

## Corporate Governance Report

### CHAPTER 0 DECLARATION OF COMPLIANCE

In keeping with the general tendency in the market, Semapa has taken steps to implement the recommendations of the Securities Market Commission, taking into account in all cases the its particular circumstances and requests specifically made by shareholders. Further progress has been made in the course of the year, especially with regard to the crucial question of information.

#### **Recommendation no. 1**

The company stays in constant contact with the market, keeping to the principle of equal treatment for all shareholders, and taking steps to ensure that all investors enjoy uniform access to information. The company operates an investor support office.

This recommendation has therefore been adopted in full.

#### **Recommendation no. 2**

The recommendation has been adopted with regard to postal votes, with the voting slips available on the company's website. Postal votes are only required to arrive at the company three business days prior to the meeting, and the articles of association place no further limitation on this form of voting.

The only restriction in the articles of association on voting by proxy is that on the representation of individual shareholders, as referred to in article 380, para. 1 of the Companies Code.

The company has not adopted the recommendation that the requirement for deposit or freezing of shares be for no more than five business days, and instead requires that the documents proving the freezing of shares be presented 8 calendar days prior to the meeting. This is therefore a difference of merely one day, and does not therefore constitute a divergence from the principles which this recommendation seeks to preserve.

It should be noted that the 8-day rule was approved unanimously by all shareholders present at the annual general meeting in 2003. A motion requiring that shares should be owned no less than 30 days prior to the general meeting was also carried unanimously; the person or organisation depositing the shares may present proof of this 30-day period without having to freeze the shares in question for any part of this period in excess of the 8-day period required for notice.

This recommendation has not been adopted in full, due to this divergence of one day in the period for freezing shares.

#### **Recommendation no. 3**

The company has adopted the recommendation that an internal system of control be created. Risk control in Semapa is the responsibility of the directors themselves, and only in Secil, where the size and complexity of exposure so requires, have other staff been allocated to these duties.

#### **Recommendation no. 4**

No measures have been adopted in order to prevent the success of takeover bids, meaning that this recommendation has been adopted in full.

**Recommendation no. 5.**

The management body comprises several members, who effectively direct the management of the company and its senior staff. The recommendation to this effect has therefore been adopted by the company.

**Recommendation no. 6**

This recommendation has not been adopted because none of the current directors falls within the category of independent director as defined in para.2 of article 1 of Securities Market Commission Regulations 11/2003.

The Board of Directors believes that its composition reflects adequate diversity in order to maximise the pursuit of the company's interest, meaning that no immediate alteration to the composition of the board is justified in order to include a director who meets the criteria now adopted by these regulations, without prejudice to the possibility of evolving in due time in the direction recommended.

**Recommendation no. 7**

The company has not adopted the recommendation that internal control committees be created with powers to assess the company's structure and governance.

The board of directors is aware of the advantages of continuous reflection on and tuning of the governance structure and procedures, but has not considered the creation of a committee with these specific responsibilities to be justified. The board of directors itself exercises this form of control, and is open to opinions and suggestions from the other bodies and structures within the company.

**Recommendation no. 8**

The structure of the directors' remuneration, which under the articles of association may comprise a fixed and a variable component, the variable components possibly including profit sharing, makes it possible to align the directors' interests with those of the company.

The company has not adopted the recommendation that individual directors' remuneration be disclosed. This decision has been taken after weighing up all the interests at play, and in the opinion of the board of directors, in addition to other potentially negative effects, the gains resulting from such disclosure would not be greater than the loss to the right of privacy of each director.

**Recommendation no. 9**

The company's remuneration committee comprises only corporate bodies. In the light of the concept of independence followed by the recommendation, this means that the recommendation cannot but be deemed to be fully adopted.

**Recommendation no. 10**

This recommendation is not applicable because the company has not adopted by share or share option allocation scheme.

