| II.3.4 | Not applicable | Approval of stock and/or option plans or plans based on share price variation for company officers shall be submitted to the General Meeting. The proposal shall contain all the necessary information for a correct assessment of said plan. | Part I, items 73 and 74 |
| II.3.5 | Adopted | Approval of any retirement benefit scheme established for company officers shall be submitted to the General Meeting. The proposal shall contain all the necessary information in order to correctly assess said system. | Part I, item 76 |

III. Remuneration

| | | | |
|-------|-------------|---|--|
| III.1 | Adopted | The remuneration of the executive directors shall be based on actual performance and shall discourage excessive risk-taking. | Part I, items 69 and 70 |
| III.2 | Adopted | The remuneration of non-executive directors and the remuneration of the members of the supervisory board shall not include any component whose value depends on the performance of the company or of its value. | Part I, item 71 |
| III.3 | Not adopted | The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and upper limits shall be set for all components. | Explanation of Recommendations not adopted below |

| # | Adoption | Text | Reference |
|-------|----------------|---|--|
| III.4 | Not adopted | A significant part of the variable remuneration should be deferred for a period of not less than three years, and the right to payment shall depend on the continued positive performance of the company during that period. | Explanation of Recommendations not adopted below |
| III.5 | Adopted | Members of the board of directors shall not enter into contracts either with the company or with third parties which have the effect of mitigating the risk inherent in the variability of their remuneration as fixed by the company. | Part I, item 84 |
| III.6 | Not applicable | Executive directors shall maintain the company's shares that were allotted by virtue of variable remuneration schemes, up to twice the value of the total annual remuneration, except for those that need to be sold for paying taxes on earnings from said shares, until the end of their term of office. | Part I, items 73 and 74 |
| III.7 | Not applicable | When the variable remuneration includes the allocation of options, the beginning of the exercise period shall be deferred for a period of no less than three years. | Part I, items 73 and 74 |
| III.8 | Adopted | When the removal of a director is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions but is even so attributable to inadequate performance, the company shall be endowed with the adequate and necessary legal instruments to ensure that no damages or compensation, beyond those legally due, are payable. | Part I, item 83 |

IV. Auditing

| | | | |
|------|---------|---|-----------------|
| IV.1 | Adopted | The external auditor shall, within the scope of its duties, verify the implementation of remuneration policies and systems for company officers as well as the efficiency and effectiveness of the internal control mechanisms and report any shortcomings to the supervisory body of the company. | Part I, item 54 |
| IV.2 | Adopted | The company or any entity with which it maintains a control relationship shall not engage the external auditor or any entity with which it finds itself in a group relationship or that belongs to the same network, for services other than audit services. If there are reasons for contracting such services - which must be approved by the supervisory board and explained in its Annual Report on Corporate Governance - these services shall not account for more than 30% of the total value of services rendered to the company. | Part I, item 47 |
| IV.3 | Adopted | Companies shall rotate auditors after two or three terms, depending on whether the terms are four or three years, respectively. Retention of the auditor beyond this period must be based on a specific opinion of the supervisory board that explicitly considers the conditions of auditor's independence and the benefits and costs of its replacement. | Part I, item 44 |

V. Conflicts of interests and related party transactions

| | | | |
|-----|---------|--|------------------------|
| V.1 | Adopted | The company's transactions with qualifying shareholders, or entities with which they are in any type of relationship pursuant to article 20 of the Securities Code, shall be conducted on regular market conditions. | Part I, items 89 to 91 |
| V.2 | Adopted | The supervisory or audit board shall establish the procedures and criteria necessary to define the relevant level of significance of transactions with qualifying shareholders - or entities with which they are in any of the relationships described in Article 20.1 of the Securities Code -, and the execution of transactions of significant relevance requires clearance from such body. | Part I, item 91 |

VI. Information

| # | Adoption | Text | Reference |
|------|----------|---|------------------------|
| VI.1 | Adopted | Companies shall provide, via their websites in both the Portuguese and English languages, access to information on the course of their affairs, as regards economic, financial and governance issues. | Part I, items 59 to 65 |
| VI.2 | Adopted | Companies shall ensure the existence of an investor support and market relations office, which responds to enquiries from investors in a timely fashion and records shall be kept of the submittal and handling of enquiries. | Part I, item 56 |

Explanation of Recommendations not adopted below

Recommendation II.1.2

This recommendation states that "The Board of Directors shall ensure that the company acts in accordance with its objectives and shall not delegate its responsibilities as regards the following: i) define the strategy and general policies of the company, ii) define business structure of the group, iii) decisions considered strategic due to the amounts, risk and particular characteristics involved."

