

CORPORATE GOVERNANCE REPORT 2023



MAKING IT BETTER



SEMAPA

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PART I

INFORMATION ON CAPITAL STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

A. CAPITAL STRUCTURE

I. CAPITAL STRUCTURE

1. Capital structure (share capital, number of shares, distribution of capital between shareholders, etc.), including indication of shares not admitted to trading, different classes of shares, the rights and obligations attaching to these and the percentage of share capital that they represent (Article 245-A.1 a¹).

Semapa has a share capital of € 81 270 000, represented by a total of 81 270 000 shares without nominal value. All shares are ordinary shares and have the same rights and obligations attached to them, and are admitted for trading.

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

2. Any restrictions on the transfer of shares, such as clauses on consent for disposal, or limits on the ownership of shares (Article 245-A.1.b²).

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.a³).

On 31 December 2023, Semapa held 1 400 627 own shares, corresponding to 1.723% 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.j⁴).

Semapa is not a party to any important loan agreement, debt instruments or other to which the company is a party and which take effect, alter or terminate upon a change of control of the company as a result of a takeover bid.

Semapa has not adopted any mechanisms that imply payments or assumption of fees in the case of the change of control or in the composition of the managing body, and which are likely to harm the free transferability of shares and a shareholder assessment of the performance of the members of the managing body.

1 Corresponds to the current article 29-H, 1.a of the Portuguese Securities Code.

2 Corresponds to the current article 29-H, 1.b of the Portuguese Securities Code.

3 Corresponds to the current article 29-H, 1.a of the Portuguese Securities Code.

4 Corresponds to the current article 29-H, 1.j of the Portuguese Securities Code.

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. Shareholder Agreements known to the company or which might lead to restrictions on the transfer of securities or voting rights (Article 245-A.1.g⁵).

On 31 December 2023, there are no Shareholders' Agreements concerning shareholdings in Semapa known to the company which could lead to restrictions on the transfer of securities or voting rights.

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 d⁶ and Article 16), detailing the percentage of the share capital and votes imputable and the respective grounds.

The owners of qualifying holdings and the other individuals associated with these holdings, including the allocation of voting rights, in Semapa on 31 December 2023 and in accordance with the legislation in force, are those identified in the table below:

Holder	Atribution	No. Shares	% Shares and Voting Rights	% Non-Suspended Voting Rights
Filipa Mendes de Almeida de Queiroz Pereira (Filipa Queiroz Pereira), Mafalda Mendes de Almeida de Queiroz Pereira (Mafalda Queiroz Pereira), and Lua Mónica Mendes de Almeida de Queiroz Pereira (Lua Queiroz Pereira)	Jointly, through companies held directly and indirectly by them and described below, in conjunction with the shareholders' agreement they entered into in relation to their holdings in companies that own shares of Semapa.	-	-	-
Target One Capital, S.A.	Controlled by Filipa Queiroz Pereira; holds 21.56% of the share capital of Sodim, SGPS, S.A. (Sodim)	-	-	-
Keytarget Investments - Consultoria e Investimentos, S.A.	Controlled by Mafalda Queiroz Pereira; holds 21.56% of Sodim's share capital	-	-	-
Premium Caeli, S.A.	Controlled by Lua Queiroz Pereira; holds 21.56% of Sodim's share capital	-	-	-
Sodim, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira; holds 100% of the share capital of Cimo - Gestão de Participações, SGPS, S.A.; direct ownership of shares	27 508 892	33.849%	34.442%
Cimo - Gestão de Participações, SGPS, S.A.	Indirectly controlled by Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira and directly by Sodim; direct ownership of shares	38 959 431	47.938%	48.779%
	Total:	66 468 323	81.787%	83.221%

5 Corresponds to the current article 29-H.1.g of the Portuguese Securities Code.

6 Corresponds to the current article 29-H, 1.c and d of the Portuguese Securities Code.

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.i⁷), 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.

In the terms of the Articles of Association, the Board of Directors has no power 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.

All transactions taking place in 2023 between the company and qualifying shareholders are described in Note 10.4 to the consolidated accounts and Note 10.2 to the separate financial statements. In 2023, pursuant to the Regulation on Conflict of Interests and Transactions with Related Parties and under the terms and conditions set out therein at each moment, as described in paragraphs 89 and following of this report, there were no significant dealings of a commercial nature between qualifying shareholders and the company.

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:

Rui Manuel Pinto Duarte (term of office from 27/05/2022 to 31/12/2024).

SECRETARY:

Luís Nuno Pessoa Ferreira Gaspar (term of office from 27/05/2022 to 31/12/2024).

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 f⁸).

Under Semapa's Articles of Association, each share in the Company carries one vote.

With regard to shareholder participation in the General Meeting, the company's articles of association were revised in 2022, and changes were made to ensure better alignment of the provisions of the articles of association with the applicable law, on the one hand, and the strengthening of good corporate governance practices, on the other.

⁷ Corresponds to the current article 29-H, 1.i of the Portuguese Securities Code.

⁸ Corresponds to the current article 29-H, 1.f of the Portuguese Securities Code.

Consequently, the statutory rules on voting rights are now as follows:

- i. Shareholders with voting rights may attend the General Meeting, attendance of the General Meeting and the right to vote in advance being conditional on presentation of proof of standing as shareholder with voting rights by 00:00 hours (GMT) on the 5th trading day prior to the holding of the General Meeting;
- ii. Vote by post or electronically is permitted, and the Chairman of the General Meeting shall be responsible for establishing the authenticity and conformity of the vote and for ensuring confidentiality up to the time of the vote, and voting shall be processed as follows:
 - a) The explanations of vote shall be addressed to the President of the General Meeting, delivered at the head-office the day before the Meeting;
 - b) In case the voting right is exercised by electronic means, the email message addressed to the Chairman of the General Meeting shall include as an attachment a document in PDF format, signed in conformity with the signature on the valid identification document of the holder, containing the explanations of vote on each of the items on the agenda, as well as a copy of the holder's identification document. The Chairman of the General Meeting may establish in the notice convening the meeting in question a voting system different to that described in this paragraph that ensure equivalent standards of quality and safety;
 - c) In the case of exercising the right to vote by post, the envelope must contain a letter addressed to the Chairman of the General Meeting, signed in conformity with the signature on the valid identification document of the respective holder and containing the explanations of vote on each item on the agenda, and a copy of the holder's identification document;
 - d) The votes cast in this way shall be included in the vote count alongside the votes cast at the General Meeting and shall count as negative votes in relation to the resolutions submitted after the votes have been cast.
- iii. The General Shareholder Meeting may be attended remotely where appropriate and convenient, if the Chairman of the General Meeting guarantees the telematic means, the authenticity of the explanations and the security of communications, and the company guarantees the recording of the content of such meetings and the identity of the participants.

The company's Annual General Meeting held on 18 May 2023 already abided by the new statutory rules, and was held in person. The decision to hold the meeting in this form was taken because it was considered that this model provides effective participation in the meeting in line with shareholders' rights, and since no shareholder had asked to attend the meeting remotely. The administrative burden and costs associated with implementing a supplementary system that would ensure telematic participation alongside holding the annual general meeting in person were also considered.

At the meeting some shareholders exercised their right to cast their vote electronically in accordance with the company's articles of association.

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

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 establishing 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 not set quorums for calling meetings or adopting resolutions different from those provided for on a supplementary basis in law.

II. MANAGEMENT AND SUPERVISION

 GRI 2-9/10/11/12/13/14/15/17/23/24

A) COMPOSITION

15. Identification of the governance model adopted.

The company has adopted the governance model provided for in Article 278.1.a (Board of Directors and Audit Board) and in Article 413.1.b (Audit Board and Statutory Auditor) of the Companies 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.h⁹). Policy of diversity.

Currently, 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, i.e. shareholders have the power to appoint the directors (and the supervisory body). However, the company does disclose on the company's [website](#)¹⁰ its Principles of Diversity, as follows, which lay down the profile requirements and criteria for new members of the governing bodies:

- Inclusion of members with distinct academic qualifications and professional experience in various areas, suitable and relevant for the available position;
- Promotion of gender diversity;
- Inclusion of members of different ages, combining acquired experiences with new outlooks, and
- Inclusion of members from different backgrounds or geographical origins.

These Principles of Diversity are a formal recognition by the company of the benefits of diversity in its governing bodies, particularly for ensuring greater balance in its composition, boosting the performance of each member and, together, of each body, improving the quality of decision-making processes and contributing to its sustainable development.

Accordingly, and to promote corporate diversity, in addition to the individual features, such as competence, independence, integrity, availability and expertise, the company also acknowledged the importance of other requirements and criteria of diversity, such as diversity in gender, qualifications and professional expertise, inclusion of members of different ages and life experiences or geographical origins.

It should be noted that the analysis below, which contains a more detailed matrix of Board competencies than the one previously published, shows that there is a fairly reasonable level of diversity in its various dimensions and with regard to all the members of Semapa's Board of Directors:

⁹ Corresponds to the current article 29-H, 1.h of the Portuguese Securities Code.

¹⁰ <https://www.semapa.pt/en/investors/corporate-governance/diversity-principles/>

BOARD AUTHORITY MATRIX

	Sex	Age	Position	Academic education					Skills									
				Engineering	Economics	Management	Mathematics	Other education	Business Administration and Management	Governance	Mergers and Acquisitions	Internationalization	Entrepreneurship / Venture Capital	Academic	Talent Management	Information Technologies	Environment and sustainability	Industry / Services
José Fay	M	70	PCA	●					●	●	●	●			●			●
Ricardo Pires	M	47	CEO		●		●		●	●	●	●	●	●	●		●	●
Vítor Paranhos Pereira	M	67	CFO	●					●	●	●	●			●	●	●	●
Filipa Queiroz Pereira	F	50	NE			●	●		●	●			●			●		●
Mafalda Queiroz Pereira	F	47	NE				●		●	●			●					●
Lua Queiroz Pereira	F	42	NE				●		●	●			●					●
António Viana-Baptista	M	66	NE		●		●		●	●	●	●	●		●	●		●
Paulo Martins	M	58	NEI	●			●		●	●	●	●	●	●	●			●

F – Female

NE – Non-Executive

NIS – Non-Executive Independent

Furthermore, the Talent Committee is endowed with consultative powers in matters of appointment of the corporate bodies, with competencies to support the identification of future members of the governing bodies and to assess the adjustment of each candidate's profile to the position they are applying for, and should foster transparent selection methods, while ensuring that the applications chosen present the highest degree of merit, are best suited to the demands of the functions to be carried out, and will best promote suitable diversity in the company, including gender equality.

The company thus finds that all objectives arising from the adoption of the diversity policy have been met, as can be verified in practice.

Finally, to reinforce the gender diversity promotion measures, the Company adopted in 2023, the 2024 Plan for Equality, reflecting changes to the 2023 Plan for Equality adopted in 2022. Semapa communicated the Plan to the CMVM, and published it on the [website](#)¹¹ of Semapa.

Information on how compliance with the system of more balanced representation helps promote equality between men and women at Semapa on the governing bodies and among the Employees is detailed in Chapter 4.4.1 of this Annual Report.

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, the date when first appointed and the end of their terms of office for each member.

The Company's Articles of Association (Article 11.1) stipulate that the Board of Directors comprises three to fifteen directors appointed each for a three-year term as set forth in the bylaws amended in 2022.

¹¹ https://www.semapa.pt/wp-content/uploads/2024/01/Plano-para-a-Igualdade-Semapa_2024-1.pdf

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
José Antônio do Prado Fay	2018-2024
Ricardo Miguel dos Santos Pacheco Pires	2014-2024
Vítor Paulo Paranhos Pereira	2014-2024
Filipa Mendes de Almeida de Queiroz Pereira	2018-2024
Mafalda Mendes de Almeida de Queiroz Pereira	2018-2024
Lua Mónica Mendes de Almeida de Queiroz Pereira	2018-2024
António Pedro de Carvalho Viana-Baptista	2010-2024
Paulo José Lameiras Martins	2022-2024

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 others being non-executive.

In 2023, the Board of Directors of the company consisted of eight members, two of whom were members of the Executive Board.

Since the number of non-executive directors in 2023 represented 75% of the members of the Board of Directors, we consider this proportion to be appropriate considering the size of the company and the complexity of the risks inherent to its activity, and sufficient to efficiently undertake the duties to which they are assigned. This judgment on the suitability of the proportion took into account, in particular, the size of the Executive Board and the powers assigned to it by the Board of Directors, the company's activities and its nature as a holding company, the stability of the shareholder structure, the diversity of skills and the availability of the non-executive members for the performance of their duties, who through close cooperation with the Chairman of the Board of Directors, guarantee the capacity to monitor, supervise and assess the activity of the executive members of the Board of Directors.

Among the non-executive members who held office during the 2023 financial year, Paulo Martins (Engineer) can be qualified as independent in the light of the criteria set out in the adopted corporate governance code, despite the fact that there was a commercial relationship between the company and Haitong Bank, the entity in which he held a non-executive management position until 29 December 2023, which the company believes is not significant. Furthermore, Paulo Martins is not associated with any specific group with interests in the company, nor is he associated with any circumstance likely to affect an exempt analysis or decision.

Director José Antônio do Prado Fay was not classified as independent in the light of the criteria referred, since he was director at companies with qualified holdings in Semapa in 2023. In turn, directors Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira were not qualified as independent, because they also hold directorships in companies with qualifying holdings in Semapa and because, in the course of 2023, they had qualifying holdings in the company, as provided in paragraph 7 above. Finally, António Viana-Baptista is not qualified as an independent director due to the commercial relationship between the company and the organisation in which he performs management duties and also because he has continuously performed management duties in the company for more than twelve years.

Thus, throughout 2023 financial year, the Board included only one non-executive director who met the independence requirements laid down by the corporate governance code adopted, which the company finds adequate and consistent with a fully independent performance of the Board of Directors and sufficient to guarantee the real capacity to supervise, assess and monitor the activity of the other members of the Board of Directors.

In effect, considering the profile, age, background and professional experience and, above all, independent judgement and the integrity demonstrated by the members of the Board of Directors, the company finds that the current proportion between dependent and independent non-executive directors, established through formal criteria of assessment of independence, is perfectly adjusted to the nature and size of the company, considering, in particular, that it is a family-owned company, with a stable capital structure, and taking into account the complex inherent risks of its business.

Since the Chairman of the Board of Directors of the company is not independent, and given the size and specific characteristics of the company, namely the fact that it is a family business with concentrated capital, and the total number of non-executive directors and, among these, independent directors, as well as the characteristics and current position of the Chairman of the Board of Directors, the company has decided to set up a mechanism to ensure coordination between the members of the Board of Directors.

In effect, as highlighted in this report, the company has several rules and procedures that provide for close and regular contact between members of the Board of Directors, namely between the Chairman and the Directors, and provides the conditions and necessary means for the performance of their functions in an independent, informed and efficient manner, hereby ensuring oversight and monitoring of the executive management functions.

In this regard, we highlight the mechanisms provided for in the Regulations of the Board of Directors and of the company's internal committees, in the following terms:

- a) Board Directors, including non-executive directors, may have access to all company information in order to assess the company's performance, stance and development prospects;
- b) The Chairman of the Board of Directors shall notify the Company directors, at the start of all meetings of the Board of Directors, of the most relevant resolutions and acts of the Executive Board since their last meeting, of which the other directors may not yet have been informed;
- c) Minutes shall be drawn up of all Executive Board meetings by the Company Secretary, which shall be made available to any member of the Board of Directors having requested them;
- d) The Chairman of the Executive Board shall, as far as possible, seek to involve non-executive directors in specific projects and acts in order to allow them to follow and maintain close contact with the Company's activities, depending on the matters involved and the specific qualifications and interests of each person;
- e) All executive directors must be available to provide any clarification and information requested by non-executive directors;
- f) The Chairman of each Internal Committee of the company must report to the Board of Directors the decisions taken by the SC which, due to their importance, must be known to the Board of Directors. In the case of the Executive Officers Committee, the CEO shall be entrusted with such task;
- g) All members of the company's Internal Committees shall be available to provide any clarifications and information requested by the other directors; and
- h) The supporting documents relating to the various items on the order of business of the company's Board and Internal Committee meetings shall be distributed by all the members in advance, allowing a timely analysis, preferably with the notice convening the meeting.

Additionally, at least one non-executive director sits on the Corporate Governance Committee, the Control and Risk Committee and the Talent Committee – the Chairman of the Board of Directors is also Chairman of the Corporate Governance Committee and the Talent Committee – thus reinforcing the coordination and performance of the work of the members with non-executive functions.

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.

JOSÉ ANTÔNIO DO PRADO FAY

José Fay has a degree in Mechanical Engineering from the Rio de Janeiro Federal University and he attended a specific post-graduate course in Equipment Engineering at Coppe/Petrobras (Coordination of Graduate Studies and Engineering Research). He initiated his professional activity at Copesul in 1978, where he was manager of the engineering sector until 1986. From 1986 to 1988 he was chief of the Engineering and Maintenance Division at Petroquímica Triunfo, S.A. From 1988 to 2000 he held several management functions at Bunge Group, in the areas of Engineering and Consumption Goods Business. He was in charge of the Commercial and Marketing Department at Electrolux from 2000 to 2003 and from 2003 to 2007 he served as Chairman of Batavo, S.A., which was incorporated in Perdigão, S.A. in 2006, acting as Chairman of that company in 2008. He was Chairman of Brasil Foods S.A. from 2009 to 2013. He is a member of the Board of Directors of Camil, S.A. since 2013. Since 2020 he holds office as Chairman of the Board of Directors of Semapa and Sodim and other related companies in the group. He is also member of the Boards of Directors of São Salvador Alimentos, S.A.

RICARDO MIGUEL DOS SANTOS PACHECO PIRES

Ricardo Pires holds a degree in Business Administration and Management from Universidade Católica Portuguesa, and is specialised in Corporate Finance from ISCTE. He also has an MBA in Corporate Management from Universidade Nova de Lisboa. He began his career in the field of management consulting, 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 conducted several 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 afterwards, from 2011, as Chief of Staff of the Chairman of the Board of Directors. In 2014 he was appointed Executive Director of Semapa, and has been CEO of the company since 2022, and he also holds positions in other related companies. Since 2015, he has been non-Executive Director of The Navigator Company and Secil, and in 2022 was appointed Chairman of the Board of Directors of both companies. He was appointed CEO of Semapa Next in 2017, and in 2022 he took duties as Chairman of the Board of Directors of that company. He has been Chairman of the Board of Directors of the ETSA group since 2020 and in 2023 he was appointed Chairman of the Board of Directors of Triangle's. Between 2020 and 2022 he taught on the Master in Finance programme at the Catholic University of Lisbon.

VÍTOR PAULO PARANHOS PEREIRA

Vitor Paranhos Pereira holds 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 the Instituto do Comércio Externo de Portugal (ICEP). Vitor Pereira joined the group in 1989 as Financial Director of Sodim, and in 2009 he became member of the Board of Directors of that company until May 2018, and afterwards from March 2020 to date. He also holds directorships in several companies related to Sodim, namely Hotel Ritz since 1998. From 2001 to 2016, he was Director of the Hotel Villa Magna. He is director of Sonagi since 1995, where he has served as Chairman of the Board of Directors since June 2020. He was appointed director of Refundos in 2005, where he has served as Chairman of the Board of Directors from 2018 to May 2020. From 2006 to 2015 he was Chairman of the Audit Board of the Portuguese Hotelier Association (Associação da Hotelaria de Portugal, AHP) and in 2019 he was appointed Chairman of the General Meeting of this organisation. From 2007 to 2016 he was Chairman of the General Meeting of the 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. from 2009 to 2018. In 2014 he was appointed member of the Board of Directors of Semapa. He has held office as Executive Director of Semapa and other related companies since March 2020, and since 2020 he has also occupied management positions at Secil and The Navigator Company.

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

Filipa Queiroz Pereira has a degree in Applied Mathematics from Universidade Lusíada and a post-graduate degree in Information Systems from Harvard Extension School. She completed executive programmes at Insead, London Business School, Harvard Business School and at Singularity University and has been involved in IT consultancy and real estate activities. She has been a director of Sodim since 2014, and member of the Board of Directors of Semapa and Hotel Ritz since 2018.

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

Mafalda Queiroz Pereira completed her Secondary Education, together with technical courses in Wood Carving and Carpentry by Fundação Ricardo Espírito Santo and in Interior Architecture by SENAI (Brazil). She completed executive programmes at Insead, at London Business School and Harvard Business School and has been involved in the development of projects in real estate. She has been a director of Sodim since 2014, and a member of the Board of Directors of Semapa and Sonagi, company dedicated to the real estate management and operation, since 2018.

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

After completing her Secondary Education, Lua Queiroz Pereira attended several international schools of management, namely Insead, where she obtained a certificate in Global Management, London Business School, Singularity University and Harvard Business School, where she completed courses for executives. In the past she was a business manager linked to equestrianism. She has been a director of Sodim since 2014, and a member of the Board of Directors of Semapa and Semapa Next, a venture capital company of the group, since 2018.