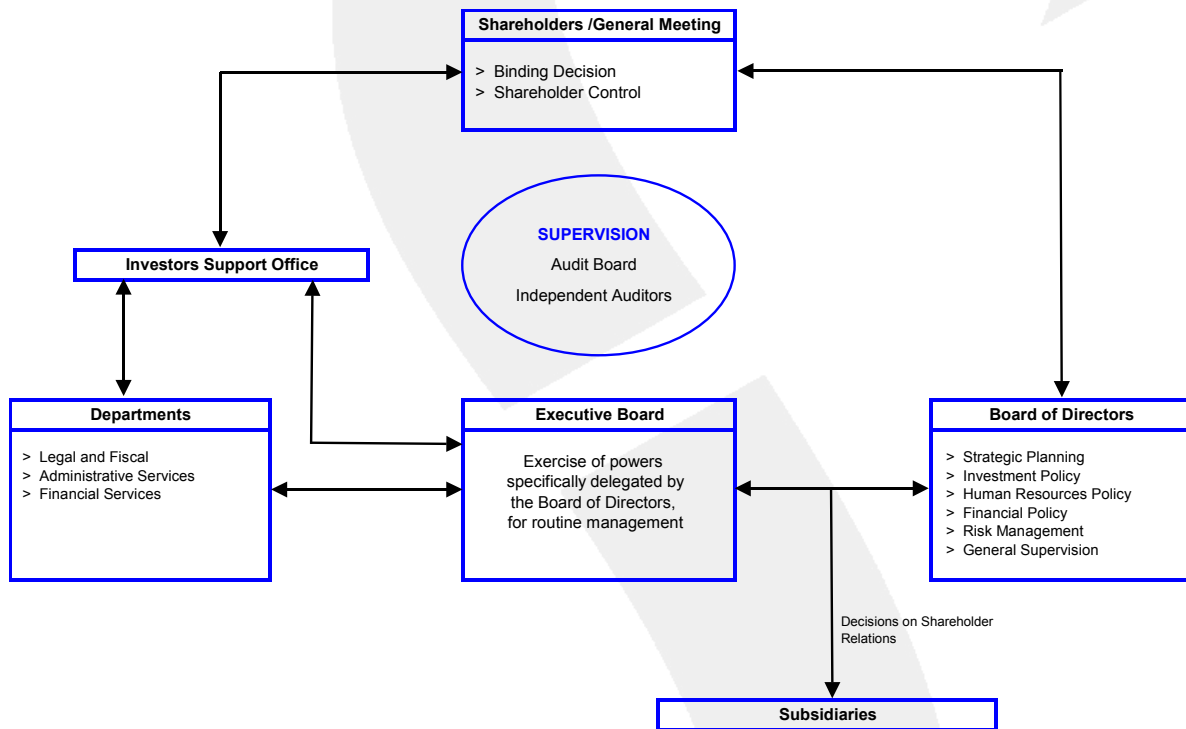
**Recommendation no. 11**

This recommendation is also not applicable, as it is aimed only at institutional investors.

**CHAPTER I  
DISCLOSURE OF INFORMATION**

**1. Organisational structure**

The following diagrams shows how powers are distributed with regard to business decisions:



**2. Specific Committees**

The only specific committee within the company is the remuneration committee, which comprises the following shareholders in Semapa:

- Sociedade Agrícola da Quinta da Vialonga, S.A.
- Cimo – Gestão e Participações, S.A.
- Longapar, SGPS, S.A.

The duties usually assigned to other committees, such as assessment of corporate structure and governance or ethical questions, are attributed in Semapa to the Board of Directors. In relation to questions of ethics, the Board of Directors was assigned specific powers as a result of the approval in 2002 of the company’s “Principles of Professional Conduct”.

As a holding company, Semapa has a relatively simple structure, and there are therefore various committees in the companies controlled by Semapa, without any direct impact on the company.

### **3. Risk Control**

Risk control activities are carried on by the independent auditors, the company boards and the departments with specific duties in this area.

Independent audits of Semapa and the companies it controls are conducted by PriceWaterhouseCoopers.

Internally, in addition to the leading role played by the Audit Board, risk management differs between Semapa and its main subsidiary, Secil, in view of the different nature and exposure of the two companies.

At Semapa, risk control is the responsibility of the directors themselves, under the leadership of Dr. José Alfredo de Almeida Honório. Risk management at Semapa focuses on the management of financial resources, as other risk components, namely client credit risks and property risks, third party liability and health risks, are covered to a significant extent by the work of our subsidiaries.

In the case of Secil, which is a company of major importance in terms of the potential effects of risks on Semapa, risk control activities are more wide-ranging, dealing also with environmental components, and specific staff have been appointed for this purpose, reporting directly to the directors responsible for the area in question.