Formally, this recommendation is not fully adopted because the powers delegated to the Executive Board include some of the powers contemplated herein. However, in practice, this recommendation has been complied with, as the powers in question have so far been exercised by the Board of Directors, and it is the intention of both the Board of Directors and of the Executive Board that this procedure should be maintained in future. The directors' grounds for continuing, formally, to delegate wider powers are that this mitigates the risk of action not being taken in due time to pursue the company's business, due to the Executive Board having insufficient powers, in situations where the less flexible rules for convening the Board of Directors might prevent a meeting being held in time.

In the specific case of Semapa, sufficient trust exists between the company officers to render a formal control procedure unnecessary.

Recommendation II.1.4 a)

This recommendation states that "Except for small-sized companies, the Board of Directors and the General and Supervisory Board, depending on the model adopted, shall create the necessary committees in order to: a) Ensure a competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other committees;"

This recommendation is not adopted because Semapa does not have committees of the type recommended, as this would mean duplicating the responsibilities of other committees or boards and thereby causing the company to shoulder an additional bureaucratic burden and costs disproportionate to the possible advantages. This position is not unrelated to the fact that Semapa is a holding company which does not engage directly in business operations, and with a simplified administrative structure.

With regard to the assessment of directors, this function is fully and perfectly assured by the Chairman of the Board of Directors, the Audit Board, the Remuneration Committee and the shareholders.

With regard to assessment of committees by committees, it would be excessively bureaucratic, given the administrative size of Semapa, to set up committees to oversee committees. The body creating them is responsible for

overseeing them.

Recommendation II.1.10

This recommendation reads as follows: "If the chairman of the board of directors exercises executive duties, said body shall appoint, from among its members, an independent member to ensure the coordination of the work of other non-executive members and the conditions so that these can make independent and informed decisions or to ensure the existence of an equivalent mechanism for such coordination."

Due to its communication and internal transparency policy, and given that all directors have access to the executive management and company structure, Semapa provides non-executive directors with every opportunity to reach independent and informed decisions.

However, the company provides no incentives for organizing any kind of coordination between the non-executive members of the Board of Directors. There would appear to be no need for such coordination initiative by the company in order to achieve the objectives of independent and informed decision-making, although the non-executive directors are free to coordinate their work however they see fit, if they find this to be more appropriate for the exercise of their duties.

This recommendation has therefore not been adopted by the company.

Recommendation II.2.5

This recommendation states that "the Audit Committee, the General and Supervisory Board and the Supervisory Board decide on the work plans and resources concerning the internal audit services and services that ensure compliance with the rules applicable to the company (compliance services), and shall be recipients of reports made by these services at least when they concern matters related to financial reporting, identification or resolution of conflicts of interest and detection of potential illegalities."

The company does not have internal departments solely dedicated to audit or compliance and these functions are assigned essentially to the Internal Control Committee, the Audit Board and to Semapa's Legal Department. The decision not to have a special department in this area is due to Semapa's simplified administrative structure as a holding company, without prejudice to the existence of departments of this type in its subsidiaries.

In view of these fundamental option and in the absence of autonomous internal audit and compliance units, it is not appropriate for the Audit Board to pronounce on the work plans or the suitability of the resources of the units responsible for these activities, or that it should receive reports from the Legal Department which has its own reporting system.

The company does not comply with this recommendation.

Recommendation II.3.1

Recommendation II.3.1 states that "All members of the Remuneration Committee or equivalent shall be independent from the executive board members and include at least one member with knowledge and experience in matters of remuneration policy."

As further explained in item 67 of Part I of this report one of the members of the Remuneration Committee, Mr.