ANTÓNIO PEDRO DE CARVALHO VIANA-BAPTISTA

António Viana Baptista has a degree in Economy, a post-graduate degree in European Economy and holds an MBA (INSEAD). From 1984 to 1991, he was Principal Partner at McKinsey & Co. Between 1991 and 1998, he was Director of the Banco Português de Investimento. Between 1998 and 2008, he held positions at Telefonica S.A., as Chairman of Telefonica Internacional from 1998 to 2002, Chairman of Telefonica Moviles S.A. from 2002 to 2006, and Chairman of Telefonica España from 2006 to 2008, and he was also Director of Telefonica S.A. and Portugal Telecom, representing Telefonica. From 2011 to 2016 he was CEO of Crédit Suisse AG for Spain and Portugal. He was non-Executive Director of Jasper Inc, California until 2016, of Abertis, S.A. from 2017 to 2018 and of Atento, S.A. from 2018 to 2021. He is currently Executive Director of Alter Venture Partners G.P., SARL, and also non-Executive Director of Jerónimo Martins, S.A. and Azora Capital S.L. He has been non-executive Director of Semapa since 2010.

PAULO JOSÉ LAMEIRAS MARTINS

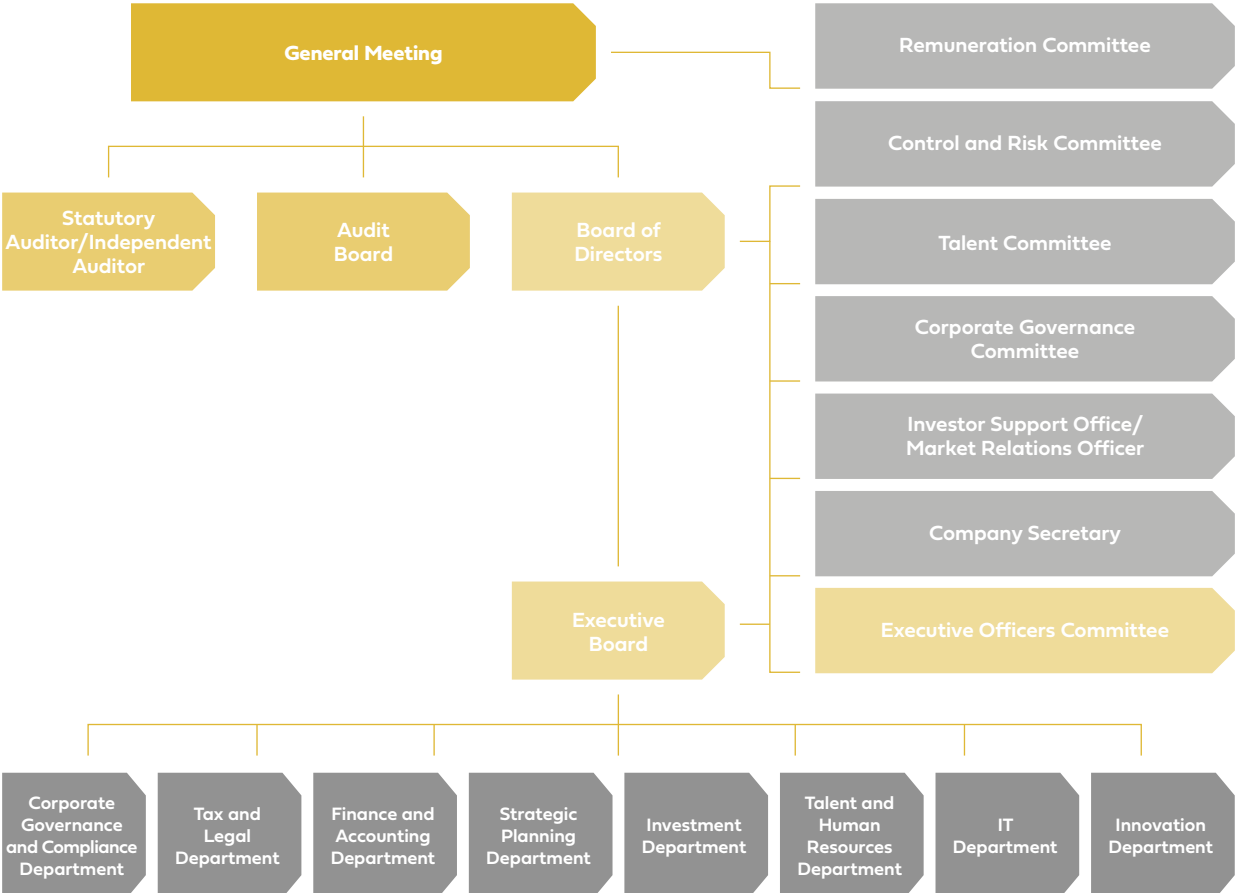
Paulo Lameiras Martins has a degree in Industrial Production Engineering from Universidade Nova, a post-graduate degree in Management and attended the International Directors Program (INSEAD). He has a long career in Investment Banking. He is member of the Board of Directors of banks and several companies since 2005. He has worked in Portuguese, American, German and Chinese companies, which has earned him much multicultural experience. An engineer by training, with initial experience in the automotive components industry, he became a senior executive with extensive experience in various companies. He was also a Member of the Board of Directors of more than twenty companies, either as Executive or Non-Executive Director in various sectors and in several countries, i.e. Brazil, Portugal and Poland. He has been invited to speak at several forums, conferences and workshops (in Europe, Latin America and China) on Banking and Economics. He was appointed Member of the Board of Directors of Semapa in 2022.

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.

In addition to management functions held at the companies Target One Capital, Keytarget Investments, Premium Caeli, Sodim and Cimo, as described in paragraph 26. below, and the qualifying holdings in the company and the respective responsibilities detailed in paragraph 7 above, regarding Filipa Queiroz Pereira, Mafalda Queiroz Pereira and Lua Queiroz Pereira, there are no other habitual and significant family, professional or business relationships between members of the company's Board of Directors and Semapa shareholders with 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 as at 31 December 2023:



The management of the company is centred on the relationship between the Board of Directors and the Executive Board, the latter being assisted by the Executive Officers Committee.

Tight coordination and contact were guaranteed through close cooperation between the Chairman and the executive directors, in particular the CEO Ricardo Pires, 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 strategic decisions regarded as particularly important, even if they fall within the scope of the general powers delegated.

Information about the other members of corporate boards, including the Company Secretary, is also provided in good time and in an appropriate form by the members of the Executive Board.

An Executive Officers Committee was set up to assist the Executive Board within the scope of the respective delegated powers, in particular with the competences referred to in paragraph 29. of this report.

In order to assure that information is communicated on a regular basis, the Executive Board also sends to the Audit Board the notices and minutes of the meetings of the former. The remaining committees and corporate governing bodies also ensure information flows between entities in a timely, appropriate manner and in accordance with their respective operating regulations, by delivering notices and minutes in the necessary and appropriate terms for the other bodies and committees, including the Company Secretary, to exercise their legal and statutory powers.

Until 31 December 2023, although duties and responsibilities were not rigidly compartmentalised within the Executive Board, the distribution of functions was as follows:

- 1.º Areas of corporate governance, compliance, strategic development and planning, management control, investment policy, human resources, talent management, information technology and innovation, which are the responsibility of the Chairman of the Executive Committee, Ricardo Pires.
- 2.º Financial, accounting, legal, taxation and sustainability, which are the responsibility of the Director Vítor Paranhos Pereira.

Regarding strategic planning and investments policy, and without prejudice to the mentioned office, this is an area that, naturally and due to the fact that Semapa is an investment holding, entails more intervention on behalf of the non-executive members and that counts on the substantial involvement of the Chairman of the Board. Non-executive directors thus help design the strategy, main policies, business structure and decisions that are deemed strategic for the company due to their amount or risk, and take part in the assessment of the accomplishment of these actions.

Ever since the Investment Strategy was redesigned – to expand and diversify its portfolio, through investments in companies that benefit from the Group's competences to accelerate their development, enabling the creation of value for shareholders and the company – the company has incorporated the following investment criteria:

- i. Significant size in the market;
- ii. Strong competitive advantages that translate into above-average profitability;
- iii. Potential to gain scale and internationalise;
- iv. Strong export capacity;
- v. Positive contribution to the environment and society..

The company's Strategy and key policies are based on the company's Purpose of creating a positive impact "Making it Better", which translate into the following pillars:

- Promoting sustainable development and quality of life – Caring for the environment and communities
- Investing in human capital enhancement – Caring for our people
- Solid growth based on talent, investment and innovation – Caring for the future

The management approach of the Semapa Group is characterised by a culture of simplicity, outreach and discretion, social and environmental awareness, focus on action and continuous improvement, embedded in innovation and entrepreneurship.

Concerning the day-to-day management of the company, the **Executive Board** enjoys broad management powers, which are largely detailed in the respective act of delegation, with limitations on the matters indicated in article 407.4 of the Companies Code. Powers are specifically delegated for the following:

- a) Without prejudice to the limits provided in sub-paragraphs d to f below, 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 make 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 transactions in bank accounts, in all the legally admissible forms;
- d)** To negotiate and resolve, to conclude 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, up to an accumulated amount of €50 000 000.00 (fifty million euros) per year, and provided that the ratio "Net Debt (excluding the effect of IFRS 16) / EBITDA", calculated through the consolidated accounts of the previous year, does not exceed 2.5 (two point five) times the limits set out in the final part of this paragraph are not applicable to the renewal of bank overdraft and current account credit facility agreements up to an accumulated amount of € 10 000 000.00 (ten million euros) per year;
- e)** To resolve to acquire, dispose of and encumber all kinds of assets up to € 5 000 000.00 (five million euros) per operation, in 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 act which may be necessary for the performance of these contracts;
- f)** To resolve to acquire, dispose of and encumber interests in other companies up to € 10 000 000.00 (ten million euros) per year, in 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;
- g)** To make 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;
- h)** To draft the company reports, balance sheets, financial statements and proposals for allocation of profits;
- i)** To take all steps necessary or appropriate in connection with the company's industrial relations with its employees, namely hiring, dismissing, transferring, setting terms of employment and pay, and revising and amending the same;
- j)** To resolve on representation of the company before any court or mediation or arbitration body, making 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;
- k)** To appoint attorneys for the company within the powers delegated to it;
- l)** 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
- m)** 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-option of directors;
- iii.** Requests for the call of a General Meeting;
- iv.** Annual reports and accounts;
- v.** Provision of warranties and personal or real security 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.

Some of the company's regular procedures that have always been the practice in the company were standardised, in order to guarantee intervention by the Board of Directors in strategic decisions according to its amounts, high risk or special characteristics.

In the case of the **Audit Board**, which has the powers established in law and which are further described in paragraph 38 of this report, there are no delegated powers or special areas of responsibility for individual members.

The **Executive Officers Committee** assists the Executive Board within the scope of the respective delegation of powers and, in particular, in carrying out the duties referred to in paragraph 29 of this report. It is further responsible for issuing non-binding opinions at the request of the Executive Board.

Among other duties, one of the main purposes of the **Control and Risk Committee** is to detect, control and manage all relevant risks in the Company's affairs, and the Committee enjoys full powers to pursue this aim, as set out in paragraph 29 of this report.

The **Corporate Governance Committee** 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 paragraph 29 of this report.

The **Talent Committee** makes recommendations and is heard in matters of appointments and evaluations, as described in paragraph 29 of this report.

The functions of the **Investor Support Office** are detailed in paragraph 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 the remuneration policy for members of the Board of Directors and audit board, and conducts analyses and determines the remuneration of directors, in close collaboration with the Talent Committee.

The **Corporate Governance and Compliance Department** advises on corporate governance matters and is responsible for promoting best practices in this area, as well as implementing compliance projects to ensure compliance with applicable laws.

The **Strategic Planning Department**, whose Executive Director is a member of Semapa's Executive Officers Committee, is responsible for the Group's business planning, budgeting and control processes, and also leads the Group's strategic planning and development.

The **Investment Department**, whose Executive Director is a member of Semapa's Executive Officers Committee, looks into investment opportunities and their materialisation.

The **Talent and Human Resources Department**, whose director is on Semapa's Executive Officers Committee, is primarily responsible for submitting Semapa's talent management policies and ensuring that they are implemented. It is also responsible for all the processes in an Employee's life cycle (procurement, integration, development, mobility, assessment and supporting alumni).

The **Tax and Legal Department**, on the other hand, provides advice on legal and tax matters, ensuring compliance with the applicable legislation and preventing unlawful fiscal planning.

The **Financial and Accounts Department** is mainly responsible for management and financial planning and for rendering the Company's accounts and complying with its tax obligations.

The **Information Technology Department** is responsible for ensuring the effectiveness and security of IT systems, managing IT infrastructures and systems, leading digital transformation projects, and supervising the development and implementation of technological solutions within the scope of the company's activity.

Finally, the **Innovation Department** identifies, promotes and manages innovation initiatives that can create additional value for Semapa and its Subsidiaries.

The governing bodies and internal committees mentioned above are required to exchange between them, in accordance with the legal statutory requirements, all necessary information and documents for the exercise of legal and statutory duties of such bodies and committees, the respective directorates and services helping with drawing up, processing and disseminating such information in an appropriate, strict and timely manner. According to these regulations and other applicable rules, these governing bodies and committees draw up complete minutes of their meetings.

The regulations of the Board of Directors and the audit body also establish, in particular, mechanisms that ensure, within the limits of the legislation and applicable regulations, access of members to all information that is necessary for assessing the Company's performance, status and development prospects, including without limitation, minutes, documentation supporting the decisions taken, notices and files of the meetings of the Board of Directors and its Executive Board, without prejudice to having access to other documents or persons to request clarifications.

The activities conducted by Semapa are aligned with responsible business practices, guided by the principles of integrity, ethics and honesty, which form the basis of the various policies, codes and regulations that ensure high standards of behaviour, including:

- Code of Ethics and Conduct;
- Human Rights Policy;
- Code of Good Conduct for the Prevention and Combat of Harassment in the Workplace;
- Corruption Prevention Policy;
- Rules of procedure on Whistleblowing;
- Policy for the Prevention of Money Laundering and Terrorist Financing, and
- Tax Policy.

Sound policies and regulations, and monitoring of the areas that offer the highest risk, have supported the prevention and combat of any type of corruption, as well as other illegal behaviour, also reinforcing the company's commitment to respect for human rights and the other principles and rules contained in these policies and regulations, which provide the benchmark for its actions and include its commitment to sustainable development and responsible business conduct. We also note that the Group's subsidiaries have been adopting principles and commitments equivalent to those set out in the aforementioned policies, in accordance with the context and specificities of their business and in compliance with the legislation that applies to them.

Finally, concerning sustainability, it is worth highlighting that Semapa, as an investment holding, in line with its purpose, is focused on sustained growth and value creation with long-term impacts, as described in Chapter 4.1.1 of the Annual Report. By investing in key areas of the domestic and international economy, the company seeks to balance the demands of creating value for shareholders with the principles of sustainable development and, thereby, generating positive impacts for its different stakeholders, as laid down in Chapter 4.4.2 of the Annual Report.

In Semapa's consolidation perimeter, including its subsidiaries, this goal is being realised partly through the decarbonisation of its industrial plants, as far as Navigator is concerned, and through Secil's decarbonisation roadmap, for example through the investment made in the CCL – Clean Cement Line project, at the cement plant located in Outão. The path towards decarbonisation also includes investment in ETSA, UTIS and Triangle's, whose core business contributes to this mission.

It should be noted that the Group's companies are committed to the Group's Carbon Neutrality Roadmap for 2050, with implementation roadmaps¹², as described in Chapter 4.2.2 of the Annual Report. Navigator and Secil are the two largest and most impactful subsidiaries, which developed specific approaches, in accordance with their identity, positioning, sector of activity and operations. It should be noted that, in this context, Semapa promotes autonomy and accountability among its Subsidiaries.

Navigator has its own Responsible Management Agenda 2030 and Roadmap 2030, with long-term goals organised around two axes – People and Planet. Secil has aligned sustainability as an integral part of its Ambition 2025 – Sustainable Growth strategic cycle, with objectives and targets in the area of sustainability set for 2025 and 2030, in the latter case relating to carbon neutrality and the circular economy.

Semapa and its Subsidiaries are committed to sustainable development and reducing their ecological footprint, aligning their strategy, investments and operations with the Sustainable Development Goals (SDGs) set out in the United Nations 2030 Agenda, as indicated in Chapter 4.1.3 of the Annual Report.

Given the impact that the activities of the Group's companies can have on communities, one of Semapa's priorities is to promote the development and quality of life of the population. Continuing the Queiroz Pereira family's long business tradition of philanthropy and patronage, as major shareholders, the Group develops several actions aimed at improving the quality of life of communities and preserving the environment. It is currently carrying out internal work to position itself in the area of impact philanthropy and social responsibility, as detailed in Chapter 4.3.3 of the Annual Report, and in this way boost its performance and that of its Subsidiaries in this area.

Semapa's Talent Management Strategy also impacts the value it offers as an employer and the positive experiences it provides for its Employees, in the terms set out in Chapter 4.3.1 of the Annual Report.

Furthermore, the way the remuneration of the governing bodies is structured and the performance of the executive board is assessed, according to which the variable remuneration is calculated, helps to fulfil the strategy established by Semapa, and the long-term interests and sustainability of the company, as described in paragraph 70 below.

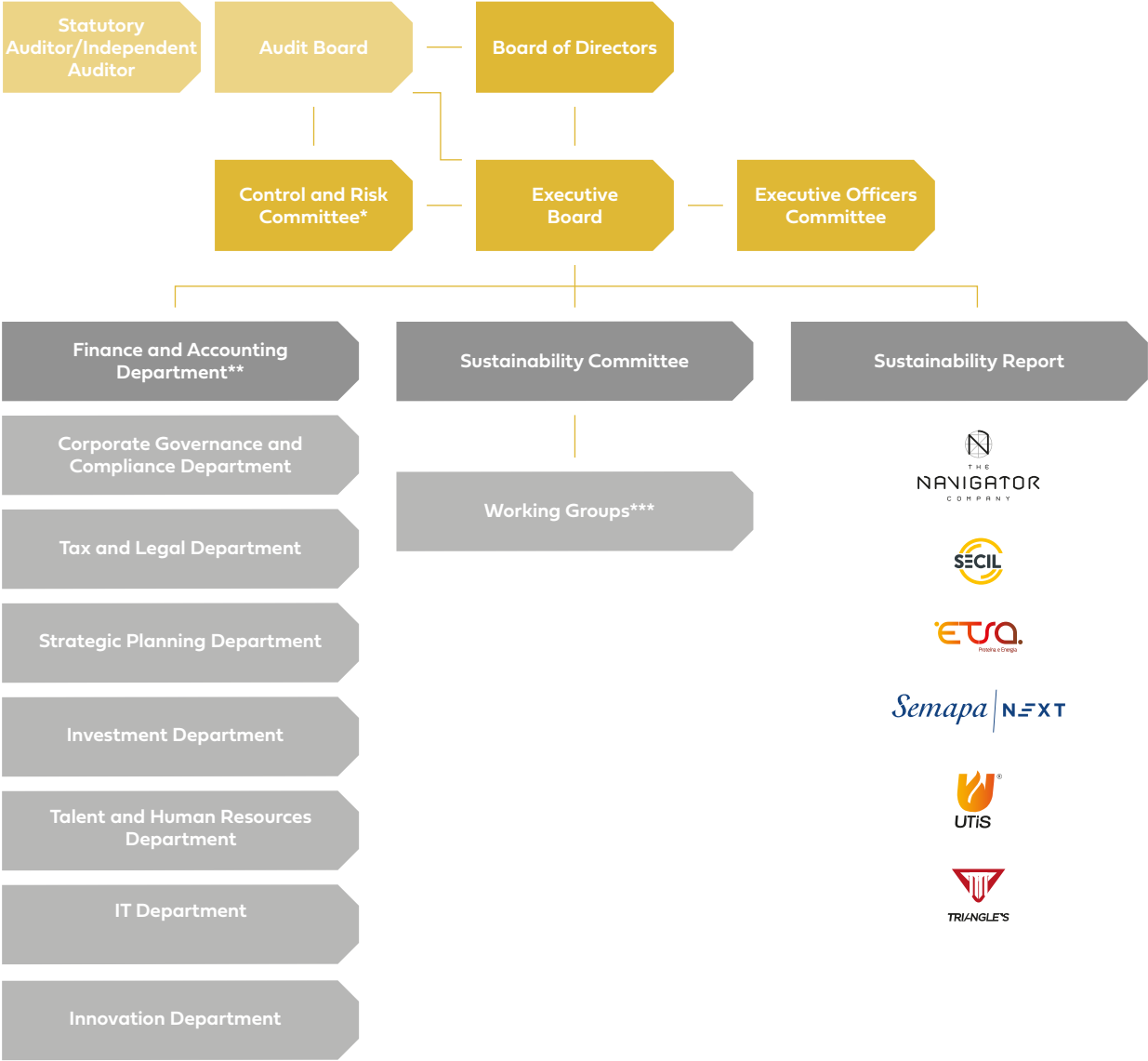
To achieve its objectives and materialise its approach to each material issue, Semapa and each of its Subsidiaries have set out to develop policies, targets, action plans and metrics, as described in Chapter 4.1.1 of the Annual Report, among other structuring documents. It should be noted that although the existing policies may not yet cover all the material issues, they are supported by programmes with clear goals and by action plans and KPIs, while the key policies are being devised.

