

PART 2

CORPORATE GOVERNANCE REPORT

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Part I - Information on Shareholder 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 a share capital of 81,645,523 Euros, represented by a total of 81,645,523 shares, with a nominal value of one euro each. All shares are ordinary shares and have the same rights and obligations attached to it, 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)).

On 31 December 2015, Semapa held 5,530 own shares, corresponding to 0.005% 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 a party to any loan agreement, other debt instruments or any significant agreements to which the company is a party and which take effect, alter or terminate upon a change of control of 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 exercisable 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 only aware of the ongoing and open coordination of the exercise of voting rights mentioned in item 7 below, resulting in the allocation to Sodim, SGPS, S.A. on 31 December 2015 of 71.092% of non suspended voting rights, above the 69.650% arising from the direct and indirect holdings.

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 on 31 December 2015 are identified in the following table:

Entity	No. shares	% capital and voting rights	% non-suspended voting rights
A - Sodim, SGPS, S.A.	15,252,726	18.682%	18.683%
Directors of Sodim			
Mafalda Mendes de Almeida de Queiroz Pereira Sacadura Botte	400	0.000%	0.000%
Lua Mendes de Almeida de Queiroz Pereira	400	0.000%	0.000%
Herança indivisa de Maria Rita C.M.A. de Queiroz Pereira	16,464	0.020%	0.020%
Cimigest, SGPS, S.A.	3,185,019	3.901%	3.901%
Cimo - Gestão de Participações, SGPS, S.A.	16,199,031	19.841%	19.842%
Longapar, SGPS, S.A.	22,225,400	27.222%	27.224%
OEM - Organização de Empresas, SGPS, S.A.	535,000	0.655%	0.655%
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.766%	0.767%
Total:	58,039,639	71.087%	71.092%
B - Bestinver Gestión, S.A., S.G.I.I.C.	-	-	-
Bestinver Empleo, F.P.	13,930	0.017%	0.017%
Bestinver Bolsa, F.I.M.	2,319,127	2.840%	2.841%
Bestinver Ahorro Fondo de Pensiones	198,347	0.243%	0.243%
Bestinver Empleo III Fondo de Pensiones	2,221	0.003%	0.003%
Bestinver Hedge Value Fund, FIL	1,503,046	1.841%	1.841%
Bestinver Global F.P.	405,052	0.496%	0.496%
Bestinver Mixto, F.I.M.	195,019	0.239%	0.239%
Bestvalue F.I.	519,214	0.636%	0.636%

Bestinver Prevision, F.P.	38,849	0.048%	0.048%
Divalsa de Inversiones SICAV	13,543	0.017%	0.017%
Bestinver SICAV – Bestinfund	79,928	0.098%	0.098%
Bestinver Empleo II, F.P.	3,571	0.004%	0.004%
Bestinver Futuro EPSV	6,607	0.008%	0.008%
Bestinver SICAV Iberian	229,426	0.281%	0.281%
Bestinver Renta F.I.M.	177,186	0.217%	0.217%
Bestinver Consolidacion EPSV	1,975	0.002%	0.002%
Bestinfond, F.I.M.	1,459,715	1.788%	1.788%
Total:	7,166,756	8.778%	8.778%

C - Santander Asset Management España, S.A., S.G.I.I.C.

Laredo Fondo, F.I.	3,000	0.004%	0.004%
Santander Acciones Españolas, F.I.	2,072,457	2.538%	2.539%
Santander Small Caps España, F.I.	192,889	0.236%	0.236%
Total:	2,268,346	2.778%	2.778%

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, which means that the voting rights held by these companies taken together in Semapa are allocated to each of them, as explained next, and (iii) the existence of, direct and indirect, controlling relationships of Sodim, SGPS, S.A. also described ahead.

The allocation to Sodim by virtue of the open coordination of the exercise of voting rights, under the terms in which they have been announced according to article 20.1 c) and h) of the Securities Code, matches the part identified by the letter “A” in the table above.

The allocation to Sodim by virtue of the controlling relationship, in accordance with article 20.1 b) of the Securities Code, was on 31 December 2015 as follows:

Entity	Allocation	No. shares	% capital and voting rights	% non-suspended voting rights
Sodim, SGPS, S.A.		15,252,726	18.682%	18.683%
Cimigest, SGPS, SA	100% owned by Sodim	3,185,019	3.901%	3.901%
Cimo - Gestão de Participações, SGPS, S.A.	100% owned by Cimigest	16,199,031	19.841%	19.842%
Longapar, SGPS, S.A.	100% owned by Cimigest	22,225,400	27.222%	27.224%
Total:		58,862,176	69.646%	69.650%

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.

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 to the share capital.

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

In 2015 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.

However, it should be mentioned that in May 2015, Banco Português de Investimento S.A. participated as a Financial Intermediary in the Voluntary General Tender Offer with the nature of an exchange offer for the acquisition of all of Semapa's ordinary shares. The deal was monitored by the Audit Board.

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 23/05/2014 to 31/12/2017)
Secretary:	Rita Maria Pinheiro Ferreira Soares de Oliveira (term of office from 23/05/2014 to 31/12/2017)

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 f));

Under Semapa's Articles of Association, each 83 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 affecting 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 by law.

Despite the existence of time limits established in Semapa's Articles of Association for attendance of the General Meeting, 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 voting rights is the day prior to the general meeting.

The Articles of Association make no provision for electronic voting. Nevertheless, the Board of Directors might regulate on alternative ways to vote besides paper format, as long as authenticity and confidentiality of the votes are also guaranteed until the moment of the voting. Although the Board of Directors has never used this capacity, the Chairman of the General Meeting accepts electronic votes which are received under comparable conditions as the vote by mail, in what regards the deadline, comprehensibility, the guarantee of authenticity, confidentiality, and other formal issues. Signature acknowledgement shall be replaced by the digital signature and closed and separate envelopes for each item in the agenda by separate annexes to the email.

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 h) .

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, date of first appointment 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	1991-2017
João Nuno de Sottomayor Pinto de Castello Branco	2015-2017
José Miguel Pereira Gens Paredes	2006-2017
Paulo Miguel Garcês Ventura	2006-2017
Ricardo Miguel dos Santos Pacheco Pires	2014-2017
António Pedro de Carvalho Viana-Baptista	2010-2017
Carlos Eduardo Coelho Alves	2015-2017
Francisco José Melo e Castro Guedes	2001-2017
Manuel Custódio de Oliveira	2014-2017
Vítor Manuel Galvão Rocha Novais Gonçalves	2010-2017
Vítor Paulo Paranhos Pereira	2014-2017

It should be noted that during the financial year of 2015 the director Jorge Maria Bleck resigned from office on 29 April 2015, his resignation taking effect on 31 May 2015.

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, as per paragraph 28 below, the other members being non-executive.

It should be noted that in 2015 Pedro Mendonça de Queiroz Pereira left his office, resigning from Chief Executive Officer of the company on 1 July 2015, and the vacant seat was taken over by Eng. João Nuno de Sottomayor Pinto de Castello Branco, appointed on that same day. Pedro Mendonça de Queiroz Pereira, Chairman of the Board of Directors, although no longer a member of the Executive Board, remains very close to the relevant decisions of daily corporate management.

Given that, on 31 December 2015, the company's Board of Directors comprised eleven members, only four of which sat on the Executive Board, it is considered that Semapa had a sufficient 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, in office on 31 December 2015, may be classified as independent: António Pedro de Carvalho Viana-Baptista, Carlos Eduardo Coelho Alves and Vítor Manuel Galvão Rocha Novais Gonçalves, as they are not associated with any specific group of interests in the company nor are under any circumstance likely to affect an exempt analysis or decision. On the other hand, the Directors Pedro Mendonça de Queiroz Pereira, Francisco José Melo and Castro Guedes, Manuel Custódio de Oliveira and Vítor Paulo Paranhos Pereira may not be classified as independent in the light of the criteria referred, since they are all members of the Board of Directors of companies owning qualified holdings in Semapa.

Consequently, about 1/4 of the directors are independent, which the company considers to be appropriate and in line with the independent work of the Board of Directors.