Frederico da Cunha is no longer qualified as independent. However, Semapa considers that the exercising of administrative duties in Sodim, SGPS, S.A. does not affect his unbiased analysis and decision making capacity and that he exercises independently his duties in the Remuneration Committee.

Recommendation II.3.3 b) and Recommendation III.3

Recommendation II.3.3 b) states that: "The statement on the remuneration policy for the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following: b) Information regarding the maximum potential amount, in individual terms, and the maximum potential amount, in aggregate form, to be paid to members of corporate bodies, and identify the circumstances in which these maximum amounts may be payable;"

Recommendation III.3 states that "The variable component of remuneration shall be reasonable overall in relation to the fixed component of the remuneration and upper limits should be set for all components".

These recommendations have not been adopted by Semapa insofar as the remuneration policy statement, contained in Annex II to this report, only sets aggregate upper limits for variable remuneration, as a percentage of profits, and not for fixed remuneration.

Accordingly, in relation to Recommendation II.3.3 b), we may see that the remuneration policy statement sets no potential upper limit either for variable remuneration in individual terms, or for fixed remuneration, and the company considers that such limits are not necessary and may even undermine the reasonable criteria underlying them, as explained more fully below.

With regard to Recommendation III.3, although the upper limits apply only to variable remuneration, the remuneration policy statement results in a fully reasonable basis for the various remuneration components.

The company considers that the concern to assure that the fixed remuneration is reasonable is sufficiently guaranteed by the other criteria established, without the need for limits. It should be noted that, apart from being unnecessary, the existence of lower or upper limits would be unhelpful because, just as salaries need periodically to be reviewed and reconsidered, the limits would also inevitably need to be revised and reconsidered, under penalty of becoming inappropriate, and consequently counter-productive. This need for review, abreast for remunerations, would render the limits effectively meaningless.

Recommendation III.4

This recommendation states that "A significant part of the variable remuneration should be deferred for a period of no less than three years, and the right to payment shall depend on the continued positive performance of the company during that period".

Specialists in this field have drawn attention to significant advantages in deferring payment of the variable component of remuneration to a date when the entire period corresponding to the term of office might in some way be appraised.

We accept this principle as theoretically sound, but it appears to us to offer few advantages in the specific case of Semapa and other similar companies.

One of the main arguments supporting this system is that directors should be committed to achieving sustainable medium-term results, and that the remuneration system should support this, avoiding a situation where remuneration is related simply to one financial year, which may not be representative, and which may present higher

profits at the cost of worse results in subsequent years.

However, whilst this danger is real and is worth safeguarding against by means of systems such as this in companies where the capital is completely dispersed and the directors may be tempted to take a short term view, maximizing quick results by sacrificing long term potential, this does not correspond to the situation in a company such as Semapa, with a stable shareholder structure and management, where these concerns are inherently less of an issue.

This recommendation has therefore not been adopted by the company.

3. OTHER DISCLOSURES

There are no other disclosures or additional information which would be relevant to an understanding to the governance model and practices adopted.

Annex I

To the Corporate Governance Report

DISCLOSURES REQUIRED BY ARTICLES 447 AND 448 OF THE COMPANIES CODE AND PARAGRAPHS 6 AND 7 OF ARTICLE 14 OF SECURITIES MARKET COMMISSION REGULATION 5/2008

(with regard to the financial year of 2013)

1. Securities issued by the company and held by company officers, in the sense defined in paragraphs 1 and 2 of Article 447 of the Companies Code (*):

- José Alfredo de Almeida Honório - 20,000 shares in the company and 500 company bonds
- José Miguel Pereira Gens Paredes – 205 company bonds
- Paulo Miguel Garcês Ventura – 125 company bonds
- Vítor Manuel Galvão Rocha Novais Gonçalves – 50 company bonds
- Miguel Camargo de Sousa Eiró – 50 company bonds
- Duarte Nuno d’Orey da Cunha - 2.,907 shares in the company and 25 company bonds
- Maria Rita Carvalhosa Mendes de Almeida Queiroz Pereira - 16,464 shares in the company and 50 company bonds

(*) *The company bonds referred to in this item correspond to bonds with a flat rate of 6.85 per cent per annum, maturing in 2015, issued by Semapa with the name “Obrigações SEMAPA 2012/2015”*

2. Securities issued by companies controlled by or belonging to the same group as Semapa held by company officers, in the sense defined in paragraphs 1 and 2 of Article 447 of the Companies Code (**):

- Duarte Nuno d’Orey da Cunha – 16,000 shares in Portucel, S.A. and 1 bond issued by Portucel, S.A.
- José Miguel Pereira Gens Paredes – 1 bond issued by Portucel, S.A.