It should be emphasised that the sustainability report details the management approach followed, the actions undertaken in each reporting year and the performance achieved, both by the holding company and its Subsidiaries, as set out in Chapter 4 and the subchapters of the Annual Report.

As part of the risk management and control system implemented for the environmental and social sustainability risks, the company has set up data collection and processing processes on these topics, aimed at raising the board of directors' awareness of the risks the company runs and proposing strategies to mitigate them.

¹² With regard to the subsidiary Triangle's, the analysis of the steps needed to draw up a roadmap once it was purchased on 19 June 2023.

In this context, the organisational chart below illustrates the key aspects of the corporate governance model implemented at Semapa and in its relationship with its Subsidiaries implemented during the financial year 2023, with regard to matters related to sustainability and the processes for collecting, processing and analysing data and information on sustainability:



* Monitoring under the current risk management and control system
 ** Department in charge of reporting and consolidating sustainability information
 *** Corporate directors and of the subsidiaries with expertise in the relevant sustainability areas and issues

It should be noted that, in view of the challenges of sustainability management and the need to align them with successive legislative developments in this area, the corporate governance model for sustainability in force at Semapa – already resulting from the consolidation of the choices made in recent years and the experience acquired in the meantime – is not a rigid and definitive model; it is submitted to periodic assessment of its effectiveness and changes deemed appropriate in the light of the company and Group’s needs at any given time.

Thus, an ad hoc Sustainability Committee has been set up at Semapa, which is composed of the executive director in charge of finance and sustainability (CFO), Vítor Paranhos Pereira, and other directors of Semapa and the Subsidiaries. In 2023, the Sustainability Committee set up several Working Groups (WG), made up of employees from the group's companies, whose expertise in the relevant areas help deal with relevant sustainability issues, such as climate action, water, the circular economy, biodiversity, human capital and talent, health, safety and well-being at work, business ethics and human rights and sustainability reporting, and the setting of indicators, sharing and harmonisation of practices, monitoring of trends, among others.

The Sustainability Committee is supervised by the Executive Board which, assisted by the Executive Officers Committee, ensures that the Board of Directors is informed of the work carried out by the Sustainability Committee and the Working Groups.

On the other hand, Semapa has a risk monitoring model, with powers assigned to the different players in the risk management and control system, in particular the Board of Directors, which is responsible for identifying key risks and setting up the overall risk strategy, the Audit Board and the Statutory Auditor, with supervisory and inspection powers, and the Control and Risk Committee, as the internal committee responsible for detecting, controlling and managing all relevant risks in the company's activity, including risks related to environmental sustainability – including the analysis of climate and social risks, as described in paragraphs 53 and 54 below.

The company's subsidiaries, on the other hand, have different levels of corporate governance concerning the processing of sustainability information concerning the committees and forums set up – such as the Sustainability Forum at Navigator – and the executive directors in every organisation in charge of specific areas, with the appointment of sustainability directors with autonomous functions, boards with powers in sustainability or even boards with divided functions in this area, namely in managing and monitoring risks related to environmental and social sustainability.

Data on environmental and social sustainability is reported by the Subsidiaries to the company, under the obligation to consolidate information and the respective reporting system. The data is analysed in the company by the boards, committees and bodies with powers in these matters, as described above, in particular by the Executive Board – assisted by the Executive Management Committee – in conjunction with the Board of Directors and with the support of the Control and Risks Committee. The process is supervised by the Audit Board and the Statutory Auditor, according to their mandates. The data on environmental and social sustainability and the respective details and methodological notes can be found in Chapter 9.1 of the Annual Report.

The company has been consolidating its risk management and control system, designed in accordance with good practices and methodological benchmarks, in which several sustainability-related risks have been integrated as top risks for Semapa and the Group, such as non-natural environmental catastrophes, adverse climate events, ESG performance and climate transition, as set out in Chapter 2.4 of the Annual Report.

As for climate change and society's perception thereof, given the group's strong industrial base, Semapa is aware of the impacts of the GHG emissions generated by its activities, and has even set up a Working Group for Decarbonisation and traced a Roadmap to help the Group achieve Carbon Neutrality by 2050. Thus, its Subsidiaries are committed to this roadmap and have drawn up implementation roadmaps, as described in Chapter 4.2.2 of the Annual Report. The latter are regarded as the Group's key plans for supporting as much as possible global decarbonisation, but also to avoid costs associated with emission allowances.

Decarbonisation of the Semapa Group's industrial processes is based on the implementation of measures for incorporating more energy from renewable sources and alternative fuels, and promoting energy and resource efficiency, as laid down in Chapter 4.2.2 of the Annual Report. It also involves the implementation of R&D projects for the development of new low-carbon fossil products and processes, with an impact on the value chain, as described in Chapter 4.4.3 of the Annual Report.

It is important to emphasise that the activities of the Subsidiaries also make a positive contribution to reducing climate change, as set out in Chapter 4.2.2 of the Annual Report, for example:

- i. Carbon sequestration and storage in forests and forestry products;
- ii. Carbon capture in production processes and promoting the growth of a forest-based, circular and low-carbon bioeconomy;
- iii. Cements with less clinker (low carbon clinker) and concretes with less cement;
- iv. Promoting the recycling of by-products from the food chain (rendering); and
- v. As players in the hydrogen and sustainable micromobility value chains.

As mentioned above, the strategic risks monitored include various risks associated with sustainability, e.g. adverse climatic events and the climate transition risks, as indicated in Chapter 2.4 of the Annual Report. In this context, Navigator has been developing the project for implementing the recommendations of the Task Force on Climate-related Financial Disclosures (TCFD) since 2022. Secil has set out to implement this framework by 2025, with the aim of integrating the TCFD recommendations into the risk management strategy and processes, all the while assessing potential financial and strategic implications arising from climate change and developing appropriate responses.

Finally, it should be noted that, since 2017, Semapa and Secil have submitted the sustainability report in accordance with the Global Reporting Initiative Standards, as detailed in Chapter 10.2 of the Annual Report, while Navigator's reporting practices precede that date.

B) FUNCTIONING

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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](#)¹³ 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 9 times in 2023, and attendance by each member (physical attendances or through telematic means) was as follows:

Members of the Board of Directors	Members present (%)	Members present and represented (%)
José Antônio do Prado Fay	100%	100%
Ricardo Miguel dos Santos Pacheco Pires	100%	100%
Vítor Paulo Paranhos Pereira	100%	100%
Filipa Mendes de Almeida de Queiroz Pereira	100%	100%
Mafalda Mendes de Almeida de Queiroz Pereira	100%	100%
Lua Mónica Mendes de Almeida de Queiroz Pereira	100%	100%
António Pedro de Carvalho Viana-Baptista	100%	100%
Paulo José Lameiras Martins	100%	100%

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

The Remuneration Committee is the entity in charge of preparing the framework for the evaluation of the executive directors under the Remuneration Policy. Performance evaluation of each executive director follows an internal procedure structured under the responsibility/leadership of the respective person in charge (i.e. under the responsibility of the person who manages the team, in the case of the members of the Executive Board, and under the responsibility of the Chairman of the Board of Directors, in the case of the Chief Executive Officer) and with the involvement of the non-executive directors named by the person in charge.

¹³ <https://www.semapa.pt/wp-content/uploads/2023/12/Regulamento-do-Conselho-de-Administracao.pdf>

The Talent Committee is also involved in this process. It is composed by 6 members, 4 of whom are non-executive directors, who oversee the board performance evaluation system and the distribution of the company's remuneration. They also deliver an opinion on the assessment of the performance of the executive directors, which means that the Board of Directors does not need to be involved in the assessment of the executive directors.

Finally, the Remuneration Committee must confirm that the factors have been met for the performance evaluation, and ensure the overall consistency of the process by setting the variable remuneration.

Thus, in 2023 the Talent Committee met and gave its opinion on the individual performance appraisal for 2022 financial year of the members of the Executive Board, Vítor Paranhos Pereira, issued by the respective President, Ricardo Pires, who in turn was assessed by the Chairman of the Board of Directors, who communicated his opinion to the Remuneration Committee. These evaluation proposals were based on the application of the basic criteria for assessing the performance of executive directors in force at Semapa.

It is further highlighted that the Remuneration Policy for the 2021-2024 period was reviewed at the company's 2023 Annual General Meeting, and amended with a new variable remuneration component, the multi-annual Long-Term Incentive (LTI) – the results obtained and the amounts to be paid are monitored by an independent external entity. The LTI may include an individual assessment of the performance of executive directors by the Remuneration Committee, in consultation with other stakeholders that the Committee deems appropriate to involve. The assessment and calculation of the amount to be paid will be carried out at the end of every three-year period – corresponding to the current mandate – although the first period will be 2023/2024, as it corresponds to the last years of the current mandate.

In accordance with the Regulations of the Board of Directors and the Regulations of the Talent Committee, the Board of Directors, for its part, assisted by the Talent Committee, shall annually evaluate its performance and that of the Executive Board, the executive directors and the company's committees, including the Executive Board, taking into account the implementation of the company's strategic and budget plans, risk management, the internal functioning and the contribution of each member to these objectives, as well as the relationship with the company's other bodies and committees. The Talent Committee monitors the overall assessment of the Board of Directors' performance, as provided by its regulation. The assessment of the performance of the executive directors and the self-assessment of the performance of the Board of Directors and its committees in 2022 were conducted in 2023, and the relevant performances in the 2023 financial year will be assessed in 2024, as described above.

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

The criteria for assessing the performance of executive directors in force from 2021 to 2024 are set forth in paragraphs 69 to 71 below.

Such assessment criteria are applied by a system of quantitative and qualitative Key Performance Indicators (KPIs) for the economic, financial and operational performance of the company and the director in question, according to the Remuneration Policy in force at any given time.

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 company and other companies in the same business group.

Besides the activities mentioned in item 19, the members of the Board of Directors occupy the positions detailed below:

JOSÉ ANTÔNIO DO PRADO FAY

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:

CAMIL ALIMENTOS, S.A.	Director
CIMO – Gestão de Participações, SGPS S.A.	Chairman of the Board of Directors
SÃO SALVADOR ALIMENTOS S. A.	Director
SODIM, SGPS, S.A.	Chairman of the Board of Directors
SUPERBAC Biotechnology Solutions	Director ¹⁴

RICARDO MIGUEL DOS SANTOS PACHECO PIRES

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

APHELION, S.A.	Presidente do Board of Directors
ETSA – Investimentos, SGPS, S.A.	Chairman of the Board of Directors
SEMAPA Inversiones, S.L.	Director
SEMAPA NEXT, S.A.	Chairman of the Board of Directors
TRIANGLE'S – CYCLING EQUIPMENTS, S.A.	Chairman of the Board of Directors ¹⁵
QUOTIDIAN PODIUM, S.A.	Chairman of the Board of Directors ¹⁶

Office held in other companies:

CIMO – Gestão de Participações, SGPS S.A.	Director
PYRUS AGRICULTURAL LLC	Director
PYRUS INVESTMENTS LLC	Director
PYRUS REAL ESTATE LLC	Director
SECIL – Companhia Geral de Cal e Cimento, S.A.	Chairman of the Board of Directors
SODIM, SGPS, S.A.	Director
THE NAVIGATOR COMPANY, S.A.	Chairman of the Board of Directors
UPSIS, S.A.	Director
UPSIS – CONSULTORIA E INVESTIMENTOS, S.A.	Chairman of the Board of Directors ¹⁷

VÍTOR PAULO PARANHOS PEREIRA

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

APHELION, S.A.	Director
SEMAPA Inversiones, S.L.	Chairman of the Board of Directors
SEMAPA NEXT, S.A.	Director
QUOTIDIAN PODIUM, S.A.	Director ¹⁸

Office held in other companies:

ANTASOBRAL – Sociedade Agropecuária, S.A.	Director
CAPITAL HOTELS – Sociedade de Investimentos e Gestão, S.A.	Director
CIMO – Gestão de Participações, SGPS S.A.	Director
GALERIAS RITZ, S.A.	Chairman of the Board of Directors
HOTEL RITZ, S.A.	Director
PARQUE RITZ, S.A.	Chairman of the Board of Directors
SECIL – Companhia Geral de Cal e Cimento, S.A.	Director
SODIM, SGPS, S.A.	Director
SOCIEDADE AGRÍCOLA da HERDADE dos FIDALGOS, Unip., Lda.	Manager
SONAGI, SGPS, S.A.	Chairman of the Board of Directors
SONAGI – Imobiliária, S.A.	Chairman of the Board of Directors
THE NAVIGATOR COMPANY, S.A.	Director
ASSOCIAÇÃO DA HOTELARIA DE PORTUGAL	Chairman of the General Meeting

¹⁴ In office until 05 May 2023.

¹⁵ Appointed on 19 June 2023.

¹⁶ Appointed on 20 December 2023.

¹⁷ Appointed on 22 December 2023.

¹⁸ Appointed on 20 December 2023.

FILIPA MENDES DE ALMEIDA DE QUEIROZ 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:

ABSTRACTREASON, LDA.	Manager
BESTWEB, Prestação de Serviços e Consultoria Informática Lda.	Manager
CAPITAL HOTELS – Sociedade de Investimentos e Gestão, S.A.	Chairman of the Board of Directors
CIMO – Gestão de Participações, SGPS S.A.	Director
FUNDAÇÃO NOSSA SENHORA DO BOM SUCESSO	President of the General Council
HOTEL RITZ, S.A.	Director
LAGUM – Sociedade Imobiliária, Lda.	Manager
TARGET ONE CAPITAL, S.A.	Chairman of the Board of Directors ¹⁹
SODIM, SGPS, S.A.	Director
ABELAR CAPITAL, Lda.	Manager

MAFALDA MENDES DE ALMEIDA DE QUEIROZ 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:

CIMO – Gestão de Participações, SGPS S.A.	Director
KEYTARGET INVESTMENTS – Consultoria e Investimentos, S.A.	Chairman of the Board of Directors ²⁰
MONTE DA PRAIA RECURSOS NATURAIS, S.A.	Director
SOCIEDADE AGRÍCOLA da HERDADE dos FIDALGOS, Unip., Lda.	Manager
SODIM, SGPS, S.A.	Director
SONAGI, SGPS, S.A.	Director

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

Office held in other companies belonging to the same group as Semapa:
SEMAPA NEXT, S.A.

Director

Office held in other companies:

CIMO – Gestão de Participações, SGPS S.A.	Director
ECO MALHADA, Lda.	Manager
SODIM, SGPS, S.A.	Director
PREMIUM CAELI, S.A.	Chairman of the Board of Directors ²¹
PREMIUM PECULI, S.A.	Chairman of the Board of Directors
LUSO VIRIATO – Funerárias Portuguesas, S.A.	Director ²²

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:

ALTER VENTURE PARTNERS G.P., SARL	Director
AZORA CAPITAL S.L.	Director
JERÓNIMO MARTINS SGPS, S.A.	Director

¹⁹ Until 27 June 2023 she was sole Director, having been appointed Chairman of the Board of Directors thereafter.

²⁰ Until 27 June 2023 she was sole Director, having been appointed Chairman of the Board of Directors thereafter.

²¹ Until 27 June 2023 she was sole Director, having been appointed Chairman of the Board of Directors thereafter.

²² Start of the term of office on 03 October 2023.

PAULO JOSÉ LAMEIRAS MARTINS

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:

HAITONG BANK, S.A.	Director ²³
PARAMA UNIPessoal, LDA.	Director
STAK PREV (VIC Properties Holding)	Director ²⁴
PREV VP S.À R.L.	Director ²⁵
PREV VI S.À R.L.	Director ²⁶
PREV SL S.À R.L.	Director ²⁷
RATIONALDREAMS, LDA	Director

According to the regulation of the Board of Directors, the directors of the Executive Board may not perform executive functions in entities outside of the Company's group, unless the activity of such entities is found to be ancillary or complementary to the group's activity or is not very time-consuming, the executive directors not being able to perform duties in other companies that do not fulfil the aforementioned criteria.

The same regulation provides that the directors who are not part of the Executive Board may perform management functions (either executive or not) in entities outside of the company's group, where such companies do not carry out activities that compete with that of the company or of directly or indirectly participated companies, and the Chairman of the Board of Directors must be notified before the start of such functions. The non-executive directors of the company do not perform duties in other companies which do not meet the requirements mentioned above.

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, Executive Officers Committee, Control and Risk Committee, Corporate Governance Committee and Talent Committee.

The Executive Officers Committee, the Control and Risk Committee, the Corporate Governance Committee and the Talent Committee have rules of procedure, which are published on the company [website](#)²⁸, where they may be looked up.

Given its nature, composition and origin from the Board of Directors, which has its own regulation on autonomous functioning and specific rules on the organisation and functioning of its Executive Board, the CGC does not have an autonomous regulation. Consequently, the following operating rules provided by said regulation and the act delegating power shall apply:

- a) The Executive Board shall meet when convened by the 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 Chief Executive Officer has a casting vote;
- d) Absent members may cast written votes, and
- e) The Chief Executive Officer is particularly responsible for reporting and communicating with the Board of Directors.

²³ Ceased functions on 29 December 2023.

²⁴ Start of the term of office on 01 January 2024.

²⁵ Start of the term of office on 01 January 2024.

²⁶ Start of the term of office on 01 January 2024.

²⁷ Start of the term of office on 01 January 2024.

²⁸ <https://www.semapa.pt/en/investors/corporate-governance/statutes-regulations-and-policies/>

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

The following were the members of the Executive Board in 2023:

- a) Ricardo Miguel dos Santos Pacheco Pires, the CEO, and
- b) Vítor Paulo Paranhos Pereira.

Ricardo Pires was appointed member of the Executive Board by resolution of the Board of Directors of 5 June 2018, and became Chairman on 1 January 2022 by resolution of the Board of Directors of 3 November 2021, and Vítor Paranhos Pereira was appointed executive director by resolution of the Board of Directors of 31 January 2020, with effect from 01 March 2020.

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

The powers of the Executive Board are described in paragraph 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 2023 it held thirty-nine meetings. These meetings are attended by the members of the Executive Board, as well as the Company Secretary, Rui Gouveia. When the matters to be discussed so require, non-executive directors, representatives of the Group's companies and some of the Company's managers may also take part in the meetings.

EXECUTIVE OFFICERS COMMITTEE:

The Executive Officers Committee assists the Executive Board in the functions delegated to it by the Board of Directors of the Company on the following matters:

- a) Implement the strategies and policies defined and the annual budget;
- b) Carry out the financial, accounting and fiscal control;
- c) Conduct the HR management policy;
- d) Make investments or disinvestments, including the negotiation and execution thereof;
- e) Conduct reorganisation operations;
- f) Monitor subsidiaries, including the provision of technical, financial and governance support;
- g) Conduct financial operations, including the issuing of debt;
- h) Bring judicial action, renounce or negotiate agreements in the framework of judicial proceedings or of similar nature;
- i) Award sponsorships, grants or donations of a similar nature;
- j) Prepare proposals to be presented to the Board of Directors by the Executive Board, including strategic guidelines or medium and long-term plans, budgets for the following financial year, management reports and profit and loss accounts, sustainability, risk and corporate governance reports, and proposals for the appropriation of profits;

Under the terms and for the purposes of the aforementioned duties, the Executive Officers Committee must also issue non-binding opinions at the request of the Executive Board.

The Executive Officers Committee met thirty-nine times in the 2023 financial year and on 31 December 2023 it was comprised of Ricardo Pires, Chairman and Vítor Paranhos Pereira, Isabel Viegas and Hugo Pinto and Tiago de Noronha²⁹, as Members, Ricardo Pires and Vítor Paranhos Pereira as directors of the company.

The Executive Officers Committee has performed its role of monitoring and supporting the Executive Board, collaborating actively, namely through regular meetings with all of Semapa's departments, on the different matters allocated to it, and in particular on strategy, with a view to assuring its implementation by the Group's different business units and by Semapa as a single holding company, within the scope of the aforementioned powers.

CONTROL AND RISK COMMITTEE:

The Control and Risk Committee is responsible for detecting, controlling and managing all relevant risks in the company's business, especially legal, financial and environmental sustainability risks – including analysing climate risk – and social sustainability.