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.

Pedro Mendonça de Queiroz Pereira

Pedro Queiroz Pereira attended General High School studies in Lisbon and *Instituto Superior de Administração*. He lived in Brazil from 1975 to 1987, where he held directorship positions in several companies in the industry, trade, tourism and agriculture areas. After returning to Portugal, he continued to work as director for several companies belonging to the Queiroz Pereira family. In 1995, when the scope of activities of the Queiroz Pereira family expanded to the concrete industry, he was elected Chairman of the Board of Directors of Secil and Semapa, and also CEO of the latter. Since 2004, Pedro Queiroz Pereira has also held the office of Chairman of the Board of Directors of Portucel.

João Nuno de Sottomayor Pinto de Castello Branco

João Castello Branco is a graduate in mechanical engineering by *Instituto Superior Técnico* and holds a master degree in management by INSEAD. He has served, since July 2015, as CEO of Semapa, and up to that date was Partner-Director of McKinsey & Company - at the Iberian Office. He has joined McKinsey in 1991, where he practised in several fields, at the service of some of the leading institutions in Portugal and Spain. He has also worked in these sectors in Europe, Latin America and the USA. He was a member of the McKinsey leadership team of Banking Practices in Europe, also having led the Corporate Finance, Banking and Insurance Practices. He also led teams at McKinsey working in competitiveness, productivity and innovation, in Portugal and Spain. Before joining McKinsey, he worked at the engine development centre of Renault, in France. He has been, since 2015, Director of Portucel and Secil.

José Miguel Pereira Gens Paredes

José Miguel Paredes holds a degree in Economics and initiated his professional activity in 1985, at the *Direcção Geral de Concorrência e Preços*. The following years, he worked at the Rodoviária Nacional, Interbiz, Cossec, Direcção de Crédito Externo, General Bank, Tesouraria / Sala de Câmbios and United Distillers. In 1994, he became Financial Director of Semapa and some of the other companies in the group. Since 2004 he is the market relations officer for Semapa and was elected Chief Executive Officer of Semapa in 2006. In 2008 José Parades was appointed Director of ETSA. He also became Director of Portucel and Secil in 2011 and 2012, respectively.

Paulo Miguel Garcês Ventura

Miguel Ventura has a degree in Law and graduated from INSEAD IEP '08Jul and COL '15Dec. He began practising Law in 1995. In 1997 he became an officer of the General Assemblies in several subsidiaries of Cimigest, Sodim and Semapa and was appointed Company Secretary of Semapa. From 2005 to 2007 he was a member of the Lisbon District Council of the Bar Association. He has held office as Director of Semapa and other related companies since 2006. In 2007 Miguel Ventura was appointed Vice-President of the General Meeting of REN and Estradas de Portugal. He also became Director of Portucel and Secil in 2011 and 2012, respectively. In 2014 he was elected member of the General Board of *AEM – Associação de Empresas Emitentes de Valores Cotados em Mercado*.

Ricardo Miguel dos Santos Pacheco Pires

Ricardo Pires holds a degree in Business Administration and Management from *Universidade Católica Portuguesa*, and he is specialised in Corporate Finance from ISCTE. He also has an MBA in Corporate Management from *Universidade Nova de Lisboa*. He began his career as a consultant, from 1999 to 2002 for BDO Binder and later for GTE Consultores. From 2002 to 2008 he held several positions in the Corporate Finance Board at ES Investment, where he developed different M&A and capital market projects in the Energy, Paper and Pulp and Food & Beverages sectors. He has worked for Semapa since 2008, first as Director of Strategic Planning and New Business and Chief of Staff of the Chairman of the Board of Directors since 2011. In 2014 he was appointed Chief Executive Officer of Semapa, and holds positions in other related companies.

António Pedro de Carvalho Viana-Baptista

António Viana Baptista holds a degree in Economics, a post-graduate degree in European Economy and holds an MBA (INSEAD). He is currently CEO of Credit Suisse AG for Spain and Portugal, and is also non-executive Director and member of the Audit Committee of Jerónimo Martins, S.A. and Jasper Inc, California. He has been non-executive Director of Semapa since 2010. Between 1998 and 2008, he held positions at Telefonica S.A. as Chairman of Telefónica Internacional from 1998 to 2008, Chairman of Telefónica Móviles from 2002 to 2006, and Chairman of Telefonica España from 2006 to 2008, and was also Director of Telefonica S.A. and Portugal Telecom representing Telefonica. Between 1991 and 1998, he was Director of *Banco Português de Investimento*. From 1984 to 1991, he was Principal Partner of Mckinsey & Co.

Carlos Eduardo Coelho Alves

Carlos Alves has a degree in mechanical engineering by the Instituto Superior Técnico and is an expert Industrial Manager by the Portuguese Association of Engineers. He began working as a Lecturer of the subjects of Machine Components I and II at *Instituto Superior Técnico* and was a Trainee Expert of the Works Monitoring Division at *Laboratório Nacional de Engenharia Civil* in Lisbon. He was engineer of the technical services of Cometna - Companhia

Metalúrgica Nacional, SARL and later director in charge of manufacturing and managing director of Cobrascom S.A. (Rio de Janeiro, Brazil). Between 1989 and 2009, he held directorship positions in Semapa, Secil, Portucel and Enersis. He has been non-executive Director of Semapa since 2015.

Francisco José Melo e Castro Guedes

Francisco Guedes holds a degree in Economic and Financial Sciences and holds an MBA from INSEAD. He initiated his professional career in 1971 at *Companhia União Fabril*. He performed military service from 1972 to 1975. In the following years, in 1976 he was Financial Director of *Companhia Rio Moju* and from 1977 to 1987 of the Anglo American Corporation, in Brazil. He held office as Executive Director, the Holding's Financial Director, Director in charge of all (non-gold) mining and industrial companies in Brazil and Financial Director of *Mineração Morro Velho*. Between 1988 and 1989 Francisco Guedes was in charge of the Ricardo Schedel Brokerage. In 1990, he was manager of the Aroeira project at Formentur, and in the following years he was director and manager at Anglo American Corporation Portugal, Nacional – C.I.T.C., Nutrinveste and Sociedade Ponto Verde. He has occupied since 2001 management positions at Semapa and other group companies. In 2009 he was appointed Director of Portucel.

Manuel Custódio de Oliveira

Manuel Oliveira has a degree in Economy. In 1977 he began working as Director of the Lagoalva Group, and still holds this position today. In 1978 he worked for Thomson Maclintock, and in 1979 for Glaxo Farmacêutica. In 1980 he took office as Director at Sodim and became Financial Director at Cimianto. In the 90s still, he was Chairman of AIPA (*Associação das Indústrias de Produtos de Amianto*) and negotiator in Brussels for the Asbestos dossier. In the following years, he was Chairman of the Board of Directors of Antasobral – Sociedade Agropecuária, S.A., Director of Sousa Campilho – Investimentos, SGPS, S.A. and Esforço – Investimentos Imobiliários, S.A. and manager of Zona de Caça e Pesca da Herdade Sobral e Mergulhos, Lda. Since 2013 he has held office as Chairman of the Board of Directors of Cimilonga, Longavia, Refundos and Sonagi Imobiliária, and as Director of Beira-Rio, Cimigest, Sodim and Sonagi. In 2014 he was appointed non-executive Director of Semapa, company for which he had previously worked as a consultant.

Vítor Manuel Galvão Rocha Novais Gonçalves

Vítor Novais Gonçalves has a degree in Business Management by ISC-HEC, in Brussels. He began his professional activity in 1984 at Unilever as Management Trainee and later as Product Manager and Market Manager. Between 1989 and 1992, he held office as Business Manager in the Venture Capital Area at Citibank Portugal and later he was responsible for the area of Corporate Finance and member of the Management Committee. Between 1992 and 2000, he carried out duties in the financial area of Grupo José de Mello, having held directorships in several companies and having been, among other things, Strategic Marketing and Development Director of Banco Mello and General Manager of Companhia de Seguros Império. Between 2001 and 2009 he carried out duties in the telecommunications area at SGC Group as Director of SGC Comunicações, being responsible for the Strategic Marketing and Business International Development. He is Director of Zoom Investment since 2009, of Semapa since 2010 and of Portucel since 2015.