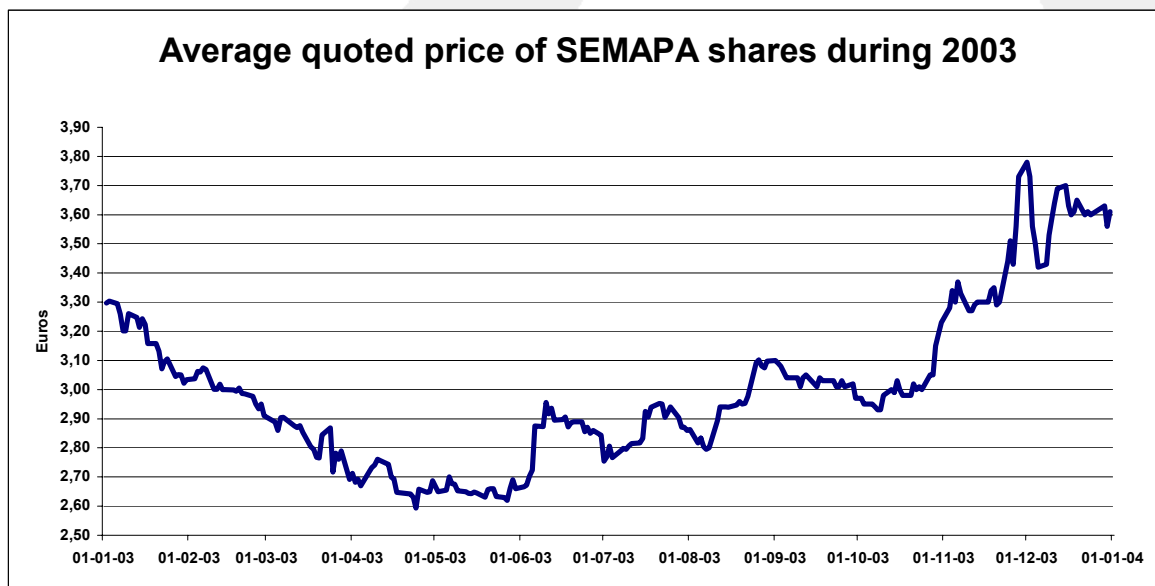
### **4. Quoted share prices**

At the first stock exchange session of 2003, Semapa shares traded at an average price of EUR 3.30, and at the last session of the year the average price stood at EUR 3.61. The average quoted price of Semapa shares varied during the year between a minimum of EUR 2,59 and a maximum of EUR 3.78, fluctuating essentially in line with the PSI-20 index. An average of 51,686 shares were traded each day at stock exchange sessions during the period.

On 18 March 2003, when the Company informed the market of its results for the financial year of 2002, the average share price held steady, with no change to the price of EUR 2.80 recorded the day before.

The payment of 10 EURO cents dividend per share in circulation - which in net terms, for shareholders subject to tax, representing approximately 8 EURO cents per share for resident shareholders and 7 EURO cents per share for non-resident shareholders – also had no significant impact on price formation.

The following graph shows quoted prices over the period.



## 5. Dividend distribution policy

The Company has followed a policy of distributing a large amount without resorting to borrowing for this purpose and without jeopardising its sound financial position. It is the Directors' understanding that:

- the Company should maintain a financial structure compatible with the sustained growth of the Group, in its various business areas.
- the Company's independence from the financial system depends on preserving, in the short, medium and long term, consolidated levels of borrowing which enable it to maintain sound levels of solvency.

We should underline, in relation to the dividend proposal for 2003, the financial effort required for the acquisition of 21,728,520 shares in Secil through FLSHH, SGPS, Lda, now called CIMENTOSPAR Participações Sociais, Lda, which involved a payment of approximately 300 million Euros. A further financial effort may also be required of the company as a result of the decision to bid in the second phases of the privatisation of 30% of the share capital of Portucel.

The pay-out ratio (dividends/net profit) in recent years has been high, reaching a high point of 94% in 1995, and standing at its lowest in 2001, at 26%.

In the last three years, the dividend per share in circulation has been as follows:

2001 (in relation to 2000)	0.32 € per share
2002 (in relation to 2001)	0.10 € per share
2003 (in relation to 2002)	0.10 € per share

## 6. Share and option allocation schemes

The Company runs no share or option allocation scheme.