The Control and Risk Committee has the following competences:

- a) To monitor the Company's business affairs, with integrated and permanent analysis of the risks associated with these affairs;
- b) 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 control system, including in particular the risk management function;
- c) To check implementation of the adjustments to the internal control management system, and in particular to the risk management function, proposed by the Audit Board;
- d) To propose the discussion, alteration and introduction of new procedures to improve the detection, control and management of risks inherent to the company's operations.
- e) Analysing emerging or potential risks, such as those related to new technologies, including the use of artificial intelligence mechanisms.

The Control and Risk Committee shall prepare for approval by the Board of Directors the company's risk policy for each fiscal year, which shall identify, without limiting:

- a) The main risks to which the company is subject in the development of its activities and limits on risk-taking for the company;
- b) The likelihood of such relevant risks and their impact on the company's operations; and
- c) The necessary tools and measures for the mitigation of the risks identified as relevant for the company's activities.

In view of the growing technological developments and the need for a proactive approach to identifying, assessing and mitigating possible adverse impacts of this reality, the CRC Regulations were revised in early 2024 to grant the CRC with the power to analyse emerging or potential risks, such as risks arising from new technologies, namely those related to the use of artificial intelligence mechanisms.³⁰

²⁹ Tiago de Noronha was appointed member of the Executive Officers Committee by the Board of Directors on 21 September 2023.

³⁰ In this context, the definition of "Artificial Intelligence System" provided for in the draft Regulation COM/2021/2006 of 21 April 2021 laying down rules on artificial intelligence is adopted.

In 2023, autonomy was granted to the information technology area which became a department, and initiatives were carried out during the year on the use of artificial intelligence.

Concerning artificial intelligence in particular, the company recognises the growing proliferation of the use of these mechanisms globally and the potential impact of a wide range of uses thereof.

So far artificial intelligence mechanisms have so far not been implemented and used by the governing bodies as decision-making tools.

In carrying out its duties, the CRC is permanently monitored by the Company's Supervisory Board, as shown in paragraph 54 below. For enhanced coordination between the CRC and the Audit Board, the revised CRC Regulations carried out at the beginning of 2024 also expressly provides for the Chairman's responsibility to inform the Audit Board of CRC resolutions, given their relevance, and for attendance of the Auditors at CCR meetings, at the request of the Committee's Chairman or of the Audit Board, depending on the topic on the agenda.

The Control and Risk Committee met four times in 2023 and on 31 December 2023 it included Paulo Lameiras Martins, the Chairman, and Vítor Paranhos Pereira and Susana Coutinho, as Members. Paulo Lameiras Martins and Vítor Paranhos Pereira were directors of the company.

This committee conducted the activities, ensured the monitoring and made all the verifications corresponding to its duties, and held joint meetings with the members of the Audit Board, with the support of the Audit Board and the Financial and Accounts Department.

CORPORATE GOVERNANCE COMMITTEE:

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

The Corporate Governance Committee met four times in the financial year 2023. On 31 December 2022 it consisted of José Fay, Chairman, and Ricardo Pires and Rui Gouveia, Members and, respectively, Chairman of the Board of Directors, Chief Executive Officer and Company Secretary.

The Corporate Governance Committee 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 from Rui Gouveia, who is also the Director of the Corporate Governance and Compliance Department of the company, and through ongoing contact and attendance of meetings by one more member of the Department.

TALENT COMMITTEE:

The Talent Committee functions in compliance with the provisions of its regulations and is expected to perform the following duties in relation to the governing bodies:

- a) On the appointments:
 - i. Assisting the Board of Directors in identifying and assessing the suitability of the governing bodies to be appointed, namely the appointment by co-option to perform the duties of member of the Board of Directors of the Company, and the nomination of directors who will perform executive duties;
 - ii. Provide the terms of reference and promote, to the extent of its powers, adoption of transparent selection processes that include effective mechanisms of identification of potential candidates, and submission of candidates who present a higher degree of merit, who are best suited to the demands of the functions to be carried out, and who will best promote, within the organisation, a suitable diversity, including equality between men and women; and
 - iii. Whenever deemed appropriate, to know and monitor the processes of selection of nominees for the performance of executive management duties in subsidiaries of the Group, in cases where the Company intends to present the respective elective proposal.

b) Concerning evaluation:

- i.** Monitor the management performance assessment system and the allocation of the company's remuneration;
- ii.** To issue an opinion on the proposals for the annual individual assessment of the performance of the members of the Executive Board, issued by the respective Chairman and on the assessment of the later issued by the Chairman of the Board of Directors; and
- iii.** Monitor the overall assessment of the performance of the Board of Directors as a body, taking into account compliance with the company's strategic plan and budget, risk management, its internal functioning and the contribution of each member to this end.

The Committee is also responsible concerning talent management for: **(i)** monitoring and issuing recommendations on internal policies and procedures relating to the group's talent management; and **(ii)** periodically assessing the need and availability of talent in the group and recommend appropriate actions to ensure the group's ability to meet the rising challenges.

The Talent Committee met four times in the financial year 2023. A 31 December 2023, the members of the Talent Committee were José Fay, Chairman, Ricardo Pires, Filipa Queiroz Pereira, Mafalda Queiroz Pereira, Lua Queiroz Pereira, and Isabel Viegas, Voting Members, being the first five company directors.

The remuneration setting process, which is overseen by the Talent Committee, is the duty of the company's Remuneration Committee, set up under Article 399 of the Commercial Companies Code, with powers, namely, to prepare the remuneration policy and to analyse and set the remuneration of the directors.

III. AUDIT

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 three-year terms.

Members of the Audit Board	Date of first appointment and end date of term of office
José Manuel Oliveira Vitorino (Chairman)	2014-2024
Gonçalo Nuno Palha Gaió Picão Caldeira (Full member)	2006-2024
Maria da Graça Torres Ferreira da Cunha Gonçalves (Full member)	2018-2024
Maria da Luz Gonçalves de Andrade Campos (Alternate member)	2022-2024

The company considers that it has a sufficient number of members of the Audit Board for its size and the complexity of the risks inherent in its activity, thus ensuring the efficient performance of its duties. This judgment on the suitability of the proportion took into account, in particular, the company's activities and its nature as a holding company, the stability of the shareholder structure, the diversity of skills and the availability of the members of the Audit Board for the performance of their duties, namely, through close collaboration with the other bodies and committees of the company and the External and Statutory Auditors.

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 paragraph in the report where this information is contained in accordance with paragraph 18.

The members of the audit board, José Manuel Oliveira Vitorino (Chairman) and Maria da Graça Torres Ferreira da Cunha Gonçalves (Member) are deemed independent by Semapa, in accordance with criteria laid down in Article 414.5 of the Companies Code. The former is currently in his third term and the latter in her second term in office.

Gonçalo Nuno Palha Gaio Picão Caldeira cannot be considered an independent member as he is serving his fifth term of office as a member of the Audit Board, as provided for in article 414(5)(b) of the Portuguese Companies' Code.

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 paragraph in the report where this information is contained in accordance with paragraph 21.

JOSÉ MANUEL OLIVEIRA VITORINO

José Manuel Vitorino has a degree in Corporate Organisation and Management by Instituto Superior de Economia de Lisbon University. He is a qualified Statutory Auditor and certified by the executive training programme of Universidade Nova de Lisboa. He was an Assistant Professor at the School of Economics of Coimbra University 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 had performed Partner duties for several years when he left PricewaterhouseCoopers in 2013, after reaching the default retirement age. He was the Chairman of the Audit Board of Novo Banco, S.A. until 2017 and currently is member of the Audit Board of ANA – Aeroportos de Portugal, S.A. He is a member of the Audit Board of The Navigator Company since 2015, and of Semapa and Secil since 2016, and became Chairman of these supervisory bodies in 2018. He has also been a Member of the Internal Control Committee of Jerónimo Martins, S.A. since 2022.

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 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 since 2006, and of The Navigator Company and Secil since 2007 and 2013, respectively.

MARIA DA GRAÇA TORRES FERREIRA DA CUNHA GONÇALVES

Maria da Graça da Cunha Gonçalves holds a Degree in Business Organisation and Management from Instituto de Ciências do Trabalho e da Empresa (ISCTE), obtained in 1978. She is a qualified Statutory Auditor. She performed duties in General and Cost Accounting and Planning and Financial Analysis at Magnetic Peripherals Inc. Portugal (Control Data Corporation) until 1985, and Financial Analyst at Shell Portuguesa, S.A. from 1985 to 1989. She served as CFO, from 1989 to 1995 at United Distillers Comp. Velha, Lda. and at ITT Automotive Europe GmbH. She was Back Office Director at Pernod Ricard Portugal from 1995 to 2015. She is a member of the Audit Board of Semapa, The Navigator Company and Secil since 2018.

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 paragraph 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](#)³¹ 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 paragraph in the report where this information is contained in accordance with paragraph 23.

In financial year 2023, the Audit Board met thirty-six times, with members present at all meetings (physical presence or through telematic means).

36. Availability of each of the members of the Audit Board, the Audit Committee, the General Meeting 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 paragraph 33, the members of the Audit Board perform the duties detailed below:

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
SECIL – Companhia Geral de Cal e Cimento, S.A.	Chairman of the Audit Board
THE NAVIGATOR COMPANY, S.A.	Chairman of the Audit Board
JERÓNIMO MARTINS, S.A.	Member of Internal Control Committee

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
SECIL – Companhia Geral de Cal e Cimento, S.A.	Member of the Audit Board
THE NAVIGATOR COMPANY, S.A.	Member of the Audit Board

MARIA DA GRAÇA TORRES FERREIRA DA CUNHA 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:

SECIL – Companhia Geral de Cal e Cimento, S.A.	Member of the Audit Board
THE NAVIGATOR COMPANY, S.A.	Member of the Audit Board

³¹ <https://www.semapa.pt/wp-content/uploads/2023/12/Regulamento-do-Conselho-Fiscal.pdf>

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.

The Audit Board analyses the non-audit services and the proposals submitted by the External Auditor and the Statutory Auditor for provision of such services, seeking to safeguard, essentially, that the independence and impartiality of the External Auditor and the Statutory 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. The implementation of separate auditing services is subject to prior authorisation by the Audit Board.

Note that such analysis is conducted by the Audit Board subject to rules laid down in the Statute of the Portuguese Association of Statutory Auditors, as adopted by Law no. 140/2015 of 7 September, and Regulation (EU) 537/2014 of the European Parliament and Council of 16 April 2014, according to the internal procedures established to guarantee that new legal provisions are fulfilled.

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 include:

- a) To supervise the management of the company, including, in this regard, an annual assessment of the budget, the internal operation of the Board of Directors and its committees, and the relation between the different corporate bodies and committees of the company;
- b) To ensure compliance with the law and the articles of association;
- c) To check that books, accounting records and the respective supporting documents are in order;
- d) 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;
- e) To verify the accuracy of financial reporting;
- f) To verify that the accounting policies and valuation criteria adopted by the Company lead to a correct valuation of the company's assets and results;
- g) 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;
- h) To convene the General Meeting when the Chairman of the Meeting fails to do so;
- i) To take cognisance of the strategic guidelines and to assess and comment on the risk policy prior to its final approval by the management body;
- j) To supervise and assess the effectiveness of the internal control system, understanding the risk management, compliance and internal audit functions, if any, proposing the adjustments deemed to be necessary;
- k) To issue its opinion on the work plans and resources allocated to the internal control system, including the risk management, compliance and internal audit functions, if any, proposing the adjustments deemed to be necessary;
- l) To receive reports of irregularities (whistleblowing) submitted by shareholders, Employees or others;
- m) To hire services by experts who assist one or more of its members in the exercise of their duties, for which experts shall be subcontracted and compensated in line with the importance of the matters entrusted to them and the economic situation of the company;

- n) To supervise the appropriateness of the procedure for preparation and disclosure of financial information by the Board of Directors, including the adequacy of the accounting policies, estimates, evaluations, relevant disclosures and a consistent implementation thereof in each fiscal year, which are fully documented and communicated;
- o) To select the statutory audit firms to be proposed to the General Meeting and justifiably recommend its preference for such firm and propose the respective fees; the selection process shall begin with invitations addressed by the company to audit firms identified as reference in the provisioning of statutory audit services, which, in turn, submit their bids for the internal analysis of the company, in accordance with the following selection criteria:
 - i. Quality of the bids received;
 - ii. Knowledge of the sectors in which the Semapa Group operates;
 - iii. Technical quality and seniority of the experts that make up the proposed teams; and
 - iv. Financial conditions presented by each entity.
- p) To propose to the General Meeting the dismissal of the Statutory Auditor or the termination of the services provision agreement whenever there are justifiable grounds for that purpose;
- q) To supervise the auditing of the company's financial statements and reports;
- r) To confirm if the disclosed report on the corporate governance structure and practices includes the information listed in Article 29^ºH of the Portuguese Securities Code;
- s) To supervise the independence of the statutory auditor, namely with regard to the provision of additional services, and assess yearly the work carried out by the statutory auditor and its suitability for the performance of the tasks assigned to it;
- t) To issue a previous and binding opinion on the Regulation on Conflicts of Interests and Related Party Transactions to be drawn up and approved by the Board of Directors or, in the absence of such Regulation, on the definition by the Board as to whether the transactions the company carries out with related parties are conducted within the scope of the company's current activity and under market conditions;
- u) To issue, within a reasonable time, a prior opinion on any business with related parties that is not carried out within the scope of the company's current activity and under market conditions;
- v) To check that related party transactions carried out by the company are conducted within the scope of the company's current activity and under market conditions;
- w) To monitor the process for preparation and disclosure of information and submit recommendations or proposals to ensure their integrity;
- x) To supervise the effectiveness of the internal quality control and risk management systems and, if applicable, of the internal audit, with regard to the procedure for preparing and disclosing information, while preserving its independence;
- y) To monitor the statutory audit of annual individual and consolidated accounts, namely the execution thereof;
- z) To check and monitor the audit firm's independence in the exercise of its statutory audit activity or in the provision of other legally permitted services, as defined in the applicable law and regulations, by means of (i) the statement, during the audit firm's selection process, ensuring that the company has an internal mechanism guaranteeing independence and prevention of conflicts of interest, which it implements, (ii) the proof provided regularly by the audit firm that such internal mechanisms are adequate and comply with the applicable laws and regulations; (iii) by obtaining an annual declaration of its independence; (iv) the annual reporting on the separate audit services that have been provided; (v) the reasoned proposal on the possible extension of the statutory audit firm's functions beyond the maximum legal period, with consideration of the respective conditions of independence and the advantages and costs associated with its replacement, (vi) the communication by the audit firm regarding the exceeding of the fees threshold, and (vii) the joint analysis of possible threats to its independence, and on the application of mitigation safeguards;

- aa)** To check that the proposals for the provision of non-audit services submitted by the audit firm do not fall within the scope of the non-audit services that are not permitted and ensure that the requirements for their delivery are met, including the assessment for guaranteeing independence and the prevention of conflicts of interest and the adequacy of the services to be provided; under the terms and for the purposes of this sub-paragraph, non-audit services which as such are not allowed under the applicable laws and regulations on these matters, in particular the Statute of the Portuguese Association of Statutory Auditors and Regulation (EU) 537/2014 of the European Parliament and of the Council of 16 April 2014; and
- bb)** Perform any other duties proposed in law or the articles of association.

The Audit Board is also the main point of contact with the External Auditor and the Statutory Auditor, with direct access to and knowledge of his work. The company believes that this direct supervision by the Audit Board is possible, without interference from the Board of Directors, in relation to the work carried on by the External Auditor and the Statutory 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 and Statutory 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, which include the findings of the accounts audit, 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 and Statutory Auditor's pay.

As part of its remit, the Audit Board discussed the process of preparing and disclosing information, namely on sustainability, of the company in meetings attended by the member of the Board of Directors with the relevant responsibility, as well as the company's Finance and Accounting Director.

The External Auditor and the Statutory Auditor also cooperates with the Audit Board to provide, immediately and in accordance with applicable legal and regulatory terms, information on irregularities relevant to the performance of the Audit Board's duties that it has detected, as well as any difficulties arising from the performance of his duties.

Pursuant to the rules of procedure of the Audit Board, the External Auditor and the Statutory Auditor and the company shall maintain permanent and adequate channels of communication, namely through regular meetings with the management, the Audit Board and the services and departments with responsibilities in the areas concerned and with the consequent discussion and analysis of all information that may be pertinent in the exercise of the corresponding activity.

IV. STATUTORY AUDITOR

39. Identification of the Statutory Auditor and shareholder representing the Statutory Auditor.

STATUTORY AUDITOR

Full: KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. represented by Paulo Alexandre Martins Quintas Paixão (ROC)

Alternate: Vitor Vitor Manuel da Cunha Ribeirinho (ROC)

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

KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. has held office in the company since 2018.

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

In addition to legal auditing services, KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. has provided the Company with other authorised 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 paragraph 39, and KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. is registered with the Securities Market Commission under number 20161489.

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.

Since 2018, the External Auditor is the statutory auditor KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A., represented by partner Paulo Alexandre Martins Quintas Paixão (ROC).

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 policy and frequency of rotation of the External Auditor and Statutory Auditor and its proxy is governed by article 54 of Law 140/2015, of 7 September (Statute of the Portuguese Association of Statutory Auditors), which enshrined a new legal regime applied to the mandatory rotation of Statutory Auditors in public interest companies, such as Semapa.

In 2022, at the proposal of the Audit Board, which considered that the applicable legal conditions had been met, KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. was reappointed for the term 2022-2024 as the Company's Statutory Auditor, under the terms of the Statute of the Portuguese Association of Statutory Auditors and the maximum time limits for carrying out statutory audits foreseen therein.

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

As part of its oversight and auditing duties of the Company's accounts, the Audit Board assesses the External Auditor and the Statutory Auditor on an ongoing basis, particularly under the preparation of 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 and the Statutory Auditor other than audit work have always been approved by the Audit Board, in compliance with the applicable laws and internal procedures set up for this purpose.

These services consist essentially of support services to safeguard compliance with legal or contractual obligations laid down in the legal framework provided by the Statute of the Portuguese Association of Statutory Auditors Association in force in Portugal and abroad, and are approved by the Audit Board. The Board of Directors and the Audit Board consider that the occasional contracting of these services is justified by the External Auditor and Statutory Auditor's accrued experience in the sectors in which the company operates and by the quality of their work, in addition to the careful definition of the scope of services required at the contracting stage, and to the fact that the Audit Board is supported by the analysis and internal opinions of the services.

In the framework of the provision of tax consultancy services and services other than auditing, if any, 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 Control and Risk 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)	
	Amount	Percentage	Amount	Percentage
Amount of auditing services	60 575	77.1%	825 711	81.1%
Amount of reliability assurance services	18 000	22.9%	154 760	15.2%
Amount of tax consultancy services	-	0.0%	-	0.0%
Amount of other non-auditing services	-	0.0%	37 400	3.7%
Total:	78 575	100.0%	1 017 871	100.0%

Note:

Amounts in Euros

In 2023, services other than audit services charged by the External Auditor or the Statutory Auditor to the Company or its subsidiaries, including entities belonging to the same corporate group or service network, represented 18.9% of total services provided.

C. INTERNAL ORGANIZATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to amendment of the articles of association (Article 245-A.1.h³²).

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)

 GRI 2-16, 2-26

49. Whistleblowing – procedures and policy.

The company adopted a set of Regulations on the Reporting of Irregularities in 2006, which govern the Company's procedures that governing bodies and employees can use to report alleged irregularities in the Company, as published on the company's [website](#)³³, which can be consulted.

The aforementioned regulation was revised in 2022, as part of the entry into force of the Whistleblower Protection Act – Law no. 93/2021, of 20 December – providing, among other things, for the obligation of certain companies to create internal reporting channels that allow the secure submission and follow-up of complaints, in order to ensure the completeness, integrity and preservation of the complaint, the confidentiality of the identity or anonymity of the whistleblowers and the confidentiality of the identity of third parties mentioned in the complaint, and to prevent access by unauthorised persons. At the beginning of 2024, the Regulation on the Reporting of Irregularities was revised and minor adjustments were made.

The Regulation on the Reporting of Irregularities in force applies to all members of the company's governing bodies and committees, shareholders, employees, candidates in the recruitment process, service providers, contractors, subcontractors, suppliers, volunteers and trainees of the company. Under the terms of these Regulations, the irregularities are communicated through the whistleblower reporting channel available

³² Corresponds to the current article 29-H, 1.h of the Portuguese Securities Code.

³³ <https://www.semapa.pt/wp-content/uploads/2023/12/Regulation-on-Reporting-of-Irregularities-1.pdf>

on the company's website. The Corporate Governance and Compliance Department receives and monitors the reports – with the support of other departments and internal committees, except in the case of conflicts of interest, or of external entities – and must inform the Audit Board of all irregularities reported and followed up. Anonymous reporting is also permitted, ensuring in any case that it will be treated confidentially and that the whistleblower will not be harmed.