Vítor Paulo Paranhos Pereira

Vítor Paranhos Pereira has a degree in economics by *Universidade Católica Portuguesa* and attended AESE (*Universidade de Navarra*). He began working in 1982 at the company Gaspar Marques Campos Correia & C^a. Lda. as Financial Director until 1987. From 1987 to 1989 he was Deputy Financial Director of *Instituto do Comércio Externo de Portugal* (ICEP). He joined the group in 1989 as Financial Director of Sodim, and in 2009 became member of the Board of Directors of that

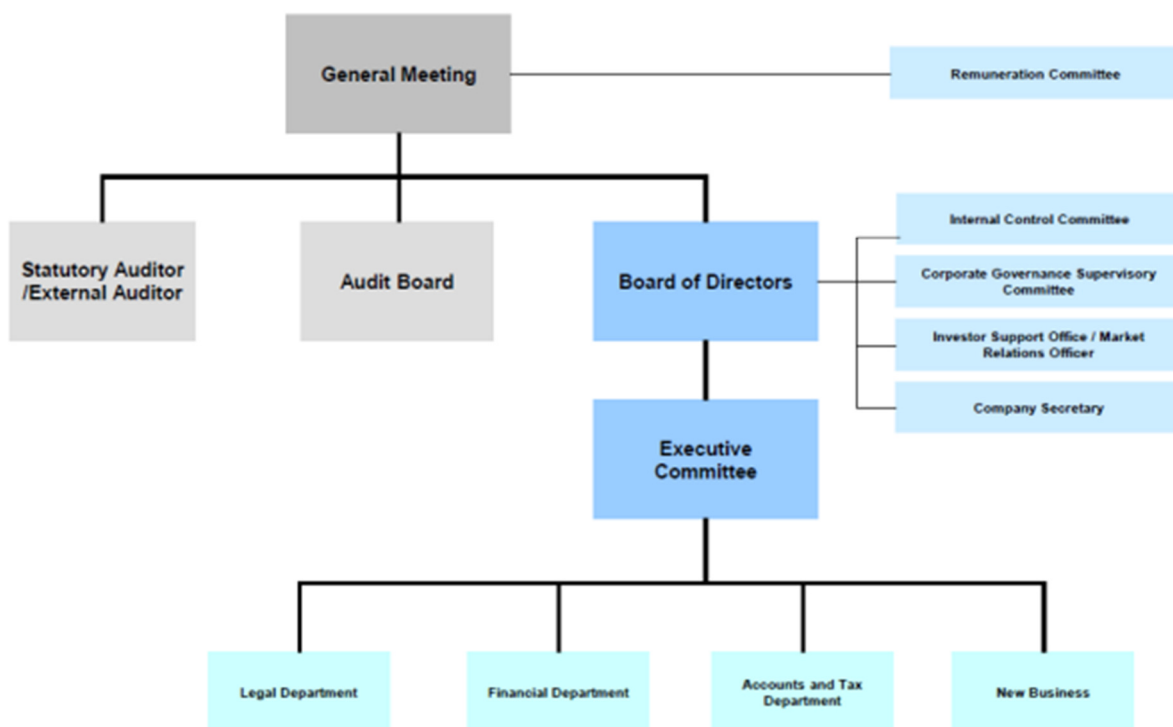
company. He also holds directorships in several companies related to Sodim, namely Hotel Ritz since 1998 and Hotel Villa Magna since 2001. He has held office as Director of Sonagi since 1995. In 2006 he was appointed Chairman of the Audit Board of *Associação de Hotelaria de Portugal* (AHP). Since 2007 he has been Chairman of the General Meeting of *Associação Portuguesa de Fundos de Investimento, Pensões e Patrimónios* (APPFIPP). He has served as member of the Audit Board of Eurovida – Companhia de Seguros, S.A. and Popular Seguros – Companhia de Seguros, S.A. since 2009. In 2014 he was appointed member of the Board of Directors of Semapa and Cimigest.

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.

Besides the directorships held by several Directors in companies which own qualifying holdings in Semapa, namely Sodim and subsidiaries, as described in paragraph 26 below, and Pedro Mendonça Queiroz Pereira's shareholdings in Sodim, OEM and Vialonga, 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 through the close cooperation between the Chairman of the Board and the executive team and, in particular with the CEO, through the availability of the members of the Executive Board to convey all relevant or urgent or requested 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, and the Chairman of the Board and the non-executive members often attend the meetings of the company's Executive Board.

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 compartmentalised within the Board of Directors, four main areas may be distinguished in the way responsibilities are shared:

- 1st Strategic planning and investment policy, which are the responsibility of the CEO, João Nuno de Sottomayor Pinto de Castello Branco.
- 2nd Financial and accounting, which are the responsibility of the director José Miguel Pereira Gens Paredes.
- 3rd Legal, corporate governance and IT issues, which are the responsibility of the director Paulo Miguel Garcês Ventura.
- 4th New business areas, which is the responsibility of the director Ricardo Miguel dos Santos Pacheco Pires.

Regarding strategic planning and Investments Policy, and without prejudice to the mentioned office, this is an area that naturally entails more intervention on behalf of the non-executive members and that counts on the substantial involvement of the Chairman of the Board.

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 407.4 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, except for 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.

At the end of the financial year, some company practices were institutionalised to ensure the intervention of the Directors in strategic decision making, according to amount, risk or special features.

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 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 conducts analyses and sets the remuneration of directors.

The Legal Department provides the company with legal advice and is in charge of legal compliance in order to assure that procedures and proceedings comply with the relevant legislation. The Financial Division is primarily engaged in financial management and planning. The Accounts and Tax Department is mainly responsible for rendering the company's accounts and complying with its tax obligations, avoiding abusive tax planning. As for the New Business Division, it is in charge of identifying and researching new business opportunities towards their implementation.

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 (<http://www.semapa.pt/en/rules-corporate-members>), 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 13 times in 2015, and attendance by each member was as follows:

Members of the Board of Directors:	Members present (%)	Members present and represented (%)
Pedro Mendonça de Queiroz Pereira	100	100
João Nuno de Sottomayor Pinto de Castello Branco	100	100
José Miguel Pereira Gens Paredes	100	100
Paulo Miguel Garcês Ventura	100	100
Ricardo Miguel dos Santos Pacheco Pires	100	100
António Pedro de Carvalho Viana-Baptista	77	85
Carlos Eduardo Coelho Alves	100	100
Francisco José Melo e Castro Guedes	92	92
Jorge Maria Bleck	57	57
Manuel Custódio de Oliveira	92	100
Vítor Manuel Galvão Rocha Novais Gonçalves	92	100

Members of the Board of Directors:	Members present (%)	Members present and represented (%)
Vítor Paulo Paranhos Pereira	100	100

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

The Remuneration Committee determines how the system will work and prepares the framework for the assessment of the executive directors. It is also responsible for the final check to the performance factors and their impact in terms of remuneration. However, assessment in the strict sense, as the specific appraisal of individual performance, is the responsibility of the team supervisor, as is the case of the members of the Executive Board, and of the Chairman of the Board of Directors, of the Chief Executive Officer, and in both cases with the participation of other non-executive directors whom the supervisor deems appropriate to involve.

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

Basic criteria for assessing the performance of executive directors are as defined in item 2 of chapter VI of the Remuneration Policy Statement for setting the variable remuneration component. Such criteria are met through a system of KPIs, which include quantitative and qualitative, individual and collective, components. EBITDA, earnings before tax and TSR are the quantitative elements jointly considered.

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.

Besides the activities mentioned under item 19, the members of the Board of Directors perform the duties 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 ¹
CELCIMO, S.L.	Chairman of the Board of Directors
INSPIREDPLACE, S.A.	Chairman of the Board of Directors

¹ In office until 10 February 2015.