(**) *The company bonds of Portucel, S.A. referred to in this item correspond to bonds named “Obrigações Portucel €350,000,000 5.375% Senior Notes due 2020”*

3. Securities issued by the company and controlled companies held by companies in which directors and auditors hold corporate office:

- Cimigest, SGPS, S.A. – 3,185,019 shares in the company
- Cimo - Gestão de Participações, SGPS, S.A. – 16,199,031 shares in the company
- Longapar, SGPS, S.A. – 21,505,400 shares in the company, 1,000 shares in Secil – Companhia Geral de Cal e Cimento, S.A. and 5,000 shares in ETSA – Investimentos, SGPS, S.A.
- Sodim, SGPS, SA – 15,657,505 shares in the company
- OEM - Organização de Empresas, SGPS, SA – 535,000 shares in the company.
- Pedro Mendonça de Queiroz Pereira – 134,422 shares in Sodim, SGPS, SA

4. Acquisition, disposal, encumbrance or pledge of securities issued by the company, controlled companies or companies in the same group by company officers and the companies referred to in 3 (*) (**):

- Duarte Nuno d’Orey da Cunha acquired, on 4 July 2013, 1 bond issued by Portucel, S.A., for a price of 100,198.37 euros
- José Miguel Pereira Gens Paredes acquired 3 bonds issued by the company, on 29 May 2013, 7 bonds issued by the company, on 30 May 2013, 1 bond issued by the company, on 31 May 2013, and 14 bonds issued by the company, on 12 June 2013, all for a price of 1,039.20 euros per bond, and acquired 1 bond issued by Portucel, S.A., on 29 May 2013, for a price of 103,000.00 euros.
- Maude Mendonça de Queiroz Pereira Lagos disposed, on 2 December 2013, of 134,318 shares in Sodim, SGPS, SA, for a price of 58.29 euros per share.
- Pedro Mendonça de Queiroz Pereira disposed, on 7 May 2013, of 134,214 shares in Sodim, SGPS, SA, for a price of 58.00 euros per share and acquired, on 2 December 2013, 134,318 shares in Sodim, SGPS, SA, for a price of 58.29 euros per share.
- Longapar, SGPS, S.A. acquired, on 9 September 2013, 5,000 shares in ETSA – Investimentos, SGPS, S.A. for a price of 1.49 euros per share.
- Semapa, SGPS, S.A. acquired, on 11 September 2013, 1,789,542 shares in ETSA – Investimentos, SGPS, S.A. for a price of 1.04 euros per share.
- ZOOM Investment, SGPS, S.A. disposed, on 22 April 2013, of 630,000 shares in the company for a price of 7.021 euros per shares and of 1,996,453 shares in Portucel, S.A. for a price of 2.698 euros per share.

(*) *The company bonds referred to in this item correspond to bonds with a flat rate of 6.85 per cent per annum, maturing in 2015, issued by Semapa with the name “Obrigações SEMAPA 2012/2015”*

(**) *The company bonds of Portucel, S.A. referred to in this item correspond to bonds named “Obrigações Portucel €350,000,000 5.375% Senior Notes due 2020”*

5. Transactions in own shares:

In 2013 Semapa neither acquired nor disposed of any shares in its own capital.

Annex II

to the Corporate Governance Report

REMUNERATION POLICY STATEMENT

Law 28/2009, of 19 June, requires the Remuneration Committee to submit each year for the approval of the general meeting of shareholders a statement on the remuneration policy for members of the management supervisory bodies. A draft document was accordingly submitted to shareholders in 2013, resulting in approval of a remuneration policy statement as transcribed below:

“Remuneration Policy Statement - Semapa Directors and Auditors

I. Introduction

Semapa’s Remuneration Committee drew up a remuneration policy statement for the first time in early 2007, successfully submitting it for approval by the company’s general meeting that year. This statement was drafted at that time in line with a recommendation issued on this matter by the Securities Market Commission (Comissão de Mercado de Valores Mobiliários).