## 7. Transactions with company officers and subsidiaries

The only information to be disclosed here is that on the acquisition and disposal of holdings as detailed in the annex to the Directors' Report – disclosure required by articles 447 and 448 of the Companies Code.

## 8. Investor Support Office

The investor support service is provided from a newly created office, headed by Dr. José Miguel Gens Paredes. The office is adequately staffed and enjoys swift access to all sectors of the company, in order to ensure an effective response to requests, and also to transmit relevant information to shareholders and investors in good time and without any inequality.

In addition to the general contact details for the company, Dr. José Miguel Gens Paredes can be contacted at the address [jmparedes@semapa.pt](mailto:jmparedes@semapa.pt). Whenever necessary, contact can also be made with the company's representative for market relations, the Director Dr. José Alfredo de Almeida Honório, at [jose.honorio@secil.pt](mailto:jose.honorio@secil.pt) or by telephone (+351) 21 792 7120.

All public information on the company can be accessed in this form. Please note, in any case, that the information most frequently requested by investors is available at the company's website at [www.semapa.pt](http://www.semapa.pt).

## 9. Remuneration Committee

As indicated above, the Semapa Remuneration Committee is made up as follows:

Sociedade Agrícola da Quinta da Vialonga, S.A.  
Cimo – Gestão e Participações, S.A.  
Longapar, SGPS, S.A.

All of these companies have directors who are also directors of Semapa.

## 10. Remuneration of Auditors

The following costs were incurred in relation to auditors in 2003 by the company and other related companies:

Services – Audit of Accounts	256.142
Other services – reliability assurance	57.100
Fiscal consultancy services	41.942
Services and other than legal auditing	11.624
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	366.808
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In relation to fiscal consultancy services and services other than legal auditing, our auditors have set strict rules to guarantee their independence, and these rules have been adopted in the provision of these services and monitored by the company.

## CHAPTER II EXERCISE OF VOTING RIGHTS AND REPRESENTATION OF SHAREHOLDERS

### 1. Company rules on voting rights

There are no company rules which in any way limit voting rights or disallow postal voting. The only company rules on the exercise of voting rights by shareholders are those detailed below.

## **2. Postal vote form**

The company provides a postal vote form. This form is available at the company's website and may be requested from the investor support office.

## **3. Electronic voting**

Electronic voting is still not provided for. Note that no shareholder or investors have yet requested or expressed an interest in such procedures.

## **4. Period for freezing shares**

The company's articles of association require that shareholders submit a document proving ownership of the shares no less than eight days prior to the date of the general meeting.

The same document must also state that the shareholder has owned the shares in the company since at least 30 days prior to the date of the meeting, and that the shares will be frozen until the end of the meeting. As stated in this report, this 30 day period may be certified by the party making the deposit, without any requirement that shares be blocked for any part of this period in excess of the 8-day period required for notice.

## **5. Deadline for receipt of postal votes**

Postal votes must be received no less than three business days prior the date of the general meeting.

## **6. Number of shares corresponding to one vote**

There is one vote for each 385 shares in the company.

# **CHAPTER III COMPANY RULES**

## **1. Codes of Conduct**

In December 2002, the Board of Directors approved the Company's "Principles of Professional Conduct". This document took immediate effect, and establishes ethical principles and rules applicable to company staff and officers.

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

The document also establishes duties of environmental conservation and protection of all shareholders, namely minority shareholders, ensuring that information is fairly disclosed, and all shareholders treated equally.

Access to this document is reserved.

## 2. Control of operating risks

Semapa has no division or department dedicated to internal audit or risk management, and risk control activities are carried out as described in point I-3.

## 3. Measures capable of interfering with takeover bids

There are no provisions in the articles of association or measures adopted by the company such as may interfere with the success of takeover bids, and the company has no knowledge of any shareholders' agreements which might have this effect, without prejudice to the open co-ordination of voting rights by the shareholders holding more than half the share capital, on the terms indicated in the respective annex to the Directors' Report.