In case of conflict of interest of the Corporate Governance and Compliance Department concerning the alleged irregularity, the Audit Board shall be directly responsible for the follow-up of the reported event.

Report processing shall follow a set of rules, as provided in the Regulation on the Reporting of Irregularities in force and which, briefly, provide for an enquiry process that includes the appropriate internal acts for verifying reported irregularities and, when possible, terminating them, as well as a set of communications to be made to the complainant regarding the progress. The enquiry procedure ends with a proposal to close the case or a proposal to apply the most appropriate measures for the irregularity in question, for assessment and final decision by the Executive Board or by the Board of Directors, if a member of the Executive Board is involved. The final decision will be communicated to the Audit Board and to the Chairman of the Board of Directors, always following at all times the rules in the Regulation on Conflict of Interests and Related Party Transactions.

The Company's Whistleblower Reporting Channel, which is managed by an external and independent entity, Deloitte Touche Tohmatsu Limited, which screens the reports submitted and guarantees anonymity and confidentiality, is available at [website](#)³⁴ and by telephone to +351 210 427 838. The telephone line refers the complainant to the Whistleblower Channel, which will record the details of the complaint.

The internal regulations of the company's bodies and committees also provide for the adoption and compliance with the Regulation on the Reporting of Irregularities.

It should also be mentioned that the company has had a set of Ethical Principles in force since 2002, as approved by the Board of Directors, which lay down rules and principles of conduct that apply to employees and members of corporate bodies. Its personal scope of application was broadened to include members of committees, representatives and service providers under the review carried out in 2023, which then changed name to the Code of Ethics and Conduct and has also been published on the company's [website](#)³⁵.

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 conflicts of interest, and the duty of confidentiality, in relation to the treatment of inside information.

The document also establishes duties of corporate social responsibility, namely of environmental conservation and protection by all shareholders, thus ensuring that the reporting duties and of equal and fair treatment are fulfilled.

The Code of Ethics and Conduct which, by the end of 2018, had expressly enshrined the commitment to respect and promote Human Rights, and to combat money laundering and corruption, currently reinforces respect for competition legislation, since the revision of 2023. In early 2024, the Code of Ethics and Conduct was revised again in order to extend the duties set out therein in terms of personal data protection, cybersecurity and emerging technologies, namely artificial intelligence.

Semapa has also had a Code of Good Conduct for Preventing and Combating Harassment in force since 1 October 2017, setting out specific rules designed to prevent and combat any type of harassment in the workplace, without prejudice to other rules of conduct applicable to employees. This code was revised in 2022 to accommodate changes to the Regulation on the Reporting of Irregularities.

The company has also had a Tax Policy since 2022, which seeks to ensure full compliance with tax obligations by Semapa and the other companies in the Group, in all jurisdictions in which they operate. This Policy is in line with the Group's corporate development strategy and adjusted to the economic substance of its activity, and the tax effects of the transactions undertaken are one of many economic reasons underlying the Group's management decisions.

³⁴ <https://www.semapa.pt/en/investors/corporate-governance/whistleblower-channel/>

³⁵ <https://www.semapa.pt/wp-content/uploads/2023/12/Code-of-Ethics-and-Conduct-1.pdf>

Furthermore, the company adequately and effectively discloses its tax policy on the company's [website](#)³⁶, reviewing it whenever deemed appropriate, and ensures that internal procedures are set up and implemented through adequate and regular supervision of its tax practices, with the involvement of its corporate bodies, always with the aim of minimising potential risks when decisions on tax issues are made.

In addition to the revisions to the existing Policies mentioned above, in 2023 the Board of Directors also approved a set of policies aimed at reinforcing the company's commitment to the sustainability objectives and guaranteeing minimum safeguards, namely the Human Rights Policy, the Corruption Prevention Policy and the Policy for the Prevention of Money Laundering and Financing of Terrorism, which are published on the company's [website](#)³⁷.

III. INTERNAL CONTROL AND RISK MANAGEMENT

GRI 2-25, 2-26

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, the internal control – which comprises the risk management and compliance functions – is conducted by the Board of Directors and through an internal committee with special responsibilities in this area – the Control and Risk Committee – the Audit Board and the External Auditor and Statutory Auditor being responsible for oversight and monitoring of the internal control system, including of the efficiency of these systems. These bodies and the Control and Risk Committee shall also identify and propose all necessary changes. The Audit Board is entitled to an opinion on the activities performed by the Control and Risk Committee and Semapa's departments in this framework, on the resources allocated to the internal control system, and may propose the adjustments deemed necessary in this context. It is also the recipient, where available, of the reports and opinions made by those services when they concern matters related to financial reporting, identification or resolution of conflicts of interest and detection of potential illegalities and irregularities.

Additionally, the corporate universe represented by most of the Group's workers, and which concerns the holding's main subsidiaries, The Navigator Company and Secil, is covered by separate auditing systems with organisational units having special auditing responsibilities. The company thus considers that these internal control systems, implemented by the bodies and committees mentioned before, are suitable for the company's specificities and size and the complexity of the risks from its activity.

Thus, the decision not to have a special department in this area is due to Semapa's simplified administrative structure as a holding company and the way risk control is carried out in the company's Group.

In the course of 2023, a Corporate Governance and Compliance department was also created, with the functions described above in paragraph 21.

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 organisational chart in paragraph 21 of this report, and the responsibilities of the bodies and committees involved are better described in paragraph 54.

³⁶ <https://www.semapa.pt/wp-content/uploads/2023/12/Tax-Policy.pdf>

³⁷ <https://www.semapa.pt/en/investors/corporate-governance/statutes-regulations-and-policies/>

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.

The dynamic environment in which the Group operates calls for the constant monitoring of the main internal and external factors affecting its activity. These factors represent relentless challenges to the fulfilment of Semapa's strategic plans and objectives. As an economic agent, Semapa is subject to risks inherent to its activity, which can significantly impact the value of its assets. Semapa's performance as a Holding Company (SGPS – Sociedade Gestora de Participações Sociais) is also very much linked to the performance of its subsidiaries.

Semapa's approach, which promotes the autonomy and accountability of the companies in which it holds stakes, results in exposure to a number of risks. These risks not only affect each company individually, but can also spread to Semapa itself and other Group companies.

Chapter 2.4 of the Annual Report provides a detailed analysis of all strategic risks and note 11 to the Consolidated Financial Statements provides a detailed analysis of all operational risks affecting all segments of the Group's business and the Group overall. The financial risks have been identified and detailed in note 8.1 to the Consolidated Financial Statements.

Strategic risks include portfolio risk, business risk, reputational capital risk, investment decision making risk, talent risk, legal and regulatory risk in Portugal, external shock risk, fraud risk, raw material access risk, cybersecurity risk, and the risk of non-natural environmental disasters, adverse climatic events, climate transition and ESG performance.

Operational risks include, among others, raw material supply, sales price, product demand, competition, customer portfolio concentration, environmental risk, and the cost of energy.

Financial risks include exchange rate, interest rate, liquidity and credit risks.

The aforementioned strategic risks to Semapa and the Group are duly mapped and fully described in chapter 2.4 of the Annual Report monitored throughout the year and the subject of a risk report approved annually by the Board of Directors as best described in paragraph 54 below.

Semapa, together with its Subsidiaries, is also working on analysing and mapping existing mitigation measures, any additional mitigation measures that may be required and the impacts and opportunities with regard to the three new strategic risks mapped in 2022 as a result of the Group's commitment to issues related to climate change and ESG challenges (adverse climate events, climate transition and ESG performance).

The risk report identifies and characterises the main risks to which the company and the Group are subject, the various risk contexts in which each company operates, the metrics for impact assessment and the likelihood that they will occur, the risk monitoring and follow-up procedures, and the measures to be adopted for their mitigation, with the approval of a plan of activities and concrete measures to be implemented the following year.

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

Concerning the management of risks deemed strategic, Semapa has been consolidating its risk management and control system, which comprises processes that cover the entire risk life cycle, once the risk is identified, assessed, then monitored, reviewed, addressed and reported, in accordance with good practices and the COSO – Committee of Sponsoring Organisations of the Treadway Commission and ISO 31000 standards, and taking into account the recommendations of the Corporate Governance Code issued by the Portuguese Corporate Governance Institute (IPCG) and the Portuguese Securities Market Commission (CMVM).

Semapa and its Subsidiaries follow an annual risk monitoring model that involves several stages:

- *Collecting and filling in information on risks:* detailed information is collected on each risk. This information is recorded on separate sheets describing the risk and monitoring of existing mitigation measures, namely through an exercise for assessing the effectiveness of existing mitigation measures;
- *Discussion and approval of risk sheets:* risk sheets are discussed and reviewed. All relevant information is checked and the mitigation strategies must be approved;
- *Development of Key Risk Indicators:* Semapa and its Subsidiaries have developed Key Risk Indicators (KRIs) to enable continuous monitoring of risks and anticipation of events that could cause significant disruption.

In brief, the Group is committed to managing risks proactively, ensuring that mitigation measures are effective and that adverse events are identified and dealt with in a timely manner.

Accordingly, the risk-taking policy approved by Semapa's Board of Directors defines the type of risks Semapa is willing to take in order to achieve its business goals and strategy, and is in line with Semapa's key material topics, ensuring consistency in the risk management and control system.

The governance model established for risk monitoring and management is tailored to Semapa's structure, defines the areas of intervention, and assigns responsibility to the various parties involved in the risk management and control system.

The Board of Directors is responsible for setting the overall risk strategy, which is monitored by the Audit Board. The main purpose of the Control and Risk Committee – whose powers are set out in paragraphs 21 and 29 – is responsible for controlling and monitoring through the aforementioned system, making it possible to promote, monitor and assess the risk framework and measures already in place and needed for mitigating such risks.

It is worth noting that risk control is 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.

The external audit to Semapa and the companies controlled by it in 2023 was conducted by KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. The company's External Auditor and Statutory Auditor verifies, in particular, the effectiveness and functioning of the internal control mechanisms through the information provided to it by the company bodies and their committees, especially the Control and Risk Committee, and by exercising the other competences resulting from the law in this area, including the rules relating to the Remuneration Report. The respective conclusions are reported by the External and Statutory Auditors to the Audit Board, which then reports and discusses them with the Board of Directors.

The internal control systems implemented, including the risk management function, have proven to be effective, and no situations have so far arisen which have not been 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 Control and Risk Committee which, in accordance with the responsibilities defined by the Board of Directors, is responsible for assuring internal control and risk management.

The Audit Board in turn is responsible for overseeing and assessing every year the effectiveness of the internal control system, including the risk management and compliance functions, proposing adjustments to the existing system whenever necessary, while the Control and Risk Committee is responsible for implementing these adjustments. Finally, it should be noted that this system is monitored and overseen at all times by the Board of Directors, which has ultimate responsibility for the company's internal activities.

In this context, the company approved the risk management and control system at the meeting of the Board of Directors held at the beginning of 2019. This system, which results every year in a risk report, namely sets the objectives and thresholds in issues of risk-taking and identifies the likelihood of such risks occurring and their impacts, which provides for the assessment of the degree of internal compliance and the performance of the risk management system, and addresses changes to the previous risk framework. It also approved the instruments and measures to be adopted with a view to their mitigation, providing the follow-up procedures for monitoring these risks. In terms of setting the levels of risk that the company is willing to accept, Semapa has adopted and follows a policy of risk-taking when doing business, endeavouring to operate in accordance with the defined level of risk.

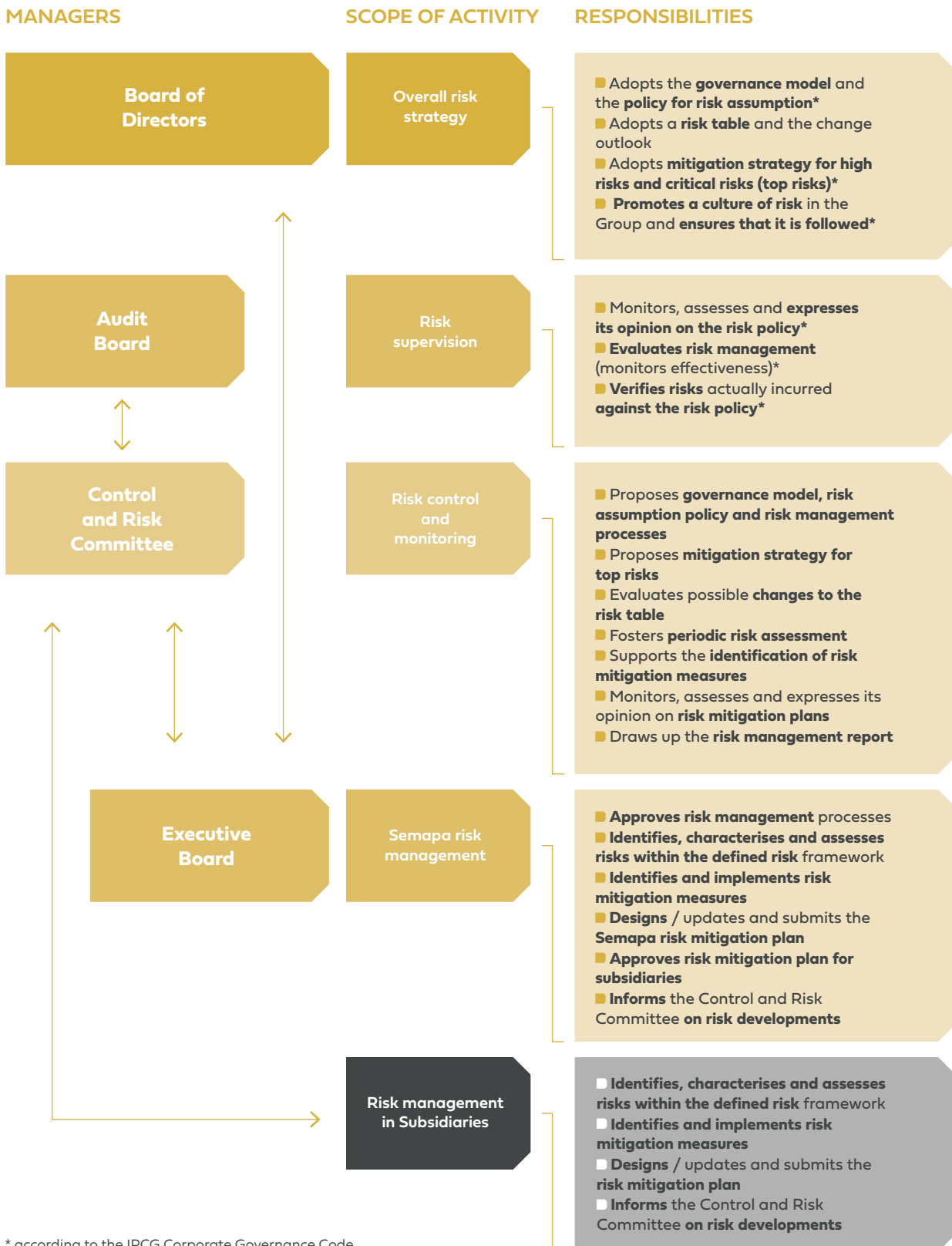
The 2022 annual risk report was adopted at a meeting of the Board of Directors in March 2022, and the 2023 annual risk report shall be adopted together with this Report. Its content is described in paragraph 53 above.

The Audit Board, which plays a particularly important role in this area, with all the powers resulting directly from the law and from the Audit Board's Regulations, provided its opinion on, and assessed the aforementioned risk management and control system and the annual risk report before they were adopted by the Board, and has also followed up on the monitoring of these risks at the meetings that the Audit Board and the Control and Risk Committee and the Executive Board held in the year, until the respective annual Risk Report is issued.

The Audit Board learned about the strategic lines in 2023, prior to the update of the strategic investment approved in January 2023 and the strategic lines approved in December 2023 by the Board of Directors.

The Audit Board also oversaw the progress of the work carried out by the Control and Risk Committee in 2023. In this context, the Audit Board, in conjunction with the Control and Risk Committee and, where necessary, with the company's management, has been implementing periodic control mechanisms and procedures to ensure that the risks that the company runs are consistent with the objectives set by the management body. Such procedures include (i) holding meetings regularly in the year with the other corporate bodies and committees with powers in this area, in particular to assess the findings and reliability of the risk monitoring model, to discuss and monitor the model and Key Risk Indicators and risk sheets, some of these meetings being attended by the external consultant who assists Semapa in this process, and (ii) engaging with the parties involved in the risk management system, requesting checks and clarification whenever necessary and appropriate.

The responsibilities of the Group's organisational units or management bodies are set and enshrined in the following diagram:



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 m³⁸).

The disclosure of financial information is the responsibility of the market relations officer and, where applicable, it falls to the Audit Board, the Control and Risk Committee and the External and Statutory Auditors 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 Director.

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 Financial Director of the Company, Susana Coutinho. This office is adequately staffed and enjoys swift access to all bodies, committees and departments of the Company, and where necessary and according to the procedures laid down and the limits provided by law, of the Group's companies, in order to ensure an effective response to requests, and also to produce, process and convey relevant information to shareholders, investors and other stakeholders, as well as to financial analysts and to the market in general, in due time and without any inequality, pursuant to applicable legal and regulatory terms.

Susana Coutinho can be contacted through the email address investors@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](#)³⁹, 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 Susana Coutinho.

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.

³⁸ Corresponds to the current article 29-H, 1.I of the Portuguese Securities Code.

³⁹ <https://www.semapa.pt/en/>

V. WEBSITE (59 TO 65)

Description	Website address
59. Semapa Website	https://www.semapa.pt/en/
60. Address where information is provided on the company's name, public company status, registered office and other information required by Article 171 of the Companies Code.	https://www.semapa.pt/en/contact-us/
61. Address where the articles of association and rules of procedures of company boards and/or committees can be consulted.	https://www.semapa.pt/en/investors/corporate-governance/statutes-regulations-and-policies/
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.	https://www.semapa.pt/en/investors/corporate-governance/corporate-bodies/ https://www.semapa.pt/en/contact-us/
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.	https://www.semapa.pt/en/investors/financial-information/ https://www.semapa.pt/en/investors/calendar-of-events/
64. Address where notice of general meetings is posted, together with all preparatory information and subsequent information related to meetings.	https://www.semapa.pt/en/investors/general-meetings/
65. Address for consultation of historical files, with resolutions adopted at the company's General Meetings, the share capital represented and the results of votes, for the past 3 years.	https://www.semapa.pt/en/investors/general-meetings/

D. REMUNERATIONS AND THE REMUNERATION REPORT

GRI 2-19, 2-20

In accordance with Article 26-G.8 of the Securities Code, Semapa has chosen to include the Remuneration Report for Semapa's management and supervisory bodies in this chapter of the Corporate Governance Report, thereby including in the relevant sections of this chapter the information required to comply with the aforementioned legal provision.

The Remuneration Report submitted for appraisal at the Annual General Meeting held in 2023, which considered the financial statements for 2022, including the management report, the separate and consolidated balance sheet and accounts, the corporate governance report, which contains the Remuneration Report and the consolidated non-financial statement (sustainability information), was approved by 99.81 per cent of the capital present or represented, and no clarifications were requested from the shareholders in relation to it at the meeting.

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 establish the remuneration of the Board of Directors and the Audit Board lie with the Remuneration Committee.

Powers to establish 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.

In 2023, the Remuneration Committee consisted of Maria Eduarda Faria e Maia de Oliveira Luna Pais, Chairman, and the members João do Passo Vicente Ribeiro and Carlota Infante da Câmara Albergaria Caldeira.

The company considers that all members of the Remuneration Committee are independent.

The Remuneration Committee does not hire staff to assist it. The Committee may freely hire the company that will provide the consultancy services deemed necessary or convenient for the performance of its duties, within the company's budgetary limits, as it has done in the past. Consequently, it must ensure that the services are provided independently and that its providers are not employees of the company itself or of companies that are in a control or group relationship with it, for providing the company with any other services related to the Remuneration Committee's duties without the Committee's express authorisation. The company considers the Remuneration Committee to be independent of the Board, since all of its members are independent.

The Remuneration Committee provides all information or clarifications to the shareholders of the company in the respective Annual General Meetings or in any other general meeting if its agenda includes a matter related to the remuneration of the members of the corporate bodies and committees or if the shareholders require its presence, through the presence of at least one of its members. That was the case at the annual General Meeting of 18 May 2023, which was attended by all members.

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

Two members of the Remuneration Committee, Eduarda Luna Pais and Carlota Albergaria Caldeira, have extensive knowledge and experience in remuneration policy.

Eduarda Luna Pais was a consultant at Egon Zehnder for several years, and later Office Leader and Partner at this leading executive recruitment firm. She has extensive experience and deep knowledge of the assessment processes and criteria for recruiting senior managers, as well as the associated remuneration packages.