The Remunerations Committee declared at this time that it felt that the options set out in the statement should be maintained until the end of the term of office of the company’s officers then underway. This term ran from 2006 to 2009.

The statement was due for review in 2010, not only because a fresh term of office had started, but also because of the entry into force of Law 28/2009, of 19 June, requiring remuneration committees to submit a remuneration policy statement annually for the approval of the general meeting.

This Committee continues to believe that a remuneration policy statement, due to its nature as a set of principles, should be stable during an entire term of office, unless exceptional or unforeseen circumstances require it to be altered.

We have therefore decided to propose for approval a statement with the same content as that currently in force.

There is a significant divide between the two most common systems for setting the remuneration of company officers. The first is for such remuneration to be set by the general meeting; this solution is rarely adopted, being rather impractical for a variety of reasons. The second is for remuneration to be set by a Committee, which decides in

keeping with criteria on which the shareholders have not had the opportunity to pronounce.

The solution now before us amounts to an intermediate system whereby the shareholders can appraise a remuneration policy to be followed by the Committee. This seeks to draw on the best features of both theoretical systems, as we propose to do in this document, reasserting the position we have previously defended whilst also including the contribution from the additional experience and expertise acquired by the company, and complying with the new legal requirements in this field as referred to above.

II. Legal requirements and recommendations

This statement is issued in the legal framework formed by Law 28/2009, of 19 June (as referred to above), and the recommendations of the Securities Market Commission for 2010.

In addition to rules on the frequency with which the statement must be issued and approved and on disclosure of its content, this law also stipulates that this content should include information on:

- a) Arrangements for aligning the interests of members of the management body with those of the company;
- b) Criteria for setting the variable component of remuneration;
- c) The existence of share or share option pay schemes for members of the management and supervisory bodies;
- d) The possibility of the variable component of remuneration, if any, being paid, wholly or in part, after the accounts have been finalized for the entire term of office;
- e) Rules limiting variable limitation in the event of the company's results revealing significant deterioration in the company's performance in the last period for which accounts are closed or when such deterioration may be expected in the period underway.

The current recommendations of the Securities Market Commission make the following requirements:

II.1.5.2. In addition to the content referred to in Article 2 of Law 28/2009, of 19 June, the statement on remuneration policy for the management and supervisory bodies referred to in the same article should contain sufficient information on:

- i) which groups of companies the remuneration policy and practices of which were taken as a baseline for setting the remuneration;
- ii) the payments for the dismissal or termination by agreement of the Directors' duties.

II.1.5.3. The remuneration policy statement referred to in Article 2 of Law 28/2009 should also cover the payment of management personnel as defined by Article 248-B.3 of the Securities Code, when such payment includes a significant variable component. The statement should be detailed and the policy presented should take into account, namely, the company's long term performance, compliance with the rules applicable to the company's business activities and restraint in risk-taking.

III. Rules deriving from law and the articles of association

Any system for setting remuneration will inevitably have to consider the legal rules, as well as any private rules which may be established in the articles of association.

The legal rules for the directors are basically established in Article 399 of the Companies Code, from which it follows that:

Powers to fix the remuneration lie with the general meeting of shareholders or a committee appointed by the same.

The remuneration is to be fixed in accordance with the duties performed and the company's state of affairs.

Remuneration may be fixed, or may consist in part of a percentage of the profits for the period, but the maximum percentage to be allocated to the directors must be authorized by a clause in the articles of association, and shall not apply to distribution of reserves or any part of the profits for the period which could not, under the law, be distributed to shareholders.

For the members of the Audit Board and the officers of the General Meeting, the law lays down that the remuneration shall consist of a fixed sum, which shall be determined in the same way by the general meeting of shareholders or by a committee appointed by the same, taking into account the duties performed and the state of the company's affairs.