## CHAPTER IV MANAGEMENT BODY

### 1. Description of Board of Directors

The company's Board of Directors consists of nine members. Messrs. Pedro Mendonça de Queiroz Pereira, Eng. Carlos Eduardo Coelho Alves, Dr. José Alfredo de Almeida Honório, Eng. Gonçalo Allen Serras Pereira and Dr. Francisco José Melo e Castro Guedes exercise executive duties, and are members of the company's Executive Board. The director Ms. Maria Maude Mendonça de Queiroz Pereira Lagos and the directors Messrs. Eng. Frederico José da Cunha Mendonça e Meneses, Dr. Paulo Jorge Barreto de Carvalho Ventura e Eng. Luís Manuel Pego Todo Bom do not exercise executive duties.

As stated above, none of the members of the Board of Directors is independent in accordance with the concept as defined in Securities Market Commission Regulations 11/2003.

The directors hold office in the following companies. Companies marked (SG) are members of the Semapa Group.

#### Pedro Mendonça de Queiroz Pereira

CMP - Cimentos Maceira e Pataias, S.A. (SG)	Chairman Board of Directors
CIMIANTO - Gestão de Participações, S.A.	Chairman Board of Directors
O E M - Organização de Empresas, SGPS, S.A.	Chairman Board of Directors
SECIL-Companhia Geral de Cal e Cimento, S.A. (SG)	Chairman Board of Directors
CIMO - Gestão de Participações, SGPS, S.A.	Chairman Board of Directors
Sociedade Agrícola da QUINTA DA VIALONGA, S.A.	Chairman Board of Directors
SODIM SGPS, S.A.	Chairman Board of Directors
VERTICE - Gestão de Participações, SGPS, S.A.	Chairman Board of Directors
ECOLUA - Actividades Desportivas, Lda	Manager
SECILPAR, SL (SG)	Chairman Board of Directors
LONGAPAR, SGPS, S.A.	Chairman Board of Directors
Secil Investimentos, SGPS, S.A. (SG).	Chairman Board of Directors
IMOCIPAR – Imobiliária, S.A.	Director
CIMINPART - Investimentos e Participações, SGPS,S.A. (SG)	Chairman Board of Directors
CMPartin - Inversiones y Participaciones Empresariales SL (SG)	Chairman Board of Directors
PARSECIL, SL (SG)	Chairman Board of Directors
PARSEINGES - Gestão de Investimentos, SGPS,S.A. (SG)	Chairman Board of Directors
SEINPART- Participações, SGPS, S.A. (SG)	Chairman Board of Directors
SEMAPA Inversiones, SL (SG)	Chairman Board of Directors
CIMENTOSPAR Participações Sociais, Lda. (SG)	Manager
SONACA – Sociedade Nacional de Canalizações, S.A.	Secretary of General Meeting



Maria Maude Mendonça de Queiroz Pereira Lagos

CIMIANTO - Gestão de Participações, S.A.  
 O E M - Organização de Empresas, SGPS, S.A.  
 SODIM, SGPS, S.A.  
 Hotel RITZ, S.A.  
 LONGAVIA - Imobiliária, S.A.  
 VERTICE - Gestão de Participações, SGPS, S.A.  
 Ideias Interactivas – Informática, S.A.

Manager  
 Manager  
 Manager  
 Chairman Board of Directors  
 Manager  
 Manager  
 Manager

Carlos Eduardo Coelho Alves

BETOPAL, S.L. (SG)  
 CIMIANTO - Gestão de Participações, S.A.  
 CIMINPART - Investimentos e Participações, SGPS, S.A.(SG)  
 CIMO - Gestão de Participações, SGPS, S.A.  
 CMP - Cimentos Maceira e Pataias, S.A. (SG)  
 CMPartin - Inversiones y Participaciones Empresariales SL (SG)  
 LONGAPAR, SGPS, S.A.  
 PARCIM Investment B.V. (SG)  
 PARSECIL, SL (SG)  
 PARSEINGES - Gestão de Investimentos, SGPS, S.A. (SG)  
 SCG - Soci t  des Ciments de Gab s, S.A. (SG)  
 SECIL - Companhia Geral de Cal e Cimento, S.A. (SG)  
 SECIL - Investimentos, SGPS, S.A. (SG)  
 SECILPAR, SL (SG)  
 SEINPART Participa es, SGPS, S.A. (SG)  
 SEMAPA Inversiones, SL (SG)  
 SODIM, SGPS, S.A.  
 SONACA - Sociedade Nacional de Canaliza es, S.A.  
 CIMENTOSPAR Participa es Sociais, Lda. (SG)  
 FLORIMAR - Gest o e Participa es, SGPS,  
 SociedadeUnipessoal, Lda. (SG)  
 ENERSIS, SGPS, S.A. (SG)