Carlota Albergaria Caldeira in turn has developed strong expertise in human resource consultancy for several years, namely Human Capital and Leadership Services, with a greater focus on managing executive search projects (national and international markets), assessments and salary benchmarks, having worked for companies such as Heidrick & Struggles, Jason Associates, Argo Talents and Mercer. At the Nova School of Business & Economics she performed functions as advisor and then as head of corporate relations for recruitment, to which she returned years later and where she is currently working in the People & Culture service.

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 June⁴⁰.

The remuneration policy for the management and supervisory bodies ("Remuneration Policy"), drawn up by the Remuneration Committee, was approved at the Annual General Meeting of 30 April 2021 for the period from 2021 to 2024.

At the Annual General Meeting held on 18 May 2023, the first amendment to the Remuneration Policy was approved – by a majority of 99.51% of the capital present or represented – in order to strengthen its alignment with sustainability and the preservation of Semapa's long-term interests, in line with good market practice.

The Remuneration Policy in force (Annex II hereto) will be applied to the assessment of executive directors in 2024 with reference to the 2023 financial year.

⁴⁰ This topic is currently governed by Articles 26-A and following of the Securities Code.

Concerning the assessment of executive directors carried out in 2023, with reference to the 2022 financial year, the company applied the criteria set out in the Remuneration Policy in force for that financial year, published at the company's [website](#)⁴¹, and there were no deviations from the implementation procedure of the approved Remuneration Policy or derogations from it.

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 the remuneration of company officers is structured and how it is based on the executive directors' performance follows clearly the model and principles – duties performed, the company's economic stance and market criteria – of the Remuneration Policy of Semapa's managing and audit bodies' members, specifically paragraphs 1 and 2.2. to which we make reference. Paragraph 24 above describes the process and the bodies in charge of assessing the executive directors' performance.

The remuneration system in place at Semapa, reflected in the Remuneration Policy, supports its business strategy and, in the long term, ensures the alignment of the interests of members of the management body with those of the Company and its sustainability, in particular since (i) the remuneration is sought to be fair and equitable within the scope of the principles set out and (ii) the assessment criteria and indicators defined by the Remuneration Committee are aligned with the company's strategic objectives, which together with the annual and multi-annual variable remuneration component – linking the payment of part of the variable remuneration to the achievement of certain long-term objectives – contribute to the performance of the members of its governing bodies in line with the company's long-term interests and sustainability.

Concerning remuneration: (i) the remuneration of the members of the Board of Directors consists of a fixed component, corresponding to an annual amount, payable twelve times a year and, for the Executive Directors, it also includes a contingent variable component that may correspond to a percentage not exceeding five percent of the net profit for the previous year in accordance with the Company's articles of association, the variable component also including an annual component and a multiannual component; (ii) the remunerations of the members of the Audit Board shall consist of a fixed annual amount paid twelve times a year, and (iii) the remuneration of the officers of the General Meeting consists only of a fixed amount based on the meetings actually held.

The variable annual component of remuneration of the executive directors is based on the target amount applied to each director and is paid according to the individual's performance and performance of the company that meet the expectations and the criteria set previously. The target amount is weighted by the aforementioned principles – market, specific functions, state of the company –, in particular comparable market circumstances in positions equivalent in function. Actual performance compared to the expectations and goals, which determine target variations against a set of quantitative and qualitative KPIs of the company's performance (general business indicators weighing 65%) and of the relevant director (specific objectives weighing 20% and behavioural indicators that weigh 15%).

The general business indicators include, in particular, EBITDA (accounting for 35%), net profit (accounting for 10%), cash flow (accounting for 10%) and Total Shareholder Return vs. Peers (accounting for 10%). The behavioural indicators guide the alignment of the executive directors with the existing leadership model and the long-term interests of the Company. With this system, it is possible to guarantee that Semapa has no discretionary variable remuneration. The specific objectives always include ESG indicators, such as the findings of the annual climate survey in the Company.

The performance criteria mentioned in the previous paragraph are applied mathematically for their quantitative part – based on the values of the business plans approved by the Board of Directors, and at the end of each period these commitments are compared with the actual income – and using value assessments for the qualitative part.

The multi-year variable remuneration introduced after review of the Remuneration Policy in 2023 seeks to encourage executive directors to align their activities with Company's long-term sustainable interests by setting multi-year objectives and deferring a portion of the variable remuneration, which is then linked to the Company's performance and the achievement of targets over the period. Under this long-term incentive, the total amount to be distributed to executive board will correspond to a percentage of the Value Created for Shareholders (value created above a minimum annual rate decided at the beginning of each mandate), related to the financial and ESG objectives achieved.

⁴¹ <https://www.semapa.pt/wp-content/uploads/2023/12/Item-5-Remuneration-Policy-Statement-2.pdf>

This multi-year incentive is currently linked to compliance with Semapa's Strategic Plan 2023/2027 and will take into account the following indicators: Total Shareholder Return \geq KPI defined, Total Shareholder Return \geq Peers, EBITDA Variation \geq KPI set and CO₂ Emissions \leq KPI set.

On the environmental side, the introduction of a KPI – CO₂ Emissions – related to sustainability, which is in line with the concerns regarding compliance with the carbon roadmap laid down in the Strategic Plan, is worthy of note.

The long-term incentive may include an individual assessment of the performance of executive directors, to be carried out by the Remuneration Committee, in consultation with other stakeholders that the Committee deems appropriate to involve.

The multi-annual incentive corresponds to three-year plans for the duration of the directors' terms, with the exception of the first plan for 2023/2024, corresponding to the last years of the current mandate.

An independent external body will monitor the Incentive, calculate the results obtained and the amounts to be paid.

At the end of each period, the final assessment is conducted and the amount payable is determined, after the accounts of the last financial year included in the period have been cleared. This multi-annual component of the variable remuneration is paid in cash, (i) 75% by the end of the first half of the year following the closure of the reference period and (ii) 25% deferred for one year. However, there will be no deferral if the amount to be paid is less than 20 per cent of the annual fixed remuneration for the reference period.

In addition to the statutory limit on management's share of profits for the year, the company also has mechanisms in place to limit variable compensation: (i) the variable – annual and multiannual – remuneration is eliminated in the event of the results showing a significant deterioration in the company's performance in the last reporting period or when such deterioration may be expected in the period underway and (ii) the amount of the annual variable component attributable is capped at 1.8 times the target, and (iii) the multiannual variable remuneration may not exceed 175% of the fixed component of the years to which the Incentive concerns, to prevent good performance at one time, with immediate remuneration benefits for the management, from being obtained to the detriment of good performance in the future. The annual and multi-annual remuneration is subject to reasonable adjustments related to exogenous factors and unforeseen economic decisions, as decided in advance by the Remuneration Committee.

The nature of the indicators, their weight in determining actual variable remuneration, the deferred payment of part of the multi-annual remuneration and the limits on the application of variable remuneration create a remuneration model based on recognising merit against the actual performance of the Company and discouraging excessive risk-taking, whilst helping to implement the strategy defined by Semapa and ensuring that the interests of the executive directors are aligned with the Company's long-term interests.

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 an assessment of the performance, as described in the previous paragraph and in the Remuneration Policy, in particular paragraph 2.2.2. Paragraph 24 above describes the process and the bodies in charge of assessing the executive directors' performance.

With regard to the performance appraisal carried out in 2023, concerning 2022, the individual and qualitative component of the performance appraisal had a considerable impact of 35% (specific objectives, with a weight of 20%, and behavioural indicators, with a weight of 15%), as provided for in paragraphs 3 and 7 of Chapter IV of the Remuneration Policy previously in force.

In the case of non-executive directors, it should be noted that although it is only a fixed part, it can be differentiated according to the accumulation of increased responsibilities, namely through the performance of duties in specialised committees.

The revised 2023 Remuneration Policy also provides for the possibility of demanding the return of variable remuneration already paid, without prejudice to the applicable legal regime, if, by final court decision, the company or, directly, members of the company's Executive Board, are held responsible for unlawful and malicious acts of management that require review of their financial statements or the recording of asset decreases to the disadvantage of the company. In this case, the Remuneration Committee may, at its discretion and by means of a resolution, demand the executive directors to pay back the variable remuneration for the period corresponding to the reported facts or another period considered relevant, with a view to compensating the company for the harm caused.

The remuneration of the members of the Audit Board does not have a variable component, and the remuneration of the Chairman of the Audit Board is higher than that of the other board members, taking into account the special functions performed by him/her.

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

The multi-annual variable remuneration of the executive directors introduced in the revised 2023 Remuneration Policy, which corresponds to a long-term incentive associated with the fulfilment of the objectives set for the three-year term of the board of directors, helps to reinforce the alignment of the executive directors' performance with the long-term sustainable interests of the company and to guarantee such sustainable performance, through the deferral of part of the variable remuneration which is thus associated with the company's performance and the achievement of objectives in that period.

Furthermore, the payment of this multi-annual component of the variable remuneration (i) will be 75 per cent by the end of the first six months following the end of the reference period and (ii) will be deferred by 25 per cent for one year. However, there will be no deferral if the amount to be paid is less than 20 per cent of the annual fixed remuneration for the reference period.

The Remuneration Policy therefore provides for a mechanism to defer part of the variable remuneration for a period of three years, which is thus linked to the company's performance and the achievement of objectives during that period (with the exception of the first period, 2023/2024, as it corresponds to the final years of the current mandate), and deferred payment of such component of the remuneration.

The variable remuneration system in place at Semapa is described in greater detail in paragraphs 69 and following above.

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 paragraph 2.2.2 of the Remuneration Policy, and in paragraphs 25 and 70 above.

In addition to the variable component that may be paid to the members of the management bodies, no other non-cash benefits are paid to directors and auditors, without prejudice to the means made available to them for the performance of their duties and a personal health and accident insurance policy in line with market practices.

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 lifelong 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. On 31 December 2023, Semapa's liability with this pension is € 580 578, as mentioned in Note 7.3 to the Consolidated Financial Statements and Note 7.2 to the Separate Financial Statements.

IV. DISCLOSURE OF REMUNERATION

77. Indication of the annual remuneration earned at 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 specify the remunerations paid in 2023 to the members of the Company's management body, distinguishing between fixed and variable and relative weights, remuneration, though the variable remuneration was paid in 2023 but refers to performance in 2022, 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, without identifying components.

Board of Directors	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Relative percentage
Executive Board				
Ricardo Miguel dos Santos Pacheco Pires	661 378.02	44.11%	838 141.49	55.89%
Vítor Paulo Paranhos Pereira	321 496.74	29.63%	763 595.79	70.37%
Subtotal	982 874.76	-	1 601 737.28	-
Non-Executive Directors				
José António do Prado Fey	400 020.50	100%	-	-
Filipa Mendes de Almeida de Queiroz Pereira	77 825.04	100%	-	-
Mafalda Mendes de Almeida Queiroz Pereira	77 825.04	100%	-	-
Lua Mónica Mendes de Almeida de Queiroz Pereira	77 825.04	100%	-	-
António Pedro de Carvalho Viana-Baptista	128 305.08	100%	-	-
Paulo Lameiras Martins	77 825.04	100%	-	-
Subtotal	839 625.74	-	-	-
Total	1 822 500.50	-	1 601 737.28	-

Note:
Amounts in Euros

The table above specifies the annual amount paid to the members of the Board of Directors during the performance of their duties.

The tables below detail, for the purposes of Article 26-G.2.c of the Securities Code, the annual variations over the last five fiscal years of the compensation paid individually by the Company to the members of the Board of Directors, as well as the average compensation of the Company's full-time equivalent employees, and the Company's performance indicators confirmed:

Board of Directors		2019	2020	2021	2022	2023
António Pedro de Carvalho Viana-Baptista	Fixed Remuneration	128 305	128 305	128 305	128 305	128 305
	Variation in %	0.0%	0.0%	0.0%	0.0%	0.0%
Carlos Eduardo Coelho Alves	Fixed Remuneration	77 825	77 825	77 825	27 500	-
	Variation in %	0.0%	0.0%	0.0%	-64.7%	-
Filipa Mendes de Almeida de Queiroz Pereira	Fixed Remuneration	77 825	77 825	77 825	77 825	77 825
	Variation in %	64.0%	0.0%	0.0%	0.0%	0.0%
Francisco José Melo e Castro Guedes	Fixed Remuneration	77 825	77 825	77 825	47 259	-
	Variation in %	0.0%	0.0%	0.0%	-39.3%	-
Heinz-Peter Elstrodt	Fixed Remuneration	347 414	275 149	-	-	-
	Variation in %	-	-20.8%	-	-	-
João Nuno de Sottomayor Pinto de Castello Branco	Fixed Remuneration	761 199	761 199	925 763	-	-
	Variable Remuneration	688 623	546 953	769 537	846 366	-
	Variation in %	1.8%	-9.8%	29.6%	-50.1%	-
José António do Prado Fay	Fixed Remuneration	128 816	243 524	400 021	400 021	400 021
	Variation in %	64.6%	89.0%	64.3%	0.0%	0.0%
José Miguel Pereira Gens Paredes	Fixed Remuneration	315 970	129 817	-	-	-
	Variable Remuneration	567 864	381 541	-	-	-
	Variation in %	0.4%	-42.1%	-	-	-
Lua Mónica Mendes de Almeida de Queiroz Pereira	Fixed Remuneration	77 825	77 825	77 825	77 825	77 825
	Variation in %	64.0%	0.0%	0.0%	0.0%	0.0%
Mafalda Mendes de Almeida de Queiroz Pereira	Fixed Remuneration	77 825	77 825	77 825	77 825	77 825
	Variation in %	64.0%	0.0%	0.0%	0.0%	0.0%
Paulo Miguel Garcês Ventura	Fixed Remuneration	192 013	-	-	-	-
	Variable Remuneration	512 811	143 449	-	-	-
	Variation in %	-17.8%	-79.6%	-	-	-
Paulo José Lameiras Martins ⁴²	Fixed Remuneration	-	-	-	46 479	77 825
	Variation in %	-	-	-	-	67.4%
Ricardo Miguel dos Santos Pacheco Pires ⁴³	Fixed Remuneration	315 970	315 970	315 970	650 000	661 378
	Variable Remuneration	557 560	462 202	586 133	643 077	838 141
	Variation in %	5.1%	-10.9%	15.9%	43.3%	16.0%
Vítor Manuel Galvão Rocha Novais Gonçalves	Fixed Remuneration	77 825	77 825	77 825	27 500	-
	Variation in %	0.0%	0.0%	0.0%	-64.7%	-
Vitor Paulo Paranhos Pereira ⁴⁴	Fixed Remuneration	128 305	289 445	315 970	315 970	321 497
	Variable Remuneration	-	-	582 159	634 657	763 596
	Variation in %	0.0%	125.6%	210.3%	5.8%	14.1%

Note:
Amounts in Euros

⁴² Paulo José Lameiras Martins was appointed Director on 27 May 2022.

⁴³ Ricardo Miguel dos Santos Pacheco Pires was appointed CEO on 1 January 2022.

⁴⁴ Vitor Paulo Paranhos Pereira took up duties as executive director on 1 March 2020.

Company Employees		2019	2020	2021	2022	2023
Total Remuneration	Average Remuneration	85 744	66 243	77 188	88 387	97 623
	Variation in %	11.2%	-22.7%	16.5%	14.5%	10.4%

Note:
Amounts in Euros

Group Performance		2019	2020	2021	2022	2023
EBITDA	Million euros	486.8	419.3	508.7	894.2	672.1
	Variation in %	-11.2%	-13.9%	21.3%	75.8%	-24.8%
EPS (Income per Share)	Euros/share	1.540	1.333	2.481	3.845	3.061
	Variation in %	-6.3%	-13.4%	86.1%	55.0%	-20.4%

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 paragraph 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 major shareholders.

At other companies in a control relationship or subject to common control, the Directors Filipa Mendes de Almeida de Queiroz Pereira earned 70 750.00 euros, José Ant3nio do Prado Fay earned 100 000.00 euros, Lua M3nica Mendes de Almeida de Queiroz Pereira earned 70 750.00 euros, Mafalda Mendes de Almeida de Queiroz Pereira earned 70 750.00 euros. It is clarified that the members of the Board of Directors did not have earnings in other companies in a group relationship with Semapa, based on the definition of group in Article 2.1.g of Decree-Law no. 158/2009, of 13 July, in accordance with the provisions of Article 26-G.2.d of the Securities Code.

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

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 paragraph 77 of this report, the amounts of which were determined by the Remuneration Committee based on the implementation of the criteria described in paragraph 2.2.2 of the Remuneration Policy.

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

No compensation was paid, nor is foreseen or 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	
	Amount	Relative percentage	Amount	Relative percentage
Jos3 Manuel Oliveira Vitorino	30 000.00	100%	-	-
Gonçalo Nuno Palha Gaio Pic3o Caldeira	21 840.00	100%	-	-
Maria da Graça Torres Ferreira da Cunha Gonçaves	21 840.00	100%	-	-
Total	73 680.00	-	-	-

Note:
Amounts in Euros

The table below shows, for the purposes of Article 26-G.2.c of the Securities Code, the annual variation over the last five fiscal years of the remuneration paid by the Company to each member of the Audit Board:

Audit Board		2019	2020	2021	2022	2023
José Manuel Oliveira Vitorino	Fixed Remuneration	22 000	22 000	22 000	26 756	30 000
	Variation in %	8.4%	0.0%	0.0%	21.6%	12.1%
Gonçalo Nuno Palha Gaio Picão Caldeira	Fixed Remuneration	16 000	16 000	16 000	19 472	21 840
	Variation in %	0.0%	0.0%	0.0%	21.7%	12.2%
Maria da Graça Torres Ferreira da Cunha Gonçalves	Fixed Remuneration	16 000	16 000	16 000	19 472	21 840
	Variation in %	64.0%	0.0%	0.0%	21.7%	12.2%

Note:
Amounts in Euros

82. Indication of remuneration earned in the reporting period by the Chairman of the General Meeting.

In 2023, the Chairman of the General Meeting earned a fixed remuneration of 5 000 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; the Remuneration Policy provides that, where directors resign, the supplementary legal rules will apply in this respect.

Therefore, considering the absence of individual contracts with directors in this regard and the provisions of the above-mentioned Remuneration Policy, where 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, the company is obliged to pay compensation in accordance with the general terms of the law, although such compensation shall not exceed the value of the remuneration they would have received had they completed their term of office.

Dismissal before the expiry of the mandate does not entitle the director, either directly or indirectly, to compensation beyond the statutory amounts.

It should also be noted that in 2023 financial year, no amounts were paid in connection with the termination of office, in any capacity, of members of company bodies or committees.

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.1.⁴⁵).

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.

⁴⁵ Corresponds to the current article 29-H, 1.k of the Portuguese Securities Code.

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.e⁴⁶).

There is no employee ownership scheme in Semapa.

E. RELATED PARTY TRANSACTIONS CONFLICTS OF INTEREST



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) and Conflicts of Interest.

The company has a Regulation on Conflicts of interests and related party transactions, which establishes the rules that govern conflicts of interest and related party transactions to which the company is a party, in addition to the internal mechanisms that the company has in place to ensure compliance with the international accounting standard (IAS) 24 (Related Party Disclosures). It is applicable without prejudice to the Company's obligations and of its Directors concerning Inside Information, the legal framework of company business with directors and the internal Regulation on the Reporting of Irregularities and other relevant legislation. The regulation was amended in 2020 due to the changes arising from Law 50/2020 of August 25 and, more recently, to accommodate recommendations, by resolution of the Board of Directors of 3 November 2021, with a favourable and binding opinion of the Audit Board, and now they include the applicable legal and regulatory framework in force on this matter.

This regulation is available on the company's [website](#)⁴⁷.

⁴⁶ Corresponds to the current article 29-H, 1.e of the Portuguese Securities Code.

⁴⁷ <https://www.semapa.pt/wp-content/uploads/2023/12/Regulation-of-Conflict-of-Interest-and-Related-Parties-Transactions.pdf>

According to the Regulation on Conflicts of interests and related party transactions, the transactions between the company and related parties, qualified as such in accordance with the international accounting standards adopted under Regulation (EC) no. 1606/2002 of the European Council and Parliament of July 19, namely IAS 24 (Related Party Disclosures), are subject to the following approval procedures:

The following transactions are approved by the Executive Board:

- c) Loans granted to the company by shareholder companies with a value of less than or equal to one hundred million euros;
- d) Transactions under the taxation regime for company groups, with a value of less than or equal to one hundred million euros;
- e) Transactions with controlled companies that consolidate accounts with the company, with an individual or accumulated annual value of less than or equal to two percent of the controlled company's revenue, assessed according to the latest approved annual accounts;
- f) Loans to controlled companies that have consolidated accounts with the company and, thus, holds their debt, (i) with a maturity of less than six months, (ii) individual or cumulative annual value of less than one fifth of the controlled company's revenue, assessed according to the latest approved annual accounts and not exceeding one hundred million euros and (iii) as long as the controlled company ensures credit lines for the reimbursement of the operation, and
- a) All other transactions with an individual or cumulative annual amount of less than or equal to one million euros.