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 ²
CIMIGEST, SGPS, 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
COSTA DAS PALMEIRAS – Turismo e Imobiliário, S.A.	Chairman of the Board of Directors
ECOVALUE – Investimentos Imobiliários, Lda.	Manager
HOTEL RITZ, S.A.	Chairman of the Board of Directors
PORTUCEL, S.A.	Chairman of the Board of Directors
Portucel Soporcel Switzerland Ltd.	Chairman of the Board of Directors
SECIL - Companhia Geral de Cal e Cimento, S.A.	Chairman of the Board of Directors
SODIM, SGPS, S.A.	Chairman of the Board of Directors
SOPORCEL - Sociedade Portuguesa de Papel, S.A.	Chairman of the Board of Directors ³
TERRAÇOS D'AREIA – SGPS, S.A.	Chairman of the Board of Directors
VILLA MAGNA S.L.	Chairman of the Board of Directors

João Nuno de Sottomayor Pinto de Castello Branco

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:

CIMIGEST, SGPS, S.A.	Director
PORTUCEL, S.A.	Vice-Chairman of the Board of Directors
SECIL - Companhia Geral de Cal e Cimento, S.A.	Vice-Chairman of the Board of Directors
SODIM, SGPS, 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
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² In office until 12 June 2015.

³ In office until 12 June 2015

ABOUTBALANCE SGPS S.A.	Director ⁴
Aprovechamiento Integral de Subprodutos 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
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 ⁵
CIMIGEST, SGPS, S.A.	Director
CIMINPART - Investimentos e Participações, SGPS, S.A.	Director
CIMIPAR – Sociedade Gestora de Participações Sociais, S.A.	Director
CIMO – Gestão de Participações, SGPS S.A.	Chairman of the Board of Directors
CMP - Cimentos Maceira e Pataias, S.A.	Director
HOTEL RITZ, S.A.	Director
LONGAPAR, SGPS, S.A.	Chairman of the Board of Directors
MOR ON-LINE – Gestão de Plataformas de Negociação de Resíduos On-Line, S.A.	Director
OEM - Organização de Empresas, SGPS, S.A.	Director
PORTUCEL, S.A.	Director
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director
SODIM, SGPS, S.A.	Director
SOPORCEL - Sociedade Portuguesa de Papel, S.A.	Director ⁶
VILLA MAGNA S.L.	Director

⁴ In office until 10 February 2015

⁵ In office until 12 June 2015.

⁶ In office until 12 June 2015.

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 ⁷
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
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 ⁸
CIMIGEST, SGPS, S.A.	Director
CIMINPART - Investimentos e Participações, SGPS, S.A.	Director
CIMIPAR – Sociedade Gestora de Participações Sociais, S.A.	Chairman of the Board of Directors
CIMO – Gestão de Participações, SGPS S.A.	Director
CMP - Cimentos Maceira e Pataias, S.A.	Director
HOTEL RITZ, S.A.	Director
LONGAPAR, SGPS, S.A.	Director
OEM - Organização de Empresas, SGPS, S.A.	Chairman of the Board of Directors
PORTUCEL, S.A.	Director
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director
SODIM, SGPS, S.A.	Director
SOPORCEL - Sociedade Portuguesa de Papel, S.A.	Director ⁹

⁷ In office until 10 February 2015.

⁸ In office until 12 June 2015.

⁹ In office until 12 June 2015.

VILLA MAGNA S.L.	Director
ANTASOBRAL - Sociedade Agropecuária, S.A.	Chairman of the General Meeting
BEIRA-RIO – Sociedade Construtora de Armazéns, S.A.	Chairman of the General Meeting
CIMILONGA – Imobiliária, S.A.	Chairman of the General Meeting
ESTRADAS DE PORTUGAL, S.A.	Vice-Chairman of the General Meeting
GALERIAS RITZ – Imobiliária, S.A.	Chairman of the General Meeting
LONGAVIA – Imobiliária, S.A.	Chairman of the General Meeting
PARQUE RITZ – Imobiliária, S.A.	Chairman of the General Meeting
REFUNDOS – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Chairman of the General Meeting
SONAGI – Imobiliária, S.A.	Chairman of the General Meeting
SONAGI, SGPS, S.A.	Chairman of the General Meeting
VALUELEGEND – SGPS, 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

Ricardo Miguel dos Santos Pacheco Pires

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

ABOUTBALANCE SGPS S.A.	Director ¹⁰
INSPIREDPLACE, S.A.	Director
SEINPART - Participações, SGPS, S.A.	Director
SEMINV - Investimentos, SGPS, S.A.	Director

Office held in other companies:

CIMIGEST, SGPS, S.A.	Director
CIMIPAR – Sociedade Gestora de Participações Sociais, S.A.	Director
CIMO – Gestão de Participações, SGPS S.A.	Director
HOTEL RITZ, S.A.	Director
LONGAPAR, SGPS, S.A.	Director
OEM - Organização de Empresas, SGPS, S.A.	Director
PORTUCEL, S.A.	Director
PYRUS AGRICULTURAL LLC	Director

¹⁰ In office until 10 February 2015.

PYRUS INVESTMENTS LLC	Director
PYRUS REAL ESTATE LLC	Director
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director
SODIM, SGPS, S.A.	Director
UPSIS S.A.	Director
VIEZNADA S.L.	Director
VILLA MAGNA S.L.	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:

ARICA B.V.	Director
CREDIT SUISSE AG (for Spain and Portugal)	CEO
JASPER WIRELESS Inc.	Director
JERÓNIMO MARTINS SGPS, S.A.	Director and Member of the Audit Committee
LARGO Ltd	Chairman of the Board of Directors

Carlos Eduardo Coelho Alves

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: No office held in other companies

Francisco José Melo e Castro Guedes

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

CELCIMO, S.L.	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 ¹¹
CIMENT DE SIBLINE S.A.L.	Director

¹¹ In office until 12 June 2015.

CIMIGEST, SGPS, S.A.	Director
CMP- Cimentos Maceira e Pataias, S.A.	Director
MARGEM – Companhia de Mineração	Director ¹²
SOPORCEL - Sociedade Portuguesa de Papel, S.A.	Director ¹³
PORTUCEL, S.A.	Director ¹⁴
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director
SODIM, SGPS, S.A.	Director
SUPREMO CIMENTOS, S.A.	Chairman of the Board of Directors ¹⁵

Manuel Custódio de Oliveira

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:

ANTASOBRAL - Sociedade Agropecuária, S.A.	Chairman of the Board of Directors
BEIRA-RIO – Sociedade Construtora de Armazéns, S.A.	Director ¹⁶
CIMIGEST, SGPS, S.A.	Director
CIMILONGA – Imobiliária, S.A.	Chairman of the Board of Directors
ESFORÇO - Investimentos Imobiliários, S.A.	Director
HOTEL RITZ, S.A.	Director
LONGAVIA – Imobiliária, S.A.	Chairman of the Board of Directors
REFUNDOS – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Chairman of the Board of Directors
SODIM, SGPS, S.A.	Director
SONAGI, SGPS, S.A.	Chairman of the Board of Directors
SONAGI – Imobiliária, S.A.	Chairman of the Board of Directors
SOUSA CAMPILHO - Investimentos, SGPS, S.A.	Director
VIEZNADA S.L.	Director
VILLA MAGNA S.L.	Director
Zona de Caça e Pesca da Herdade Sobral e Mergulhos, Lda.	Manager

¹² In office until 24 June 2015

¹³ In office until 12 June 2015

¹⁴ In office until 1 July 2015

¹⁵ In office until 24 June 2015

¹⁶ In office until 31 July 2015.