Director  
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 Director/Chairman Exec. Board  
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 Presidente  
 Director/Chairman Exec. Board  
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 Director  
 Director  
 Manager  
 Chairman of General Meeting

Jos  Alfredo de Almeida Hon rio

BETOPAL, S.L. (SG)  
 CIMIANTO - Gest o de Participa es, S.A.  
 CIMINPART - Investimentos e Participa es, SGPS, S.A. (SG)  
 CIMO - Gest o de Participa es, SGPS, S.A.  
 CMP - Cimentos Maceira e Pataias, S.A. (SG)  
 CMPartin-Inversiones y Participaciones Empresariales SL (SG)  
 LONGAPAR, SGPS, S.A.  
 PARCIM Investment B.V. (SG)  
 PARSECIL, SL (SG)  
 PARSEINGES - Gest o de Investimentos, SGPS, S.A. (SG)  
 SECIL - Companhia Geral de Cal e Cimento, S.A. (SG)  
 SECIL Investimentos, SGPS, S.A. (SG)  
 SEINPART Participa es, SGPS, S.A. (SG)  
 SEMAPA Inversiones, SL (SG)  
 CIMENTOSPAR Participa es Sociais, Lda. (SG)  
 FLORIMAR - Gest o e Participa es, SGPS  
 Sociedade Unipessoal, Lda. (SG)

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 Manager  
 Manager

### Frederico José da Cunha de Mendonça e Meneses

CIMILONGA – Imobiliária, S.A.	Chairman Board of Directors
LONGAVIA – Imobiliária, S.A.	Chairman Board of Directors
SONAGI, SGPS, S.A.	Chairman Board of Directors
SONAGI – Imobiliária, S.A.	Chairman Board of Directors
Sociedade Imobiliária de Baldio de Paula, S.A.	Chairman Board of Directors
SAIVANE Imobiliária, S.A.	Chairman Board of Directors
CIMIANTO – Gestão de Participações, S.A.	Director
HOTEL RITZ, S.A.	Director
SCG – Société des Ciments de Gabès, S.A. (GS)	Director

### Gonçalo Allen Serras Pereira

BETÃO LIZ, S.A. (SG)	Director
BETOPAL - Betões Preparados, S.A. (SG)	Chairman Board of Directors
CIMIANTO - Gestão de Participações, S.A.	Director
CIMINPART - Investimentos e Participações, SGPS, S.A. (SG)	Director
CMP - Cimentos Maceira e Pataias, S.A. (SG)	Director
CMPartin - Inversiones y Participaciones Empresariales SL (SG)	Director
ECH - Exploração de Centrais Hidroeléctricas, S.A. (SG)	Director
ENERSIS, SGPS, S.A. (SG)	Chairman Board of Directors
ENERVIA - Soc.de Produção de Energia, S.A. (SG)	Director
Fornecedora de Britas do Carregado, S.A. (SG)	Director
JAYME DA COSTA - Mecânica e Electricidade, S.A.	Director
JOBRITA - Indústrias Extractivas, S.A. (SG)	Director
HE 70 - Energias Renováveis Reunidas, SGPS, S.A. (SG)	Director
HIDROCORGO - Hidroeléctrica do Corgo, S.A. (SG)	Director
Hidroeléctrica da Ribeira de Alforfa, S.A. (SG)	Director
HIDROMARÃO - Sociedade Produtora de Energia, S.A. (SG)	Director
MCD - Materiais de Construção Dragados e Betão Pronto, S.A. (SG)	Director
LONGAPAR, SGPS, S.A.	Director
PARSECIL, SL (SG)	Director
PARSEINGES - Gestão de Investimentos, SGPS, S.A. (SG)	Director
PESL - Parque Eólico da Serra do Larouco, S.A. (SG)	Director
SCG - Société des Ciments de Gabès, S.A. (SG)	Director
SECIL BETÕES E INERTES, SGPS, S.A. (SG)	Chairman Board of Directors
SECIL - Companhia Geral de Cal e Cimento, S.A. (SG)	Director
SECIL Investimentos, SGPS, S.A. (SG)	Director
SEINPART - Participações, SGPS, S.A (SG)	Director
SEMAPA Inversiones, SL (SG)	Director
SONACA - Sociedade Nacional de Canalizações, S.A. (SG)	Chairman Board of Directors
SECILPAR S.L. (SG)	Director
Alto Marão - Energia Eólica, Unipessoal, Lda. (SG)	Manager
Aproveitamento Hidrico Vale Ruvinhosa, Lda. (SG)	Manager
CIMENTOSPAR - Participações Sociais, Lda. (SG)	Manager
Compª das Energias Renováveis da Serra dos Candeeiros, Lda. (SG)	Manager
Domus Eólia - Prod de Energias Renováveis, Lda (SG)	Manager
Enerflora - Produção de Energia Electrica, Lda. (SG)	Manager
ENEPRO - Projectos de Energias Renováveis (SG)	Manager
Freita Eólica - Energia Eólica, Lda. (SG)	Manager
Hidroeléctrica da Barroca, Lda. (SG)	Manager
Hidroeléctrica de Dornelas, Lda, (SG)	Manager
Hidroeléctrica de Fraga, Unipessoal, Lda. (SG)	Manager
Hidroeléctrica de Janeiro de Baixo, Lda. (SG)	Manager
Hidroeléctrica da Mesa do Galo, Lda. (SG)	Manager
Hidroeléctrica de Penacova, Lda. (SG)	Manager
Mini Hidrica do Palhal, Lda. (SG)	Manager
Parque Eólico Cabeça Alta, Lda. (SG)	Manager
Parque Eólico Chiqueiro, Lda. (SG)	Manager
Parque Eólico do Infante - Prod.Energ.Renováveis, Lda. (SG)	Manager