Semapa's articles of association contain a specific clause, number seventeen, dealing only with the directors and governing also retirement provision. We transcribe the relevant passages:

"2 – The remuneration of the directors [...] is fixed by a Remuneration Committee comprising an uneven number of members, elected by the General Meeting.

3 – The remuneration may consist of a fixed part and a variable part, which shall include a share in profits, which share in profits shall not exceed five per cent of the net profits of the previous period, for the directors as a whole. "

This is the formal framework to be observed in defining remuneration policy.

IV. Historical background

Since the incorporation of Semapa and up to 2002, all directors of Semapa received remuneration comprising a fixed component, paid fourteen times a year, and fixed by the Remuneration Committee, then called the Comissão de Fixação de Vencimentos.

In 2003, the resolution on the distribution of profits from 2002 included, for the first time, a part of the profits to be directly paid as remuneration to the directors, divided between the directors as decided by the Remuneration Committee.

This procedure was repeated through to 2005, with regard to the profits from 2004.

In 2006, the allocation of profits from 2005 did not provide for any amount for directors' remuneration, which was understandable, given that the profits already reflected a provision for the variable remuneration of the directors, under the new accounting standards applicable. The variable component of the remuneration was fixed in 2006 by the Remuneration Committee, also with reference to the profits, in accordance with the articles of association.

This is the procedure which has stayed in place through to the present, although since 2007 this has taken place within the terms of a remuneration policy statement approved by the company's General Meeting.

It should be noted that the allocation of a percentage of profits is not applied directly, but rather as an indicator, and

also as a limit, in line with the articles of association, on amounts which are determined in a more involving process, taking into account the factors set out in the remuneration policy statement in force.

The percentage for the directors' variable remuneration has ranged between a maximum of 5% and a minimum of 2.23% of the net profits. In recent years, the percentage has been lower than initially, essentially due to the consideration given to other earnings received by the same directors in companies controlled by Semapa.

There has therefore been a constant procedure since 2003, with the directors' remuneration comprising a fixed component and a variable component.

Since the incorporation of the company, members of the Audit Board have received fixed monthly remuneration. In the case of the officers of the General Meeting, since remuneration for these officers was first instituted it has been set on the basis of the number of meetings actually held.

V. General Principles

The general principles to be observed when setting the remuneration of the company officers are essentially those which in very general terms derive from the law: on the one hand, the duties performed and on the other the state of the company's affairs. If we add to these the general market terms for similar situations, we find that these appear to be the three main general principles:

a) Duties performed.

It is necessary to consider the duties performed by each company officer not only in the formal sense, but also in the broader sense of the work carried out and the associated responsibilities. Not all the executive directors are in the same position, and the same is also true, for example, for the members of the audit board. Duties have to be assessed in the broadest sense, taking into account criteria as varied as, for example, responsibility, time dedicated, or the added value to the company resulting from a given type of intervention or representation of a given institution.

The fact that time is spent by the officer on duties in other controlled companies also cannot be taken out of the equation, due, on the one hand, to the added responsibility this represents, and, on the other hand, to the existence of another source of income.

It should be noted that Semapa's experience has shown that the directors of this company, contrary to what is often observed in other companies of the same type, cannot be neatly split into executive and non-executive. There are a number of directors with delegated powers and who are generally referred to as executive directors, but some of the directors without delegated powers are closely involved in the life of the company in a variety of ways. These are essential aspects which must inevitably be considered when setting remuneration.

b) The state of the company's affairs.

This criterion must also be understood and interpreted with caution. The size of the company and the inevitable complexity of the associated management responsibilities, is clearly one of the relevant aspects of the state of affairs, understood in the broadest sense. There are implications here for the need to remunerate a responsibility which is greater in larger companies with complex business models and for the capacity to remunerate management duties appropriately.

c) Market criteria.

It is unavoidably necessary to match supply to demand when setting any level of payment, and the officers of a corporation are no exception. Only respect for market practices makes it possible to retain professionals of a calibre required for the complexity of the duties performed and the responsibilities shouldered, thereby assuring not only their own interests but essentially those of the company, and the generation of value of all its shareholders. In the case of Semapa, in view of its characteristics and size, the market criteria to be considered are those prevailing internationally, as well as those to be observed in Portugal.