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:

BELDEVELOPMENT, S.A.	Director
EXTRASEARCH SGPS S.A.	Director
MAGALHÃES e GONÇALVES - Consultoria e Gestão, Lda.	Manager
PORTUCEL, S.A.	Director
QUALQUER PRUMO – Sociedade Imobiliária, Lda.	Manager
TCARE - Conhecimento e Saúde, S.A.	Director
VRES – Vision Real Estate Solutions, S.A.	Director
ZOOM INVESTMENT, SGPS, S.A.	Director
ZOOM INVESTMENT TURISMO, S.A.	Director

Vítor Paulo Paranhos Pereira

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:

ANTASOBRAL - Sociedade Agropecuária, S.A.	Director
BEIRA-RIO – Sociedade Construtora de Armazéns, S.A.	Director ¹⁷
CAPITAL HOTELS BV	Director
CIMIGEST, SGPS, S.A.	Director
CIMILONGA – Imobiliária, S.A.	Director
GALERIAS RITZ, S.A.	Chairman of the Board of Directors
HOTEL RITZ, S.A.	Director
LONGAVIA – Imobiliária, S.A.	Director
PARQUE RITZ, S.A.	Chairman of the Board of Directors
REFUNDOS – Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Director
SODIM, SGPS, S.A.	Director
SODIMPARQUE – Parqueamento e Garagens, Lda.	Manager

¹⁷ In office until 31 July 2015

SONAGI, SGPS, S.A.	Director
SONAGI – Imobiliária, S.A.	Director
VALUELEGEND – SGPS, S.A.	Director
VIEZNADA S.L.	Director
VILLA MAGNA S.L.	Director

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 and Corporate Governance Supervisory Committee.

All committees have rules of procedure, which are published on the company website (<http://www.semapa.pt/en/rules-corporate-members>), where they may be looked up.

The following are the Executive Board's operating rules:

- a) The Executive Board shall meet when convened by its Chairman or any other two members;
- b) The members of the Executive Board may be represented by another member, and each person may not represent more than one member;
- c) The CEO has a casting vote;
- d) Absent members may cast written votes, and
- e) The CEO is particularly responsible for reporting and communicating with the Board of Directors.

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

The following are the members of the Executive Board, who, excluding the CEO who assumed office on 1 July 2015, were appointed by resolution of the Board of Directors on 19 June 2014:

Eng. João Nuno de Sottomayor Pinto de Castello Branco, who chairs the board;
Dr. José Miguel Pereira Gens Paredes
Dr. Paulo Miguel Garcês Ventura, and
Dr. Ricardo Miguel dos Santos Pacheco Pires.

The office of CEO was held by Pedro Mendonça de Queiroz Pereira until 1 July 2015, when he resigned.

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 Executive Board is the company's executive body, which has performed its duties in the scope of the powers entrusted to it by the Board of Directors. The Board meets on a regular basis and whenever necessary in the light of ongoing business and monitoring of the company's activity. In 2015 it held forty one meetings. These meetings are attended by the members of the Board, and regularly by the non-executive directors, as well as the company secretary, Rui Gouveia. When the matters to be discussed so require, the directors of the group's companies and some of the company's managers may also take part in the meetings.

In view of implementing its purpose to detect and control all relevant risks in the company's affairs, in particular financial risks, the ICC has the following the responsibilities and powers:

- a) To ensure compliance by the company with the 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;
- d) To check implementation of the adjustments to the internal control and risk management system proposed by the Audit Board; and
- e) To monitor the quality control of financial and accounting information, taking steps to ensure that it is reliable.

The ICC met twice in the financial year 2015 and is composed of Joaquim Martins Ferreira do Amaral, Jaime Alberto Marques Sennfelt Fernandes Falcão and Margarida Isabel Feijão Antunes Rebocho. This committee conducted the activities, ensured the monitoring and implemented all the verifications which correspond to its duties, and held joint meetings with the Executive Director José Miguel Paredes, and the members of the Audit Board. The fact that Margarida Rebocho is the Tax and Accounting Director of Semapa has made reporting and access to the company's everyday activities easier, without jeopardising the distancing required, which is guaranteed by a majority of members who do not take part in the daily activities.

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 also required to assess annually corporate governance and submit to the Board of Directors any proposals as it sees fit.

The CGSC met four times in the financial year 2015 and is composed of Jorge Manuel de Mira Amaral, Gonçalo Allen Serras Pereira and Francisco José Melo e Castro Guedes, who was appointed member of this Committee after he resigned from office as Executive Director. The CGSC conducted its oversight and corporate governance assessment activities throughout the financial year. It also participated actively in the drafting of the Annual Report on Corporate Governance, for which it obtained the necessary information, particularly by keeping in touch and attending the meetings with the Executive Director, Miguel Ventura, and a member of the Legal Department.

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)	2006-2017
Gonçalo Nuno Palha Gaio Picão Caldeira (Full member)	2006-2017
José Manuel Oliveira Vitorino (Alternate member replacing the Full Member)	2015-2017

Duarte Nuno d'Orey da Cunha was full member of the Audit Board until 2 July 2015, when he resigned from office.

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.

Semapa has always considered that all members of the Audit Board were independent, pursuant to article 414.5 of the Companies Code.

The members of the Audit Board, Miguel Camargo de Sousa Eiró (Chairman), Gonçalo Nuno Palha Gaio Picão Caldeira

and José Manuel Oliveira Vitorino are deemed independent by Semapa, in accordance with article 414.5 of the Companies Code. The former two are currently in their third term and the latter in his first term in office.

The understanding that fulfilling a third term does not compromise the status of independence 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.

However, in the request for prior registration of the Public Tender Offer in 2015, the Portuguese Securities Market Commission reported that it did not consider Gonçalo Picão Caldeira as an independent member of the Audit Board of Semapa. The Portuguese Securities Market Commission founded its qualification of non-independence of the aforementioned member on the fact that he took up office as advisor to the Board of Directors of Semapa, from April 2002 and February 2004. The Securities Market Commission's views of non-independence of the member of the Audit Board are not shared by Semapa, nor by the member himself.

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.

Miguel Camargo de Sousa Eiró

Miguel Eiró graduated in Law by *Universidade de Lisboa* in 1971. He joined the Portuguese Bar Association on 28 June 1973, and was a member of its Lisbon District Committee between 1982/1984 and a member of the General Committee between 1999/2002 and 2002/2004. He is an Intellectual Property Agent and attended a course in Mediation. He has been practising Law since his graduation in 1971, and is currently partner and director at the law firm "Correia Moniz & Associados – Sociedade de Advogados, R.L." law firm. Between 1972 and 1975 Miguel Eiró performed military service in the Portuguese navy as a Law Expert. He was member of the Board of the Centre for Arbitrage of the Portuguese Bar Association between 1997/1999. In 2004 he was arbitrator at the Centre for Automobile Conflict Resolution and served as arbitrator in several more arbitration cases. Between 1975 and 1980 he was Director of Brisa – Auto Estradas de Portugal, S.A., and of other companies during his working life. He became member of the Audit Board of Semapa in 2006, of Portucel in 2007, and of Secil in 2013, and is currently Chairman of these supervisory bodies.

Gonçalo Nuno Palha Gaio Picão Caldeira

Gonçalo Picão Caldeira has a degree in law and joined the Portuguese Bar Association in 1991, after completing a legal internship. He holds an MBA from *Universidade Nova de Lisboa* and attended a course in real estate management and evaluation from ISEG. Gonçalo Picão Caldeira has performed management and property development functions in family-owned companies since 2004. He collaborated previously with BCP Group (1992-1998) and Sorel Group (October 1998 to March 2002). He also worked for Semapa from April 2002 to February 2004. He has been a member of the Audit Board of Semapa, Portucel and Secil since 2006, 2007 and 2013, respectively.

José Manuel Oliveira Vitorino

José Manuel Vitorino has a degree in corporate organisation and management by *Instituto Superior de Economia da Universidade de Lisboa*. He was an Assistant Professor at *Faculdade de Economia da Universidade de Coimbra* until 1980, after which he joined PricewaterhouseCoopers and performed functions in auditing and financial consultancy, in national and foreign companies and groups, and in projects by taking part in international teams. He is a qualified Statutory Auditor and by the executive training programme of the *Universidade Nova de Lisboa*. He had been performing Partner duties for several years, when he left PricewaterhouseCoopers in 2013, after reaching the default retirement age. He is currently the Chairman of the Audit Board of Novo Banco, SA., member of the Audit Board of ANA

- Aeroportos de Portugal, SA., member of the Audit Board of SEMAPA, SGPS, SA. and member of the Audit Board of PORTUCEL, SA.