Parque Eólico de Marco Negro - Prod.Ener.Renováveis, Lda <sup>a</sup> (SG)	Manager
Parque Eólico da Penha da Gardunha, Lda. (SG)	Manager
Parque Eólico Serra da Opa, Lda. (SG)	Manager
Parque Eólico do Zibreiro, Lda. (SG)	Manager
PECF - Parque Eólico de Chão Falcão, Lda. (SG)	Manager
PEL - Parque Eólico da Lousão, Lda. (SG)	Manager
PEP - Parque Eólico da Povoeira, Lda. (SG)	Manager
PESM - Parque Eólico da Serra das Meadas, Lda. (SG)	Manager
PEVB - Parque Eólico de Vila do Bispo, Lda. (SG)	Manager

Francisco José Melo e Castro Guedes

CDS - Ciment de Sibline, SGPS, S.A. (SG)	Director
CIMINPART - Investimentos e Participações, SGPS, S.A. (SG)	Director
CMP - Cimentos Maceira e Pataias, S.A. (SG)	Director
ENERSIS, SGPS, S.A. (SG)	Director
PARSEINGES - Gestão de Investimentos, SGPS, S.A. (SG)	Director
PHAISTOS, S.A. (SG)	Director
SCG - Sociéte des Ciments de Gabès, S.A. (SG)	Director
SECIL - Companhia Geral de Cal e Cimento, S.A. (SG)	Director
SECIL Investimentos, SGPS, S.A. (SG)	Director
SEINPART Participações, SGPS, S.A. (SG)	Director
SEMAPA Inversiones, SL (SG)	Director
SILONOR, S.A. (SG)	Director