VI. Compliance with legal requirements and recommendations

Having described the historical background and the general principles adopted, we shall now consider the issue of compliance by these principles with the relevant legal requirements.

1. Article 2 a) of Law 28/2009. Alignment of interests

The first requirement that Law 28/2009 regards as essential in terms of the information in this statement is for a description of the procedures which assure that the directors' interests are aligned with those of the company.

We believe that the remuneration system adopted in Semapa is successful in assuring such alignment. Firstly, because the remuneration sets out to be fair and equitable in the light of the principles set out, and secondly because it links the directors to results by means of a variable remuneration component which is set primarily in the light of these results.

2. Article 2 b) of Law 28/2009. Criteria for the variable component

The second requirement established by the law is for information on the criteria used to determine the variable component.

The company's results are the most important factor in setting the variable remuneration: not the results seen as an absolute value, but viewed from a critical perspective in the light of what may be expected of a company of this size and characteristics, and in view of the actual market conditions. The importance of the results in setting the variable component derives from the actual articles of association, which expressly provide for the possibility of "profit sharing" and limit this to a percentage of profits.

In setting the variable component, other factors are also considered, resulting, in the main, from the general principles - market, specific duties, the state of the company's affairs. These factors are often more individual, relating to the specific position and performance of each director.

Another important factor which is taken into overall account when setting the variable component is Semapa's option not to provide any share or option plans.

3. Article 2 c) of Law 28/2009. Share or option plans.

The decision whether or not to provide share or option plans is structural in nature. The existence of such a plan is not a simple add-on to an existing remuneration system, but rather an underlyingly to change to the existing system, at

least in terms of the variable remuneration.

Although a remuneration system of this type is not incompatible with the company's articles of association, we feel that the wording of the relevant provisions in the articles and the historical background to the existing system argue in favour of maintaining a remuneration system without any share or option component.

This is not to say that we see no merits in including a share or option component in directors' remuneration, nor that we would not be receptive to restructuring directors' remuneration to incorporate such a plan. However, such a component is not essential in order to promote the principles we defend and, as we have said, we do not believe that this was the fundamental intention of the company's shareholders.

4. Article 2 d) of Law 28/2009. Date of payment of variable remuneration

Specialists in this field have drawn attention to significant advantages in deferring payment of the variable component of remuneration to a date when the entire period corresponding to the term of office can in some way be appraised.

We accept this principle as theoretically sound, but it appears to us to offer few advantages in the specific case of Semapa and other similar companies.

One of the main arguments supporting this system is that directors should be committed to achieving sustainable medium-term results, and that the remuneration system should support this, avoiding a situation where remuneration is related simply to one financial year, which may not be representative, and which may present higher profits at the cost of worse results in subsequent years.

However, whilst this danger is real and is worth safeguarding against by means of systems such as this in companies where the capital is completely dispersed and the directors may be tempted to take a short term view, maximizing quick results by sacrificing long term potential, this does not correspond to the situation in a company such as Semapa, with a stable shareholder structure and management, where these concerns are inherently less of an issue.

5. Article 2 e) of Law 28/2009. Procedures limiting variable remuneration

Procedures of this kind are designed to limit variable remuneration in the event of the results showing a significant deterioration in the company's performance in the last reporting period or when such deterioration may be expected in the period underway.

This type of provision also reflects a concern that good performance in the short term, which may boost directors' remuneration, could be achieved at the cost of future performance.

For obvious reasons, the arguments presented above also apply here. It should also be noted that a system of this kind would have little practical effect if not combined with significant deferral of remuneration, which is not proposed for Semapa.

6. First part of Recommendation II.1.5.2. Comparative information.

In relation to groups of companies whose remuneration policies and practices have been taken as the baseline for setting remuneration, this Committee took into consideration, to the extent of the information accessible, all Portuguese companies of equivalent size, namely PSI-20 companies, and also companies in international markets with characteristics similar to those of Semapa.

7. Second part of Recommendation II.1.5.2.. Termination agreements.

There are no agreements, and no such provisions have been defined by this Committee, on payments by Semapa relating to dismissal or termination by agreement of Directors' duties.