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 (<http://www.semapa.pt/en/rules-corporate-members>), 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 2015, the Audit Board met 5 times, with members present at all meetings (physical presence).

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.

Besides the activities mentioned under item 33, the members of the Audit Board perform the duties 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

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:

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

José Manuel Oliveira Vitorino

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:

ANA Aeroportos de Portugal, S.A.	Member of the Audit Board
NOVO BANCO, S.A.	Chairman of the Audit Board
PORTUCEL, S.A.	Member of the Audit Board

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.

For the purposes of contracting additional services from the external auditor, the Audit Board adopted in 2014 the following criteria: (i) all services are subject to reporting and approval by the Audit Board, and (ii) the Audit Board shall approve the contracting of services it finds duly justified by management.

Thus, the Audit Board analyses 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 losses;
- 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 the 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 out 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. The Audit Board is further in charge of suggesting and monitoring, with the support of the company's internal services, the External Auditor's pay.

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 José Pereira Alves (ROC) or António Alberto Henriques Assis (ROC)
Alternate: Jorge Manuel Santos Costa (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 13 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 20161485.

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 who has held office in the company for 13 years, as stated in item 40. The actual representative of the external auditor, José Pereira Alves (ROC), has held office in the company since the elective General Meeting of Semapa on 23 May 2014.

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.

Since the Statutory Auditor of Semapa ended his term in 2013, the Audit Board heard the Board of Directors, and asked the internal services to prepare a restricted tender by invitation, addressed to four Audit Firms, for the selection of the external auditor and the Statutory Auditor of Semapa and its subsidiaries for the period of four years initiated in 2014. The bids were analysed by a Selection Committee, the process was overseen by the Audit Board.

Finally, the Audit Board submitted to the shareholders a proposal for retaining the External Auditor, issuing its opinion in a report in which it argued the pros and cons of maintaining the same Audit Firm for a new term, it underscored that the quality of the work performed by PricewaterhouseCoopers and the firm's accrued experience in the sectors in which Semapa invests outweighed the drawbacks of retaining it. Nonetheless, in line with best international practices and in view of enhancing PricewaterhouseCoopers's independence, rotation of the partner representing the firm was proposed. The proposal submitted by the Audit Board was adopted by the shareholders at the General Meeting of 23 May 2014.

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 delivered by the external auditor other than audit work include tax consultancy and reliability assurance services. All additional work has been approved by the Audit Board based on the criteria and procedures described in item 37.

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 careful definition of the services required at the contracting stage. The Audit Board bases itself further on the departments' internal analyses and opinions.

In the framework of the provision of 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.

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)	
	Amount	Percentage	Amount	Percentage
Value of auditing services	34,765.00	100%	624,022.00	78.79%
Value of reliability assurance services	-	-	105,014.00	13.26%
Value of tax consultancy services	-	-	62,962.00	7.95%

Value of other services other than auditing services	-	-	-	-
Total:	34,765.00	100%	791,998.00	100%

NOTE: Figures in Euros

In 2015, 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 21.21% of the total services provided, which percentage is below the recommended upper limit of 30%.

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. We further note that, in the event of conflict of interest regarding an irregularity committed by a member of the Audit Board, a copy of the report must also be sent to the Chairman of the Board of Directors.

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 on 30 December 2002. 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).

It should be clearly noted that in consolidated terms the company has 5,621 employees in total and the holding, individually, only has 25. The corporate universe represented by most of the group's workers, and which concerns the holdings main subsidiaries, Portucel and Secil, is covered by separate auditing systems with organisational units with special auditing responsibilities.

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.

Non existence of 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 Internal Control Committee (ICC) is to detect and control all relevant risks in the company's affairs, in particular financial and legal risks, and the Committee is vested with the powers set out in item 21 of this report.

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 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.

The director can be contacted through his email address (jmparedes@semapa.pt) or on the company's general telephone numbers (+351 21 318 47 00). 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, and it generally concerns information about the Semapa group, the company's business, corporate governance and financial information.

57. Market relations officer.

The market relations officer is 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 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	http://www.semapa.pt/en/home
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.	http://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.	http://www.semapa.pt/en/laws http://www.semapa.pt/en/rules-corporate-members

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.	http://www.semapa.pt/en/company-officers http://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.	http://www.semapa.pt/en/demonstracoes-financeiras http://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.	http://www.semapa.pt/en/general-meeting-april-30-2015
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.	http://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. THE 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 comprises José Gonalo Ferreira Maury, Frederico Jos  da Cunha Mendona e Meneses and Jo o Rodrigo Appleton Moreira Rato and does not subcontract auxiliary staff.

The company considers the Committee's members to be independent, although the Portuguese Securities Market Commission has a different understanding in relation to Frederico da Cunha. With regards to this member, the following needs to be said:

First, he is linked to Semapa due to the fact that until 2005 he was non-executive director for the company and currently earns a retirement pension as a result of the duties performed. However, Semapa considers that, since non-executive duties were performed, by virtue of the elapsed time and the right to a pension being an acquired right, independent from the will of Semapa's directors, the impartiality of analysis and decision is not impaired. Secondly, he exercised administrative duties from June 2013 to May 2014 in Sodim, a company to which approximately 71% of the non-suspended voting rights of Semapa are now allocated, according to item 7 above. The company considers that this does not affect his unbiased analysis and decision. In effect, and considering that what is at stake here is the independence from the executive members of the Board of Directors, Semapa considers that this committee member exercises his duties in the Remuneration Committee independently.

Jos  Maury resigned in 2014 from office at Egon Zehnder, a HR services company which over the years supported Semapa and other related companies in procurement procedures. Due both to the aforementioned resignation, and to the nature and limited extent of the services provided by Egon Zehnder, we consider that the independence of this member of the Committee was not undermined.

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, Jos  Maury has vast knowledge and experience in matters of remuneration policy and he was a partner of the company Egon Zehnder for a number of years, which is a leading recruitment company, involving thorough knowledge of assessment procedures and criteria and related remuneration packages.

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 clarity the Remuneration Policy Statement of the Remuneration Committee, specifically items 1 and 6 of chapter VI, to which we make reference.

Following such principles, to determine precisely the variable remuneration component, a set of KPIs are applied, for which EBITDA, earnings before tax and the TSR are the quantitative elements considered, as mentioned in item 25 above.

The effect of the alignment of the interests in the long-term results, to some extent, from an existing KPI of the value of the company over time, the TSR, albeit in a form that is more limited than that arising from Semapa's *de facto* situation in relation to the significant stability of the Executive Board's members. Such stability is naturally linked to longer time lines, including in the wage component, as future results influence future remunerations for which expectations exist.

The same is true for excessive risk-taking. The company has no separate remuneration mechanism aimed specifically at that. 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. It is thus confused with long-term interests, and consequently benefits from the aforementioned incentives to overall alignment over time.

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.

The performance assessment under the variable remuneration, in its individual and qualitative component, accounts for approximately 40% of that remuneration component. In the case of non-executive directors, without prejudice to the exceptional status of the Chairman of the Board of Directors, who remains very close to the relevant decisions of daily corporate management, a 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.

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

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 in item 25 above, 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.

There are no complementary or early retirement schemes for directors currently in place in the company. Nevertheless, Frederico José da Cunha Mendonça e Meneses receives a monthly pension, because he exercised an option under the expiry of a past pension scheme for directors.

At present, this is the only pension which Semapa pays. It is a lifetime monthly pension paid 12 months per year, for which the following is provided: (i) the transferability of half of its value to the surviving spouse or minor or disabled children and (ii) mandatory deduction from this pension either the value of remunerated services later delivered to Semapa or controlled companies, or the value of pensions that the beneficiary is entitled to receive from the national social insurance scheme related to the same period of service. Semapa's liability with this pension is as mentioned in Note 29 to the Consolidated Financial Statements and Note 25 to the Individual Financial Statements.