Transactions that (i) do not fall within the scope of the previous sub-paragraphs, or (ii) fall within these sub-paragraphs, but are not carried out as part of the company's current business, are adopted by resolution of the Board of Directors, preceded by the Audit Board's approval.

Under the terms of the aforementioned regulation, only transactions carried out under market conditions and in full respect of the justified interest of the company shall be permitted.

Concerning reporting, oversight and approval of transactions with related parties, the regulation provides that:

- i. The Board of Directors must be informed biannually of the resolutions concerning related party transactions which they were not a party to.
- ii. The Audit Board must be informed of the transactions that the company carries out for the purpose of verifying the compliance of the transactions with the regime described above and with the applicable laws and regulations, and the related parties may not participate in such verification;
- iii. The Directors of the company who intervene in the formalisation of transactions must ensure that such transactions are previously submitted to the regime provided in the regulation and in the applicable laws and regulation; and
- iv. The Executive Board is responsible for overseeing the formalisation and the implementation of decisions concerning transactions.

The company will disclose the transactions as required under the laws and applicable regulations, in particular because they have not met any of the requirements legally provided for and according to their respective amount, under the terms and by the date provided in the applicable legislation and regulations.

The regulation will not apply to the transactions that are considered exempt by the applicable laws and regulations.

Concerning the procedures applicable to conflicts of interest, the regulation provides for a conflict situation where the Director is in a position that, in objective terms, may compromise their independence and influence their interests that are different to those of the Company, either financial or other, own or other, and for the appropriate prevention, identification and resolution, the Director must:

- a) Report the existence of, real or potential, conflict of interest to their superiors or, in the case of a member of a collegial body, to the body in question in the terms of the relevant rules of procedure; and
- b) Refrain from interfering or participating where there is conflict of interest, and where a decision must be made, have noted such impediment in the minutes or other written document where the decision is laid down, without prejudice to the duty to provide all information and clarification which the relevant company body and its members may request.

Furthermore, all rules of procedures of the governing bodies and internal committees include provisions on conflicts of interest aligned with the rules described before.

90. Indication of transactions subject to control during reporting period .

In 2023, there were the related party transactions that have been identified in the information on related party transactions in Note 10.4 to the consolidated accounts and Note 10.2 to the separate financial statements, which were analysed and approved in line with the new Regulation on Conflicts of Interests and Related Party Transactions.

In 2023, in compliance with the Regulation on Conflict of Interest and Related Party Transactions, the Board of Directors informed the Audit Board of all transactions carried out for the purpose of verifying the compliance of such transactions with the provisions in clause four of the aforementioned Regulation and with applicable legislation and regulations, the Audit Board having carried out such check.

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 procedures and criteria are as described in paragraphs 89 and 90 above.

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 10.4 to the consolidated financial statements and Note 10.2 to the separate financial statements.

PART II

ASSESSMENT OF CORPORATE GOVERNANCE

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

Semapa adopted the Corporate Governance Code of the Portuguese Corporate Governance Institute (IPCG), revised in 2023, in conformity with the Regulation of the Portuguese Securities Market Commission (CMVM Regulation no. 4/2013).

The Code adopted is disclosed by the IPCG and may be consulted on their 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 the report where detailed information is provided. For recommendations not adopted, information is provided below on the respective grounds for non-adoption and any alternative measures taken.

#	Adoption	Text	Reference
GENERAL PRINCIPLES			
A. Corporate governance promotes and fosters the pursuit of the respective long-term interests, performance and sustained development, and is structured in order to allow the interests of shareholders and other investors, staff, clients, creditors, suppliers and other stakeholders to be weighed, contributing to the strengthening of confidence in the quality, transparency and ethical standards of administration and supervision, as well as to the sustainable development of the community the companies form part of and to the development of the capital market.			
B. The Code is voluntary and compliance is based on the comply or explain principle, applicable to all Recommendations.			
I. COMPANY'S RELATIONSHIP WITH SHAREHOLDERS, INTERESTED PARTIES AND THE COMMUNITY AT LARGE			
Principles:			
I.A. In their organisation, operation and in the definition of their strategy, companies shall contribute to the pursuit of the Sustainable Development Goals defined within the framework of the United Nations Organisation, in terms that are appropriate to the nature of their activity and their size.			
I.B. The company periodically identifies, measures and seeks to prevent negative effects related to the environmental and social impact of the operation of its activity, in terms that are appropriate to the nature and size of the company.			
I.C. In its decision-making processes, the management body considers the interests of shareholders and other investors, employees, suppliers and other stakeholders in the activity of the company.			
I.1	Adopted	The company specifies in what terms its strategy seeks to ensure the fulfilment of its long-term objectives and what are the main contributions resulting herefrom for the community at large.	Part I, item 21
I.2	Adopted	The company identifies the main policies and measures adopted with regard to the fulfilment of its environmental and social objectives.	Part I, item 21

II. COMPOSITION AND FUNCTIONING OF THE CORPORATE BODIES

II.1 Information

Principles:

II.1.A. Companies and, in particular, their Directors treat shareholders and other investors in an equitable manner, namely by ensuring mechanisms and procedures for the adequate treatment and disclosure of information.

II.1.1.	Adopted	The company establishes mechanisms to adequately and rigorously ensure the timely circulation or disclosure of the information required to its bodies, the company secretary, shareholders, investors, financial analysts, other stakeholders and the market at large.	Part I, item 21 and items 55 to 65
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II.2 Diversity in the Composition and Functioning of the Corporate Bodies

Principles:

II.2.A. Companies have adequate and transparent decision-making structures, ensuring maximum efficiency in the functioning of their bodies and committees.

II.2.B. Companies ensure diversity in the composition of their management and supervisory bodies and the adoption of individual merit criteria in the respective appointment processes, which shall be the exclusive responsibility of shareholders.

II.2.C. Companies ensure that the performance of their bodies and committees is duly recorded, namely in minutes of meetings, that allow for knowing not only the sense of the decisions taken but also their grounds and the opinions expressed by their members.

II.2.1	Adopted	Companies establish, previously and abstractly, criteria and requirements regarding the profile of the members of the corporate bodies that are adequate to the function to be performed, considering, notably, individual attributes (such as competence, independence, integrity, availability and experience), and diversity requirements (with particular attention to equality between men and women), that may contribute to the improvement of the performance of the body and of the balance in its composition.	Part I, item 16
II.2.2.	Adopted	The management and supervisory bodies and their internal committees are governed by regulations – notably regarding the exercise of their powers, chairmanship, the frequency of meetings, operation and the duties framework of their members – fully disclosed on the website of the company, whereby minutes of the respective meetings shall be drawn up.	Part I, items 21, 22, 27, 29, 34 and 61
II.2.3	Adopted	The composition and number of meetings for each year of the management and supervisory bodies and of their internal committees are disclosed on the website of the company.	Part I, items 23, 29 and 35
II.2.4.	Adopted	The companies adopt a whistle-blowing policy that specifies the main rules and procedures to be followed for each communication and an internal reporting channel that also includes access for non- employees, as set forth in the applicable law.	Part I, item 49
II.2.5.	Adopted	The companies have specialised committees for matters of corporate governance, remuneration, appointments of members of the corporate bodies and performance assessment, separately or cumulatively. If the Remuneration Committee provided for in Article 399 of the Portuguese Commercial Companies Code has been set up, the present Recommendation can be complied with by assigning to said committee, if not prohibited by law, powers in the above matters.	Part I, items 16, 21, 27 and 29

II.3. Relations between Corporate Bodies

Principle:

II.3. A. The corporate bodies create the conditions for them to act in a harmonious and articulated manner, within the scope of their responsibilities, and with information that is adequate for carrying out their functions.

II.3.1	Adopted	The Articles of Association or equivalent means adopted by the company set out the mechanisms to ensure that, within the limits of the applicable laws, the members of the management and supervisory bodies have permanent access to all necessary information to assess the performance, situation and development prospects of the company, including, specifically, the minutes of the meetings, the documentation supporting the decisions taken, the convening notices and the archive of the meetings of the executive management body, without prejudice to access to any other documents or persons who may be requested to provide clarification.	Part I, item 21
II.3.2	Adopted	Each body and committee of the company ensures, in a timely and adequate manner, the interorganic flow of information required for the exercise of the legal and statutory powers of each of the other bodies and committees.	Part I, items 21 and 29

II.4. Conflict of Interest

II.4.A. The existence of current or potential conflicts of interest between the members of bodies or committees and the company shall be prevented, ensuring that the conflicted member does not interfere in the decision-making process.

II.4.1.	Adopted	By internal regulation or an equivalent hereof, the members of the management and supervisory bodies and of the internal committees shall be obliged to inform the respective body or committee whenever there are any facts that may constitute or give rise to a conflict between their interests and the interest of the company.	Part I, item 89
II.4.2.	Adopted	The company adopts procedures to ensure that the conflicted member does not interfere in the decision-making process, without prejudice to the duty to provide information and clarification requested by the body, committee or respective members.	Part I, item 89

II.5 Transactions with Related Parties

II.5.A. Transactions with related parties shall be justified by the interest of the company and shall be carried out under market conditions, being subject to principles of transparency and adequate supervision.

II.5.1.	Adopted	The management body discloses, in the corporate governance report or by other publicly available means, the internal procedure for verification of transactions with related parties.	Part I, item 38 and items 89 to 91
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III. SHAREHOLDERS AND GENERAL MEETING

Principles:

III.A. The adequate involvement of shareholders in corporate governance constitutes a positive factor for the efficient functioning of the company and the achievement of its corporate objective.

III.B. The company promotes the personal participation of shareholders at general meetings as a space for reflection on the company and for shareholders to communicate with the bodies and committees of the company.

III.C. The company implements adequate means for shareholders to attend and vote at the general meeting without being present in person, including the possibility of sending in advance questions, requests for clarification or information on the matters to be decided on and the respective proposals.

III.1	Adopted	The company does not set an excessively large number of shares to be entitled to one vote and informs in the corporate governance report of its choice whenever each share does not carry one vote.	Part I, items 12 and 13
III.2	Not applicable	The company that has issued special plural voting rights shares identifies, in its corporate governance report, the matters that, pursuant to the company's Articles of Association, are excluded from the scope of plural voting.	Part I, items 12 and 13
III.3	Adopted	The company does not adopt mechanisms that hinder the passing of resolutions by its shareholders, specifically fixing a quorum for resolutions greater than that foreseen by law.	Part I, item 14
III.4	Adopted	The company implements adequate means for shareholders to participate in the general meeting without being present in person, in proportion to its size.	Part I, item 12

III.5	Adopted	The company also implements adequate means for the exercise of voting rights without being present in person, including by correspondence and electronically.	Part I, item 12
III.6	Not applicable	The Articles of Association of the company that provide for the restriction of the number of votes that may be held or exercised by one single shareholder, either individually or jointly with other shareholders, shall also foresee that, at least every five years, the general meeting shall resolve on the amendment or maintenance of such statutory provision – without quorum requirements greater than that provided for by law – and that in said resolution, all votes issued are to be counted, without applying said restriction.	Part I, items 5 and 13
III.7	Adopted	The company does not adopt any measures that require payments or the assumption of costs by the company in the event of change of control or change in the composition of the management body and which are likely to damage the economic interest in the transfer of shares and the free assessment by shareholders of the performance of the Directors.	Part I, item 4

IV. MANAGEMENT

IV.1. Management Body and Executive Directors

Principles:

IV.1.A The day-to-day management of the company shall be the responsibility of executive directors with the qualifications, skills, and experience appropriate for the position, pursuing the corporate goals and aiming to contribute to its sustainable development.

IV.1.B The determination of the number of executive directors shall take into account the size of the company, the complexity and geographical dispersion of its activity and the costs, bearing in mind the desirable flexibility in the running of the executive management.

IV.1.1	Adopted	The management body ensures that the company acts in accordance with its object and does not delegate powers, notably with regard to: i) definition of the corporate strategy and main policies of the company; ii) organisation and coordination of the corporate structure; iii) matters that shall be considered strategic due to the amounts, risk and particular characteristics involved.	Part I, item 21
IV.1.2	Adopted	The management body approves, by means of regulations or through an equivalent mechanism, the performance regime for executive directors applicable to the exercise of executive functions by them in entities outside the group.	Part I, items 26 and 27

IV.2. Management Body and Non-Executive Directors

Principles:

IV.2.A For the full achievement of the corporate objective, the non-executive directors shall exercise, in an effective and judicious manner, a function of general supervision and of challenging the executive management, whereby such performance shall be complemented by commissions in areas that are central to the governance of the company.

IV.2.B The number and qualifications of the non-executive directors shall be adequate to provide the company with a balanced and appropriate diversity of professional skills, knowledge and experience.

IV.2.1	Adopted	Notwithstanding the legal duties of the chairman of the board of directors, if the latter is not independent, the independent directors – or, if there are not enough independent directors, the non- executive directors – shall appoint a coordinator among themselves to, in particular (i) act, whenever necessary, as interlocutor with the chairman of the board of directors and with the other directors, (ii) ensure that they have all the conditions and means required to carry out their duties, and (iii) coordinate their performance assessment by the administration body as provided for in Recommendation VI.1.1.; alternatively, the company may establish another equivalent mechanism to ensure such coordination.	Part I, item 18
IV.2.2	Adopted	The number of non-executive members of the management body shall be adequate to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficient performance of the tasks entrusted to them, whereby the formulation of this adequacy judgement shall be included in the corporate governance report.	Part I, item 18
IV.2.3	Adopted	The number of non-executive directors is greater than the number of executive directors.	Part I, item 18

IV.2.4.	Not adopted	The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. For the purposes of the present Recommendation, a person is deemed independent when not associated to any specific interest group in the company, nor in any circumstances liable to affect his/her impartiality of analysis or decision, in particular in virtue of: <ul style="list-style-type: none"> i. Having carried out, continuously or intermittently, functions in any corporate body of the company for more than twelve years, with this period being counted regardless of whether or not it coincides with the end of the mandate; ii. Having been an employee of the company or of a company that is controlled by or in a group relationship with the company in the last three years; iii. Having, in the last three years, provided services or established a significant business relationship with the company or with a company that is controlled by or in a group relationship with the company, either directly or as a partner, director, manager or officer of a legal person; iv. Being the beneficiary of remuneration paid by the company or by a company that is controlled by or in a group relationship with the company, in addition to remuneration stemming from the performance of the functions of director; v. Living in a non-marital partnership or being a spouse, relative or kin in a direct line and up to and including the 3rd degree, in a collateral line, of directors of the company, of directors of a legal person owning a qualifying stake in the company or of natural persons owning, directly or indirectly, a qualifying stake; vi. Being a holder of a qualifying stake or representative of a shareholder that is holder of a qualifying stake. 	Explanation of recommendations not adopted below
IV.2.5.	Not applicable	The provisions of paragraph (i) of the previous Recommendation do not prevent the qualification of a new Director as independent if, between the end of his/her functions in any corporate body and his/her new appointment, at least three years have elapsed (cooling-off period).	Part I, item 18

V. SUPERVISION

Principles:

V.A. The supervisory body carries out permanent supervision activities of the administration of the company, including, also from a preventive perspective, the monitoring of the activity of the company and, in particular, the decisions of fundamental importance for the company and for the full achievement of its corporate object.

V.B. The composition of the supervisory body provides the company with a balanced and adequate diversity of professional skills, knowledge and experience.

V.1.	Adopted	With due regard for the competences conferred to it by law, the supervisory body takes cognisance of the strategic guidelines and evaluates and renders an opinion on the risk policy, prior to its final approval by the administration body.	Part I, items 38 and 54
V.2.	Adopted	The number of members of the supervisory body and of the financial matters committee should be adequate in relation to the size of the company and the complexity of the risks inherent to its activity, but sufficient to ensure the efficiency of the tasks entrusted to them, and this adequacy judgement should be included in the corporate governance report.	Part I, item 31

VI. PERFORMANCE ASSESSMENT, REMUNERATION AND APPOINTMENTS

VI.1 Annual Performance Assessment

Principle:

VI.1.A. The company promotes the assessment of performance of the executive body and its individual members as well as the overall performance of the management body and its specialised committees.

VI.1.1.	Adopted	The management body – or committee with relevant powers, composed of a majority of non-executive members – evaluates its performance on an annual basis, as well as the performance of the executive committee, of the executive directors and of the company committees, taking into account the compliance with the strategic plan of the company and of the budget, the risk management, its internal functioning and the contribution of each member to that end, and the relationship between the bodies and committees of the company.	Part I, items 24 and 25
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VI.2 Remunerations

Principle:

VI.2.A. The remuneration policy for members of the management and supervisory bodies shall allow the company to attract qualified professionals at a cost that is economically justified by their situation, provide for the alignment with the interests of the shareholders – taking into consideration the wealth effectively created by the company, the economic situation and the market situation – and shall constitute a factor for developing a culture of professionalism, sustainability, merit promotion and transparency in the company.

VI.2.B. Taking into consideration that the position of directors is, by nature, a remunerated position, directors shall receive a remuneration:

(i) that adequately rewards the responsibility undertaken, the availability and competence placed at the service of the company;

(ii) that ensures a performance aligned with the long-term interests of shareholders and promotes the sustainable performance of the company; and

(iii) that rewards performance.

VI.2.1.	Adopted	The company constitutes a remuneration committee, whose composition shall ensure its independence from the board of directors, whereby it may be the remuneration committee appointed pursuant to Article 399 of the Portuguese Commercial Companies Code.	Part I, items 66 and 67
VI.2.2.	Adopted	The remuneration of the members of the management and supervisory bodies and of the company committees is established by the remuneration committee or by the general meeting, upon proposal of such committee.	Part I, items 29, 66, 67 and Annex II
VI.2.3.	Adopted	The company discloses in the corporate governance report, or in the remuneration report, the termination of office of any member of a body or committee of the company, indicating the amounts of all costs related to the termination of office borne by the company, for any reason, during the financial year in question.	Part I, item 83
VI.2.4.	Adopted	In order to provide information or clarification to shareholders, the president or another member of the remuneration committee shall be present at the annual general meeting and at any other general meeting at which the agenda includes a matter related to the remuneration of the members of bodies and committees of the company, or if such presence has been requested by shareholders.	Part I, item 67
VI.2.5.	Adopted	Within the budget constraints of the company, the remuneration committee may freely decide to hire, on behalf of the company, consultancy services that are necessary or convenient for the performance of its duties.	Part I, item 67
VI.2.6.	Adopted	The remuneration committee ensures that such services are provided independently.	Part I, item 67
VI.2.7.	Adopted	The providers of said services are not hired by the company itself or by any company controlled by or in group relationship with the company, for the provision of any other services related to the competencies of the remuneration committee, without the express authorisation of the committee.	Part I, item 67
VI.2.8.	Adopted	In view of the alignment of interests between the company and the executive directors, a part of their remuneration has a variable nature that reflects the sustained performance of the company and does not encourage excessive risk-taking.	Part I, items 70 and 71
VI.2.9.	Adopted	A significant part of the variable component is partially deferred over time, for a period of no less than three years, and is linked to the confirmation of the sustainability of performance, in terms defined in the remuneration policy of the company.	Part I, items 72 and Annex II
VI.2.10.	Not applicable	When the variable remuneration includes options or other instruments directly or indirectly subject to share value, the start of the exercise period is deferred for a period of no less than three years.	Part I, items 73 and 74
VI.2.11.	Adopted	The remuneration of non-executive directors does not include any component whose value depends on the performance of the company or of its value.	Part I, item 71

VI.3 Appointments

Principle:

VI.3.A. Regardless of the method of appointment, the knowledge, experience, professional background, and availability of the members of the corporate bodies and of the senior management shall be adequate for the job to be performed.

VI.3.1.	Adopted	The company promotes, in the terms it deems adequate, but in a manner susceptible of demonstration, that the proposals for the appointment of members of the corporate bodies are accompanied by grounds regarding the suitability of each of the candidates for the function to be performed.	Part I, item 16
VI.3.2.	Not adopted	The committee for the appointment of members of corporate bodies includes a majority of independent directors.	Explanation of recommendations not adopted below
VI.3.3.	Not adopted	Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee.	Explanation of recommendations not adopted below
VI.3.4.	Not applicable	The committee for the appointment of senior management provides its terms of reference and promotes, to the extent of its powers, the adoption of transparent selection processes that include effective mechanisms for identifying potential candidates, and that for selection those are proposed who present the greatest merit, are best suited for the requirements of the position and promote, within the organisation, an adequate diversity including regarding gender equality.	Part I, item 29

VII. INTERNAL CONTROL

Principle:

VII.A. Based on the medium and long-term strategy, the company shall establish a system of internal control, comprising the functions of risk management and control, compliance and internal audit, which allows for the anticipation and minimisation of the risks inherent to the activity developed.