This fact is the natural result of the particular situations existing in the company, and not a position of principle taken by this Committee against the existence of agreements of this nature.

8. Recommendation II.1.5.3. Inclusion of managers in this statement

The Remuneration Committee has no proposal or statement to make on this issue, as it is the express understanding of the Board of Directors that it has sole powers over this matter and that it is not in the company's interest to comply with this recommendation.

VII. Specific Options

The specific options for the remuneration policy we propose may therefore be summarized as follows:

- 1.^a The remuneration of executive directors shall comprise a fixed component and a variable component.
- 2.^a The remuneration of non-executive directors shall comprise only a fixed component, or else a fixed component and a variable component, as for executive directors, whenever justified by the nature of the duties actually exercised and their degree of responsibility and involvement in the day to day running of the company.
- 3.^a The remuneration of the members of the Audit Board and the officers of the General Meeting shall comprise a fixed component only.
- 4.^a The fixed component of the remuneration of directors shall consist of a monthly amount payable fourteen times a year or of a predetermined amount for each meeting of the Board of Directors attended.
- 5.^a A monthly rate shall be set for the fixed component of the remuneration of directors for all those who are members of the Executive Board and those who, although not members of such Board, perform duties or carry out specific work of a repeated or ongoing nature.
- 6.^a The predetermined amount for participation in meetings by members of the Board of Directors shall be fixed for those who have duties which are essentially advisory and supervisory.
- 7.^a The fixed remuneration of the members of the Audit Board shall consist in all cases of a predetermined amount paid fourteen times a year.
- 8.^a The fixed remuneration of the officers of the General Meeting shall consist in all cases of a predetermined amount for each meeting, the remuneration for second and subsequent meetings being lower than that for the first general meeting of the year.
- 9.^a The procedure for assigning variable remuneration to the executive members of the Board of Directors shall comply with the criteria proposed by the Remuneration Committee, and such remuneration shall not exceed five per cent of the consolidated net profits (IFRS format).
- 10.^a In setting all remuneration, including in particular the distribution of the total amount allocated to the variable remuneration of the Board of Directors, the general principles established above shall be observed: the duties performed, the state of the company's affairs and market criteria.

Lisbon, 03 May 2013

The Remuneration Committee

José Gonçalo Maury

Frederico José da Cunha Mendonça e Meneses

Sofia Luísa Corrêa Henriques Cardoso de Menezes Frère"

Annex III

To the Corporate Governance Report

DECLARATION REQUIRED UNDER ARTICLE 245.1 c) OF THE SECURITIES CODE

Article 245.1 c) of the Securities Code requires that each of the persons responsible for the issuers make a number of declarations, as described in this article. In the case of Semapa, a uniform declaration has been adopted, worded as follows:

I hereby declare, under the terms and for the purposes of Article 245.1 c) of the Securities Code that, to the best of my knowledge, the management report, annual accounts, legal accounts certificate and other financial statements of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., for the financial year of 2013, were drawn up in accordance with the relevant accounting rules, and provide a true and fair view of the assets and liabilities, financial affairs and profit or loss of the said company and other companies included in the consolidated accounts, and that the management report contains a faithful account of the business, performance and position of the said company and other companies included in the consolidated accounts, describing the main risks and uncertainties which they face.

Considering that the members of the Audit Board and the Official Auditor sign an equivalent declaration in relation to the documents for which they are responsible, a separate declaration with the above text was signed by the directors only, as it was deemed that only the company officers fall within the concept of “persons responsible for the issuer”. As required by this rule, we provide below a list of the persons signing the declaration and their office in the company:

| Name | Title |
|--|----------|
| Pedro Mendonça de Queiroz Pereira | Director |
| Francisco José Melo e Castro Guedes | Director |
| José Miguel Pereira Gens Paredes | Director |
| Paulo Miguel Garcês Ventura | Director |
| António da Nóbrega de Sousa da Câmara | Director |
| Joaquim Martins Ferreira do Amaral | Director |
| António Pedro de Carvalho Viana-Baptista | Director |
| Vitor Manuel Galvão Rocha Novais Gonçalves | Director |