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 2015, 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	Fixed Remuneration	Fixed Remuneration
António Pedro de Carvalho Viana Baptista	128,305.13	–
Carlos Eduardo Coelho Alves	–	–
Francisco José de Melo e Castro Guedes	77,825.00	200,000.00
João Nuno de Sottomayor Pinto de Castello Branco	349,800.00	–
José Miguel Pereira Gens Paredes	311,300.02	548,684.00

Board of Directors	Fixed Remuneration	Fixed Remuneration
Jorge Maria Bleck	–	–
Manuel Custódio de Oliveira	124,678.13	–
Paulo Miguel Garcês Ventura	311,300.00	522,269.00
Pedro Mendonça de Queiroz Pereira	430,308.43	891,702.00
Ricardo Miguel dos Santos Pacheco Pires	247,625.00	414,420.00
Vítor Manuel Galvão Rocha Novais Gonçalves	128,305.13	–
Vítor Paulo Paranhos Pereira	128,305.13	–
TOTAL	2,237,751.97	2,577,075.00

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 following directors earned remunerations in other controlling or group companies or companies under common control: Pedro Mendonça de Queiroz Pereira, Francisco José de Melo e Castro Guedes and Vítor Paulo Paranhos Pereira, amounting to 3,214,822.63 euros, 152.654.34 euros and 127,350.00 euros, respectively.

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 by Semapa 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 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	Fixed Remuneration	Variable Remuneration
Miguel Camargo de Sousa Eiró	19,958.57	–
Duarte Nuno d'Orey da Cunha	10,019.79	–
Gonçalo Nuno Palha Gaio Picão Caldeira	14,256.13	–
José Manuel Oliveira Vitorino	7,147.15	–
TOTAL	51,381.64	–

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 2015, 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 2015, without prejudice to the oversight by the Audit Board of the situations described in item 10 above, 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 each such transaction has 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 attachment to consolidated financial statements and Note 31 of the attachment to 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 ([Regulation of the CMVM no. 4/2013](#)) 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 on the website.

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 this 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	Adopted	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
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

#	Adoption	Text	Reference
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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	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 or particular characteristics involved.	Part I, item 21
II.1.3	Not applicable	The General and Supervisory Board, in addition to its supervisory duties, 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> <ol style="list-style-type: none"> Having been an employee at the company or at a related or group company in the past three years; 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; Being the beneficiary of remuneration paid by the company or by a related or group company, other than the remuneration deriving from a directorship; 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; 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 applicable	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.	Part I, items 18, 21 and 28

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.	Part I, items 67 and 68
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	c) 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	Not applicable	Any retirement benefit scheme established for company officers shall be submitted to the General Meeting for approval. The proposal shall contain all the necessary information in order to correctly assess said system.	Part I, item 76

III. Remunerations

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. Audit

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

#	Adoption	Text	Reference
VI. Information			
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:

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 ensure a competent and independent assessment of the performance of the executive directors and its own overall performance, as well as of other existing committees..."

Although the company will not adopt this recommendation, the criticism of the recommendation itself must be distinguished from the "explain" in the technical sense.

Starting with the first, the exaggerated advocacy of creating committees to supervise committees must be highlighted. It is only bureaucracy which causes management to get lost in a web of time and resource consuming formalities, distancing it increasingly from the essence which should be preserved.

As for the *explain*, one should begin by attempting to identify the main principles probably underpinning this recommendation and which must be safeguarded. They appear to be a concern that the supervisor is supervised and that remunerations are assessed independently. Both concerns are effectively addressed in Semapa.

The committees are supervised by the entities which established them, the Board of Directors, which is ultimately responsible for managing the company, and by the body appointed by the shareholders for overseeing all of the company's affairs, the Audit Board. Creating an intermediate level, in a holding company with a simplified and reduced management structure, does not seem to add value to the supervisory function. The Remuneration Committee reports directly to the shareholders and is excluded from this regime.

The assessment of the executive directors, on the other hand, is a more complex issue. When assessing performance, there is always tension between proximity, which ensures greater precision and full knowledge of the facts, and distance, which grants independence. An assessment committee could guarantee greater independence due to the distance it enjoys, but the full knowledge of the facts that proximity ensures would be damaged. At Semapa, the compromise solution described in Part I, item 24 above has now been adopted. As mentioned, the Remuneration Committee ensuring greater independence sets the system and conducts the final checks to the performance factors, but the specific appraisal of individual performance is the responsibility of the team supervisor, as is the case of the members of the Executive Board, and of the Chairman of the Board of Directors, of the CEO, and in both cases with the participation of other non-executive directors whom the supervisor deems appropriate to involve.

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 other of Semapa's departments, in particular the Legal Department for the detection of potential illegalities. The decision not to have departments with special functions in this area is due to Semapa's simplified administrative structure as a holding company, without prejudice to the existence of independent departments of this type in its subsidiaries, as described in item 50.

In view of this fundamental option and in the absence of autonomous internal audit and compliance units, these units do not have work plans. Nonetheless, the Audit Board has the knowledge and the chance to deliver an opinion on the activities performed by the Internal Control Committee and Semapa's departments in this framework, on the resources allocated to the departments that also perform compliance duties, and is the recipient, where available, of the reports and opinions made by these services when they concern matters related to financial reporting, identification or resolution of conflicts of interest and detection of potential illegalities.

This recommendation has not been adopted by the company, but also here we strongly feel that the purpose and concerns which justify this recommendation are fully guaranteed.

Recommendation II.3.3 b) and Recommendation III.3

Recommendation II.3.3 b) states that "The statement on 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.

However, Semapa considers that the principles pursued by the recommendation are guaranteed in three ways. First, through the aforementioned existence of a percentage limit of the variable part on the earnings. Second, by ensuring elements of fairness arising from the statement. Third, since the KPI system implemented under the remunerations policy provides for the values for the variable remuneration of each executive director, fixing the double thereof as the ceiling, which may be exceeded only in exceptional situations.

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".

The explanation for not adopting this recommendation can be found in the remuneration policy statement in force, Annex II hereto, which states in particular that:

"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 pegged 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."

In substance, a director whose remuneration is not deferred, but who is paid over a longer period of time according to the results achieved in a given year is more in line with long-term management than a director who holds an office for 3 or 4 years and whose remuneration is deferred for that period. The recommended three-year period must be weighed against the executive directors' time with Semapa since these powers were first awarded to an executive board: Pedro Queiroz Pereira - 13 years, João Castello Branco - elected only in 2015, Carlos Alves – 7 years, José Honório - 12 years, Gonçalo Serras Pereira - 4 years, Carlos Horta e Costa – 6 years, Francisco Guedes - 11 years, Miguel Ventura – 10 years and still in office, José Miguel Paredes – 10 years and still in office, Ricardo Pires – elected only in 2014.

Therefore, this recommendation is not adopted by the company, without prejudice to the underlying substance, which is guaranteed to a greater extent than if such recommendation were implemented.

3. ADDITIONAL INFORMATION

There are no other disclosures or additional information which would be relevant to an understanding of 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 financial year 2015)

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 Miguel Pereira Gens Paredes – 50 "Obrigações SEMAPA 2014/2019"
- Duarte Nuno d'Orey da Cunha - 2,907 shares in the company and 65 "Obrigações SEMAPA 2014/2019"
- Undivided estate of Maria Rita de Carvalhosa Mendes de Almeida de Queiroz Pereira - 16.464 shares in the company

(*) The bonds issued by Semapa with the name "Obrigações SEMAPA 2014/2019" correspond to bonds with a variable 6-month EURIBOR rate, on the next working day TARGET immediately preceding the first day of each interest period, plus 3.25% a year, expiring in 2019.

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 (**):

- Carlos Eduardo Coelho Alves - 578,309 shares in Portucel, S.A.
- 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. – 22,225,400 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.
- OEM - Organização de Empresas, SGPS, S.A. - 535,000 shares in the company
- Sodim, SGPS, S.A. - 15.252.726 shares in the company

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 (***):

On 31 March 2015, Sodim, SGPS, S.A. exchanged 404,779 Semapa shares, for 12.51 euros per share, for the purposes of paragraph 2 of article 14 of Securities Market Commission Regulation 5/2008.