VII.1.	Adopted	The management body discusses and approves the strategic plan and risk policy of the company, which includes setting limits in matters of risk-taking.	Part I, items 29 and 54
VII.2.	Adopted	The company has a specialised committee or a committee composed of specialists in risk matters, which reports regularly to the management body.	Part I, items 21, 29, 50 and 54
VII.3.	Adopted	The supervisory body is organised internally, implementing periodic control mechanisms and procedures, in order to ensure that the risks effectively incurred by the company are consistent with the objectives set by the administration body.	Part I, items 21, 29, 53 and 54
VII.4.	Adopted	The internal control system, comprising the risk management, compliance, and internal audit functions, is structured in terms that are adequate to the size of the company and the complexity of the risks inherent to its activity, whereby the supervisory body shall assess it and, within the ambit of its duty to monitor the effectiveness of this system, propose any adjustments that may be deemed necessary.	Part I, items 38, 50 and 54
VII.5.	Adopted	The company establishes procedures of supervision, periodic assessment and adjustment of the internal control system, including an annual assessment of the degree of internal compliance and performance of such system, as well as the prospects for changing the previously defined risk framework.	Part I, item 54
VII.6.	Adopted	Based on its risk policy, the company sets up a risk management function, identifying (i) the main risks to which it is subject in the operation of its business, (ii) the probability of their occurrence and respective impact, (iii) the instruments and measures to be adopted in order to mitigate such risks, and (iv) the monitoring procedures, aimed at following them up.	Part I, items 53 and 54
VII.7.	Adopted	The company establishes processes to collect and process data related to the environmental and social sustainability in order to alert the management body to risks that the company may be incurring and propose strategies for their mitigation.	Part I, item 21
VII.8.	Adopted	The company reports on how climate change is considered within the organisation and how it takes into account the analysis of climate risk in the decision-making processes.	Part I, item 21

VII.9.	Adopted	The company informs in the corporate governance report on the manner in which artificial intelligence mechanisms have been used as a decision-making tool by the corporate bodies.	Part I, item 29
VII.10.	Adopted	The supervisory body pronounces on the work plans and resources allocated to the services of the internal control system, including the risk management, compliance, and internal audit functions, and may propose adjustments as deemed necessary.	Part I, items 38 and 50
VII.11.	Adopted	The supervisory body is the addressee of reports made by the internal control services, including the risk management, compliance, and internal audit functions, at least when matters related to accountability, identification or resolution of conflicts of interest and detection of potential irregularities are concerned.	Part I, item 50

VIII. INFORMATION AND STATUTORY AUDIT OF ACCOUNTS

VIII.1. Information

Principles:

VIII.1.A. The supervisory body, diligently and with independence, ensures that the management body observes its responsibilities in choosing policies and adopting appropriate accounting criteria and establishing adequate systems for financial and sustainability reporting, and for internal control, including risk management, compliance and internal audit.

VIII.1.B. The supervisory body promotes a proper articulation between the work of the internal audit and that of the statutory audit of accounts.

VIII.1.1.	Adopted	The regulations of the supervisory body requires that the supervisory body monitors the suitability of the process of preparation and disclosure of information by the management body, including the appropriateness of accounting policies, estimates, judgements, relevant disclosures and their consistent application from financial year to financial year, in a duly documented and reported manner.	Part I, item 38
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VIII.2. Statutory Audit and Supervision

Principle:

VIII.2.A. It is the responsibility of the supervisory body to establish and monitor formal, clear, and transparent procedures as to the relationship between the company and the statutory auditor and the supervision of compliance, by the statutory auditor, with the rules of independence imposed by law and by professional standards.

VIII.2.1.	Adopted	By means of regulation, the supervisory body defines, in accordance with the applicable legal regime, the supervisory procedures to ensure the independence of the statutory auditor.	Part I, item 38
VIII.2.2.	Adopted	The supervisory body is the main interlocutor of the statutory auditor within the company and the first addressee of the respective reports, and is competent, namely, for proposing the respective remuneration and ensuring that adequate conditions for the provision of the services are in place within the company.	Part I, item 38
VIII.2.3.	Adopted	The supervisory body annually evaluates the work carried out by the statutory auditor, its independence and suitability for the exercise of its functions and shall propose to the competent body its dismissal or termination of the contract for the provision of its services whenever there is just cause to do so.	Part I, item 38

EXPLANATION OF RECOMMENDATIONS NOT ADOPTED:

RECOMMENDATION IV.2.4.

This recommendation states that "The number of non-executive directors that meet the independence requirements is plural and is not less than one third of the total number of non-executive directors. (...)"

In the course of the 2023 financial year, as best described in paragraph 18 of this Report, the Board of Directors included only one non-executive director who fulfilled the independence requirement. Consequently, the recommended threshold of one third was not met and recommendation IV.2.4 was not implemented.

However, the company finds that the proportion of independent directors mentioned is adequate and consistent with a fully independent performance of the Board of Directors and sufficient to ensure the effective supervision, evaluation and oversight of the activity of the other members of the management body.

In effect, considering the profile, age, background and professional experience and, above all, independent judgement and the integrity demonstrated by the members of the Board of Directors, the company finds that the current proportion between dependent and independent non-executive directors, established through formal criteria of assessment of independence, is perfectly adjusted to the nature and size of the company, considering, in particular, that it is a family-owned company, with a stable capital structure, and taking into account the complex inherent risks of its business.

In conclusion, there is real independence of the board, thus meeting the objectives proposed by this recommendation.

RECOMMENDATION VI.3.2.

Recommendation VI.3.2. states that "The committee for the appointment of members of corporate bodies includes a majority of independent directors."

Although Semapa's Talent Committee is composed of a majority of non-executive directors, none of them is independent. The members of the committee were appointed with an emphasis on the diversity in profiles (age, gender, qualifications, experience and professional backgrounds), while ensuring unbiased analysis and decision capability and proven integrity.

The company considers that this diversity of profiles, combined with the fact that the Talent Committee uses, whenever necessary, market studies and analysis of comparable situations within the Group, is enough to ensure that its analyses are aligned with the best practices and strengthen independent and unbiased decision-making.

RECOMMENDATION VI.3.3.

Recommendation VI.3.3 states that "Unless it is not justified by the size of the company, the task of monitoring and supporting the appointments of senior managers shall be assigned to an appointment committee."

Semapa must be regarded individually as a holding company with a simplified administrative structure and a small number of Departments and Employees, which is why the size of the company does not justify the appointment of a committee for monitoring and supporting the appointment of holders of management positions.

Considering the size of Semapa this task falls under the Executive Board, although the Talent Committee may make recommendations to the Group's managers.

3. ADDITIONAL INFORMATION

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

ANNEX I

DISCLOSURES REQUIRED BY ARTICLE 447 OF THE COMPANIES CODE

(with regard to fiscal year 2023)

1. Company securities held by company officers, as described in paragraph 1 of Article 447 of the Companies Code:

None.

2. Company securities in a controlling or group relationship to Semapa held by company officers, as described in paragraphs 1 and 2 of Article 447 of the Companies Code:

Undivided estate of Maria Rita de Carvalhosa Mendes de Almeida de Queiroz Pereira, with company directors Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira as parties concerned – 1 000 shares in The Navigator Company, S.A. .

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

Cimo – Gestão de Participações, SGPS, S.A. – 38 959 431 shares in the company, 1 000 shares in Secil – Companhia Geral de Cal e Cimento, S.A. and 5 000 shares in ETSA – Investimentos, SGPS, S.A.

Sodim, SGPS, S.A. – 27 508 892 shares in the company.

Target One Capital, S.A. – 375 175 shares in Sodim, SGPS, S.A.

Keytarget Investments – Consultoria e Investimentos, S.A. – 375 175 shares in Sodim, SGPS, S.A.

Premium Caeli, S.A. – 375 174 shares in Sodim, SGPS, S.A.

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 2 and 3:

On 26 June 2023, the directors Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira acquired the following Sodim, SGPS, S.A. shares, as a result of the division of the undivided estate of Pedro Mendonça de Queiroz Pereira:

- Filipa Mendes de Almeida de Queiroz Pereira: 44 807 company shares;
- Mafalda Mendes de Almeida de Queiroz Pereira: 44 808 company shares, and
- Lua Mónica Mendes de Almeida de Queiroz Pereira: 44 807 company shares.

On 27 June 2023 the company Target One Capital, S.A. purchased 184 607 shares of Sodim, SGPS, S.A. at a price of € 200.00 per share from Filipa Mendes de Almeida de Queiroz.

On 27 June 2023 the company Keytarget Investments – Consultoria e Investimentos, S.A. purchased 184 608 shares of Sodim, SGPS, S.A. at a price of € 200.00 per share from Mafalda Mendes de Almeida de Queiroz Pereira.

On 27 June 2023 the company Premium Caeli, S.A. purchased 184 607 shares of Sodim, SGPS, S.A., at a price of € 200.00 per share from Lua Mónica Mendes de Almeida de Queiroz Pereira.

5. Transactions in own shares:

In 2023 Semapa neither acquired nor disposed of any shares in its own capital.

ANNEX II

REMUNERATION POLICY

“REMUNERATION POLICY OF THE DIRECTORS AND THE AUDITORS OF SEMAPA (2021 TO 2024)”

The Remuneration Committee of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A. (“Semapa”) has analysed and reviewed the Remuneration Policy for its directors and auditors in force from 2021 to 2024 and adopted at Semapa’s Annual General Meeting of 2021, in view of strengthening its alignment with sustainability and preserving Semapa’s long-term interests in line with good market practices.

The remuneration policy is the exclusive responsibility of the Remuneration Committee, which has three members, all independent from the Board. According to the law, it must be approved by the General Meeting at least every four years and whenever a relevant change occurs, as was the case with this Policy.

In its work, namely in determining, reviewing and applying the Policy, the Remuneration Committee complies with applicable legislation and Semapa’s current policies and regulations, namely the regulation on Conflicts of Interest and Related Party Transactions, which sets out rules for preventing, identifying and resolving conflicts of interest between the Company and its managers.

1. General Principles

This Remuneration Policy is founded on the following general principles that guide the setting of the remuneration of the governing bodies:

a) *Duties performed.*

The duties performed by each member of the governing bodies cover both the functions in a formal sense and the duties in the broader sense of the concrete level of responsibility of the position held, considering different criteria, such as the commitment and time dedicated, the nature, size, complexity, and skills required for the function, or the added value to the company that results from a specific intervention or institutional representation.

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

b) *The state of the company’s affairs.*

The size of the company and the inevitable complexity of the related management responsibilities are clearly relevant aspects of the economic situation, understood in the broadest sense. These aspects have implications for the need to suitably remunerate directors holding high managerial duties, considering the size and complexity of the business models.

c) *Market criteria.*

It is essential to be able to attract, develop and retain the best professionals. Consequently, the Remuneration Policy must be competitive and appealing in order to ensure the legitimate interests of individuals are aligned with Semapa’s interests and the creation of sustainable value for shareholders.

Given its characteristics and size, the market criteria and practices to be taken into account are, in Semapa’s case, both national and international. In order to keep up to date with these practices, Semapa regularly uses market research and benchmarking.

In this context, the different components of the directors’ remunerations are calculated at least based on the remuneration of the directors of the Portuguese companies listed on the PSI Index, while also taking into account, at each moment, the remuneration conditions applied in other companies with characteristics similar to those of Semapa.

The remuneration system in place at Semapa, in particular this Policy, contributes to the implementation of the business strategy of Semapa and, in the long term, to the alignment of the interests of members of the management body with those of the Company and its sustainability, in particular for the reasons set out below.

Firstly, because the remuneration is intended to be fair and equitable in the light of the principles set out, and secondly, because it lays down the evaluation criteria (indicators defined by the Remuneration Committee), which are aligned with the Company's own strategic objectives. Such indicators, in addition to the annual and multi-annual variable remuneration component set - by tying the payment of the variable remuneration in with the achievement of certain long-term objectives - also help align the performance of the members of its corporate bodies with the long-term interests and sustainability of the Company.

The alignment between this Policy and the remuneration scheme and employment conditions of Semapa employees is assured, given that both remuneration systems are based on the same General Principles set out in this Remuneration Policy, in particular the market conditions in the reference markets for the duties performed. Furthermore, the annual variation of the compensation paid individually by the Company to the members of the Board of Directors, as well as the average compensation of the company's full-time equivalent Employees is analysed.

Accordingly, this policy aligns Semapa with market best practices on remuneration, and with the recommendations of the IPCG Governance Code.

2. Board

2.1. Non-Executive Directors

The remuneration of non-executive directors shall comprise only a fixed component of an annual amount, paid 12 times per year, which may vary according to the piling on of added responsibilities, e.g. committee and specialised committee members, or a fixed amount per Board meeting attended.

The remuneration of non-executive members of the Board of Directors does not include components dependent on the performance of the Company or on its value.

2.2. Executive Directors

The remuneration of the Executive Directors consists of - fixed and variable - components, the latter comprising an annual and a multi-annual variable component.

2.2.1. Fixed Remuneration

The remuneration of the executive Directors consists of a fixed component, corresponding to an annual amount payable 12 times per year.

2.2.2. Variable Remuneration

The variable remuneration of the executive directors is contingent, and may amount, globally, to a percentage that does not exceed five per cent of the previous year's net profit, in accordance with the Company's articles of association. It has two components:

- Annual variable remuneration and
- Multi-year variable remuneration

On the **annual variable remuneration**, the Remuneration Committee decides on this component, and the performance of each executive director is assessed following an internal process lead by the respective person in charge (i.e. the responsibility of the person who manages the team in the case of the members of the Executive Board, and the responsibility of the Chairman of the Board of Directors in the case of the CEO) and with the participation of the non-executive directors that the person in charge deems pertinent to involve.

The Talent Committee is also involved in this process. It is responsible for monitoring the system for assessing management performance and distributing the remuneration, and delivering its opinion on the proposals for individual performance assessment of the executive board.

Finally, the Remuneration Committee must confirm that the factors have been met for the performance evaluation, and ensure the overall consistency of the process by setting the variable remuneration.

The annual variable remuneration is based on the target amount applied to each director and is paid according to the individual's performance and performance of the Company that meet the expectations and the criteria set previously. The target amount is weighted by the aforementioned general principles - market, specific functions, state of the Company -, in particular comparable market circumstances in equivalent functions. Another important factor taken into account when setting the targets is Semapa's option not to provide any stock or stock options plans.

Actual performance compared to the expectations and goals, which determine target variations is weighed against a set of quantitative and qualitative KPIs of the company's performance (which consist of general business indicators weighing 65%) and of the relevant director's performance (which consists of specific objectives weighing 20% and behavioural indicators that account for 15%).

Overall business indicators and their relative weights, which may be adjusted annually up to 5% in relative terms, are as follows:

- EBITDA, accounting for 35%
- Net results, accounting for 10%
- Cash flow, accounting for 10%, and
- Total Shareholder Return vs Peers, accounting for 10%.

The specific objectives always include ESG indicators, such as the findings of the annual Corporate environment survey.

On the other hand, within the behavioural indicators, the alignment of each executive director with the existing leadership model and the long-term interests of the Company is relevant.

The performance criteria mentioned in the previous paragraph are applied mathematically for their quantitative part - based on the values of the business plans approved by the Board of Directors, and at the end of each period these commitments are compared with the actual income - and using value assessments for the qualitative part.

The **multi-year variable remuneration** introduced in this Policy seeks to encourage executive directors to align their activities with Semapa's long-term sustainable interests by setting multi-year objectives and deferring a portion of the variable remuneration, which is then linked to the Company's performance and the achievement of targets over that period.

Under this long-term incentive, the total amount to be distributed to the executive directors will correspond to a percentage of the Value Created for Shareholders (value created above a minimum annual rate decided at the beginning of each mandate), related to a number of financial and ESG objectives met.

This multi-year incentive is linked to compliance with Semapa's 2023/2027 Strategic Plan and will take into account the following objectives and indicators:

- Total Shareholder Return \geq KPI defined, and the achievement of this goal is mandatory for the Creation of Value for Shareholders to be deemed as met
- Total Shareholder Return \geq Peers, being the Peers defined at the beginning of each period of the incentive
- EBITDA variation \geq KPI defined
- CO2 emissions \leq KPI defined

On the environmental side, the introduction of a KPI - CO2 Emissions - related to sustainability, which is in line with the concerns regarding compliance with the carbon roadmap laid down in the Strategic Plan, is worthy of note.

The Long-Term Incentive may include an individual assessment of the performance of the executive directors, to be ensured by the Remuneration Committee, after hearing the other participants that the Committee deems pertinent to involve.

The multi-annual incentive corresponds to three-year periods coinciding with the duration of the directors' mandates, with the exception of the first period for 2023/2024, corresponding to the last years of the current mandate.

An independent external entity shall be in charge of monitoring the Incentive, assessing the results achieved and the amounts to be paid.

The final assessment and effective determination of the amount to be paid will be carried out at the end of each period, after the calculation of the accounts for the last fiscal year included in the period. Cash payment of this multi-annual component of the variable remuneration (i) will be 75% during the first half of the year following the closure of the relevant period and (ii) 25% deferred for one year. However, amounts payable under 20% of the fixed annual remuneration for the relevant period, must not be deferred.

In addition to the statutory limit on management's share of profits for the year, the Company also has mechanisms in place to limit variable compensation: (i) annual and multi-annual variable remuneration is eliminated in the event of the results showing a significant deterioration in the company's performance in the last reporting period or when such deterioration may be expected in the period underway, (ii) the amount of the annual variable remuneration attributable has a cap corresponding to 1.8 times the target, and (iii) the multi-annual variable remuneration shall not exceed 175% of the fixed component of the years to which the Incentive relates, to prevent good performance at one moment, with immediate remuneration benefits for the Board, from being achieved to the detriment of good performance in the future.

The annual and multi-annual variable remuneration is subject to reasonable adjustments related to exogenous factors and unforeseen economic decisions, as decided in advance by the Remuneration Committee.

The nature of the indicators, their weight in determining actual variable remuneration, the deferred payment of part of the multi-annual remuneration and the limits on the application of variable remuneration create a remuneration model based on recognising merit against the actual performance of the Company and discouraging excessive risk-taking, whilst helping to implement the strategy defined by Semapa and ensuring that the interests of the executive directors are aligned with the Company's long-term interests.

3. Other benefits

In addition to the variable component that may be paid to the members of the management bodies, no other non-cash benefits are paid to directors and auditors, without prejudice to the means made available to them for the performance of their duties and a personal health and accident insurance policy in line with market practices.

4. Other Considerations

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. Only the supplementary legal rule in this matter applies here, as established in the Companies Code, which governs the payment to the Directors of any amounts before the end of the mandate.

Similarly, there are no complementary or early retirement arrangements for directors currently in place in the company.

With regard to the obligation to return variable remuneration that has been paid, and without prejudice to the applicable legal provisions, if, by final court decision, Semapa or the members of the Executive Board of Semapa are found liable for unlawful and wilful acts of misconduct resulting in the need to restate its financial statements or to record reductions in the value of assets unfavourable to Semapa, the Remuneration Committee may, at its discretion and by means of a resolution, demand from the executive directors the refund of the variable remuneration in respect of the period when such depreciation of the assets occurred or another period deemed relevant, in order to compensate Semapa for the damage caused.

5. Audit Board

The remuneration of the members of the Audit Board shall consist only of a fixed component, i.e. a fixed annual amount, payable 12 times a year; the remuneration of the Chairman of the Audit Board is higher than that of the other board members, taking into account the special functions performed by him/her.

There are no agreements, and no such provisions have been defined by this Committee, on payments by Semapa relating to dismissal or termination of duties by the Members of the Audit Board.

6. General Meeting

The remuneration of the officers of the General Meeting shall consist of a fixed amount only (as decided) for each meeting held, whereas the remuneration of the second and subsequent meetings held in the same year shall be lower than that of the first general meeting. The remuneration of the Chairman of the General Meeting shall be higher than that of the Secretary, taking into account the greater responsibility of the duties performed.

Lisbon, 24 April 2023

The Remuneration Committee"

DECLARATION REQUIRED UNDER ARTICLE 29-G.1.C OF THE SECURITIES CODE

Article 29-G.1.c of the Securities Code requires that each of the persons responsible for issuers make a number of statements, as described in this article. In the case of Semapa, a standard statement has been adopted, worded as follows:

"I hereby declare, under the terms and for the purposes of Article 29-G.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 2023, 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 Statutory 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 names of the people signing the declaration and their functions in the company:

Name	Function
José António do Prado Fay	Chairman of the Board of Directors
Ricardo Miguel dos Santos Pacheco Pires	Member of the Board of Directors
Vítor Paulo Paranhos Pereira	Member of the Board of Directors
Filipa Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
Mafalda Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
Lua Mónica Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
António Pedro de Carvalho Viana-Baptista	Member of the Board of Directors
Paulo José Lameiras Martins	Member of the Board of Directors