Paulo Jorge Barreto de Carvalho Ventura

Besleasing e Factoring – Instituição Financeira de Crédito, S.A.	Chairman of General Meeting
CARREFOUR - Sociedade de Exploração de Centros Comerciais, S.A.	Chairman of General Meeting
CIMIANTO - Gestão de Participações, S.A.	Chairman of General Meeting
CIMIANTO - Sociedade Técnica de Hidráulica, S.A.	Chairman of General Meeting
CIMINPART - Investimentos e Participações, SGPS, S.A. (SG)	Chairman of General Meeting
CMP - Cimentos Maceira e Pataias, S.A. (SG)	Chairman of General Meeting
Companhia de Seguros Allianz, Portugal, S.A.	Chairman of General Meeting
Companhia de Seguros Tranquilidade, S.A.	Chairman of General Meeting
ESIA - Inter Atlântico Companhia de Seguros, S.A.	Chairman of General Meeting
Espírito Santo Financial (Portugal), S.G.P.S., S.A.	Chairman of General Meeting
EUROGES - Aquisição de Créditos a Curto Prazo, S.A. (até 2-2-04)	Chairman of General Meeting
Galerias Ritz - Imobiliária, S.A.	Chairman of General Meeting
GOLIATUR - Sociedade de Investimentos Imobiliários, S.A.	Chairman of General Meeting
HIDROPROJECTO - Engenharia e Gestão, S.A.	Chairman of General Meeting
Hotel Ritz, S.A	Chairman of General Meeting
JCDECAUX AIRPORT - Publicidade em Aeroportos, S.A.	Chairman of General Meeting
JCDECAUX NEONLIGHT – Publicidade Luminosa, S.A.	Chairman of General Meeting
Parque Ritz - Imobiliária, S.A.	Chairman of General Meeting
PARSEINGES - Gestão de Investimentos, SGPS, S.A. (SG)	Chairman of General Meeting
RED PORTUGUESA - Publicidade Exterior, S.A.	Chairman of General Meeting
SAIVANE Imobiliária S.A.	Chairman of General Meeting
SECIL - Companhia Geral de Cal e Cimento, S.A. (SG)	Chairman of General Meeting
SECIL - Investimentos, SGPS, S.A. (SG)	Chairman of General Meeting
SECIL, Betões e Inertes - Sociedade Gestora de Participações Sociais, S.A. (SG)	Chairman of General Meeting
SEINPART - Participações, SGPS, S.A. (SG)	Chairman of General Meeting
SODIM - SGPS, S.A.	Chairman of General Meeting
SONACA - Sociedade Nacional de Canalizações, S.A.	Chairman of General Meeting
VÉRTICE - Gestão de Participações, SGPS, S.A.	Director

Luís Manuel Pego Todo Bom

Banco Finantia, S.A.  
Amorim Imobiliária, SGPS, S.A.  
Celulose do Caima, SGPS, S.A.  
Companhia de Seguros Sagres, S.A.

Director  
Director  
Director  
Director

## 2. Executive Board

The only board with management powers is the Executive Board, which comprises, as already stated, Messrs. Pedro Mendonça de Queiroz Pereira, Eng. Carlos Eduardo Coelho Alves, Dr. José Alfredo de Almeida Honório, Eng. Gonçalo Allen Serras Pereira and Dr. Francisco José Melo e Castro Guedes.

The Executive Board has been granted the widest management powers, largely detailed in the respective act of delegation, and only limited with regard to the matters indicated in article 407, para. 4 of the Companies Code.

## 3. Workings of the Management Body

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

The two bodies are co-ordinated and kept in contact by the fact that they have a common chairman, and through regular transmission of all relevant information on the day-to-day management of the company to the non-executive directors, in order to keep them abreast of the company's life at all times. In addition, meetings of the Board of Directors are called for all decisions regarded as especially important, even if they fall within the scope of the powers delegated to the Executive Board.

It is relevant to note in this regard that the members of the Executive Board are available at all times to provide the information requested by the other members of the Board of Directors. It is standard practice for this information to be transmitted immediately when the importance or urgency of the matter so requires.

The Executive Board cannot resolve on the following:

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

There are no internal rules on incompatibility or on the maximum number of offices which directors can hold in the management bodies of other companies.

The Board of Directors met nine times in 2003.

## 4. Remuneration Policy

Remuneration policy is not set by the Board of Directors, and aligns the interests of the directors with those of the company, dividing remuneration into a fixed component and a variable component.

The fixed component is determined in line with the usual criteria in directorships, taking special account of responsibilities, the size and capacity of the company, the remuneration paid in the market for equivalent posts and the fact of the director being executive or non-executive. The variable component consisted in the previous period in a share in profits approved by the General meeting and limited by the articles of association to 5% of the net profits.

## **5. Remuneration**

The total remuneration earned by directors with executive powers in the company, including amounts paid on any grounds by controlled or controlling companies stood at 3,865,558.76 €, of which 2,848,892.76 € corresponded to the fixed component, and 1,016,666.00 € corresponded to profit sharing.

Total remuneration earned by non-executive directors, including amounts paid on any grounds by controlled or controlling companies, stood at 974,330.98 €, of which 540,996.98 € corresponded to the fixed component and 433,334.00 € corresponded to profit sharing.