The following company officers no longer hold “*Obrigações SEMAPA 2012/2015*”, as a result of the repayment of that loan issue on 30 March 2015:

- José Miguel Pereira Gens Paredes – 205 “*Obrigações SEMAPA 2012/2015*”
- Paulo Miguel Garcês Ventura – 125 “*Obrigações SEMAPA 2012/2015*”
- Ricardo Miguel dos Santos Pacheco Pires – 14 “*Obrigações SEMAPA 2012/2015*”
- Vítor Manuel Galvão Rocha Novais Gonçalves – 50 “*Obrigações SEMAPA 2012/2015*”
- Miguel Camargo de Sousa Eiró – 50 “*Obrigações SEMAPA 2012/2015*”
- Duarte Nuno d’Orey da Cunha - 25 “*Obrigações SEMAPA 2012/2015*”

(***) *The bonds issued by Semapa with the name “Obrigações SEMAPA 2012/2015” are the company’s bonds at a fixed rate of 6.85 per cent per annum, maturing in 2015.*

5. Transactions in own shares:

On 30 April 2015, a Semapa reduced its share capital by cancelling 11,822,445 of its own shares, corresponding to 9.99% of its share capital.

On 30 July 2015, following the takeover bid from 6 to 24 July 2015, Semapa purchased 24,864,477 of own shares, corresponding to 23.345% of the share capital, which were cancelled immediately through share capital reduction.

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 2015, 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, and this text was then submitted to the company’s General Meeting that year and approved. The statement was drawn up under the terms of the relevant recommendation of the Securities Market Commission then in force.

At that time, the Remuneration Committee stated its view that the options defended should be maintained until the end of the term of office of the company officers. The term of office in question ran from 2006 to 2009.

It was necessary to renew the statement in 2010, not only because of the start of a fresh term of office but also because Law 28/2009, of 19 June took effect, making it mandatory for the Remuneration Committee to submit a remuneration policy statement each year for the approval of the General Meeting.

This Committee is still of the view that a remuneration policy, due to its nature as a set of principles, should be generally stable for the duration of a mandate.

In view of the changes to recommendations resulting from publication by the Securities Market Commission of the 2013 Corporate Governance Code, the Remuneration Committee adjusted in 2014 this Statement to the new recommendations.

This year it has been decided to propose once more the approval of a statement similar in content to that currently in force.

The two most common possibilities for setting the remuneration of company officers are significantly different from each other. On the one hand, the remuneration may be fixed directly by the General Meeting, a solution which is not often adopted for various reasons of practicality, whilst on the other hand there is the option of remuneration being set by a committee, which decides in accordance with criteria on which the shareholders have had no say.

We have therefore considered an intermediate solution, whereby a declaration on remuneration policy, to be followed by the Committee, is submitted for the consideration of the shareholders. The best course of action is to take the best features of the two theoretically possible solutions, as we shall seek to do in this document, retaining and reproducing much of what we have defended in the past, but also seeking to secure the benefits of the company’s wider experience and knowledge and of compliance with the legal requirements in this area, 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 2013.

In addition to requiring annual statements, approved by the general meeting and duly disclosed, the new law requires the statement on remuneration policy to 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 bonus and share option plans for directors and auditors;
- 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 remuneration 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 recommendations from the Securities Market Commission currently in force recommend that:

II.3.3. 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;
- 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;
- c) Information on whether payments are due for the dismissal or termination of appointment of board members.

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 board of directors are essentially established in article 399 of the Companies Code, and may in practice be summarised as follows:

- Remuneration is to be set by the General Meeting of shareholders or by a committee appointed at such meeting.
- The remuneration fixed shall take into account the duties performed and the state of the company's affairs.
- The remuneration may be fixed or else consist in part of a percentage of the profits of the period, but the maximum percentage for distribution to directors must be authorized by a clause in the articles of association, and shall not apply to the amounts allocated to reserves or to any portion of the profits not legally available for distribution to the 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 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 the 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. 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. However, this year we addressed again the benefits of returning to the previous procedure of having the shareholders decide directly at the General Meeting the total amount to be paid, according to the year's results and as proposed by the Remunerations Committee, which would be in charge of the individual distributions.

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 involved process, taking into account the factors set out in the remuneration policy statement in force and the KPIs mentioned below.

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, the members of the audit Board have received fixed monthly remuneration. Since the officers of the general meeting started to receive remuneration, this has been set in accordance with 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, of 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 time, have not always been 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 directors without delegated powers have been closely involved in the life of the company in a variety of ways.

b) The state of the company's affairs.

This criterion must also be understood and interpreted with care. The size of the company and the inevitable complexity of the associated management responsibilities are clearly 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 pay, and the officers of a corporation are no exception. Only respect for market practices makes it possible to keep 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 as 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 the performance of each director. These weightings are calculated according to a KPI system, for which EBITDA, earnings before tax and the shareholder’s internal rate of return in the long term are the quantitative elements considered.

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 underlying 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 pegged 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 a 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. Recommendation II.3.3 a). Criteria for determining the remuneration paid.

The criteria for determining the remuneration paid to the company officers are that which are drawn from the principles listed in chapter V above and that described in item 2 of chapter VI above, concerning the variable component of the directors' remuneration.

Besides these, there are no predetermined mandatory criteria at Semapa for setting the remuneration. However, the executive directors are submitted to performance assessment based on the aforementioned KPI system, for awarding the variable remuneration.

7. Recommendation II.3.3. b). Maximum potential, individual and aggregate remuneration.

Semapa's Articles of Association only lay down the maximum potential aggregate amount of variable remuneration payable to directors which, according to clause 17.3, corresponds to a share in profits not exceeding five per cent of the net profits of the previous period. Without prejudice to the fact that this Committee agrees with the meaning of the recommendation concerning the fixing of maximum potential amounts, in Semapa's case in our view, where a statutory provision on this matter already exists, no complementary rules limiting amounts are required, without prejudice to setting such limits for controlled companies. The maximum amount can be reached whenever performance criteria have been fulfilled completely.

8. Recommendation II.3.3. c). Payments for the dismissal or termination of duties.

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

The supplementary legal rule in this matter apply here.

VII. Specific Options

The specific options for the remuneration policy we propose are as follows:

- I. The remuneration of executive directors shall comprise a fixed component and a variable component.
- II. The remuneration of non-executive directors shall comprise only a fixed component that may be complemented according to the piling on of added responsibilities.
- III. The remuneration of the members of the Audit Board and the officers of the General Meeting shall comprise a fixed component only.
- IV. The fixed component of the remuneration of directors shall consist of a monthly amount payable fourteen times a year or of a pre-set amount for each meeting of the Board of Directors attended.
- V. 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.
- VI. The pre-set amount for participation in meetings of the Board of Directors shall be fixed for those who have

duties which are essentially advisory and supervisory.

- VII. The fixed remuneration of the members of the Audit Board shall consist in all cases of a pre-set amount paid fourteen times a year.
- VIII. The fixed remuneration of the officers of the General Meeting shall consist in all cases of a pre-set amount for each meeting, the remuneration for second and subsequent meetings being lower than that for the first general meeting of the year.
- IX. 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 the total such remuneration shall not exceed five per cent of the consolidated net profits (IFRS format).
- X. 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, 27 March 2015

The Remuneration Committee

José Gonçalo Ferreira Maury,

Frederico José da Cunha Mendonça e Meneses

João Rodrigo Appleton Moreira Rato"

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 2015, 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 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 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	Chairman of the Board of Directors
João Nuno de Sottomayor Pinto de Castello Branco	Member of the Board of Directors
José Miguel Pereira Gens Paredes	Member of the Board of Directors
Paulo Miguel Garcês Ventura	Member of the Board of Directors
Ricardo Miguel dos Santos Pacheco Pires	Member of the Board of Directors
António Pedro de Carvalho Viana-Baptista	Member of the Board of Directors
Carlos Eduardo Coelho Alves	Member of the Board of Directors
Francisco José Melo e Castro Guedes	Member of the Board of Directors
Manuel Custódio de Oliveira	Member of the Board of Directors
Vítor Manuel Galvão Rocha Novais Gonçalves	Member of the Board of Directors

Name	Title
Vitor Paulo Paranhos Pereira	Member of the Board of Directors