

# CORPORATE GOVERNANCE REPORT



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# PART I

## INFORMATION ON CAPITAL STRUCTURE, ORGANIZATION AND CORPORATE GOVERNANCE

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### A. CAPITAL STRUCTURE

#### I. CAPITAL STRUCTURE

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

Semapa has a share capital of 81,270,000 Euros, 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 b)).**

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

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

On 31 December 2020, 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 j)).**

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.

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

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

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

The Company is only aware of the ongoing and open coordination of the exercise of voting rights mentioned in item 7. below, resulting in the allocation to Sodim, SGPS, S.A. on 31 December 2020 of 73.972% of non-suspended voting right, above the 73.167% arising from the direct and indirect holdings.

## II. HOLDINGS OF SHARES AND BONDS

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

The owners of qualifying holdings in Semapa on 31 December 2020 are identified in the following table:

Entity	Number of Shares	% share capital and voting rights	% non-suspended voting rights
<b>A -</b> Sodim, SGPS, S.A.	19,478,903	23.968%	24.388%
Directors of Sodim:			
Filipa Mendes de Almeida de Queiroz Pereira	5,488	0.007%	0.007%
Mafalda Mendes de Almeida de Queiroz Pereira	5,888	0.007%	0.007%
Lua Mónica Mendes de Almeida de Queiroz Pereira	5,888	0.007%	0.007%
Cimo - Gestão de Participações, SGPS, S.A.	38,959,431	47.938%	48.779%
Sociedade Agrícola da Quinta da Vialonga, S.A.	625,199	0.769%	0.783%
<b>Total:</b>	<b>59,080,797</b>	<b>72.697%</b>	<b>73.972%</b>
<b>B -</b> Bestinver Gestión, S.A., S.G.I.I.C.	-	-	-
Bestinver Global, F.P.	362,428	0.446%	0.454%
Bestinver Plan Mixto, F.P.	91,556	0.113%	0.115%
Bestinver Mixto, F.I.	97,233	0.120%	0.122%
Bestinver Bolsa, F.I.	1,095,302	1.348%	1.371%
Bestifond, F.I.	1,016,934	1.251%	1.273%
Bestvalue, F.I.	278,356	0.343%	0.349%
Bestinver Empleo II, F.P.	1,963	0.002%	0.002%
Bestinver Consolidacion EPSV	1,568	0.002%	0.002%
Bestinver Futuro EPSV	8,776	0.011%	0.011%
Bestinver Empleo III, F.P.	1,506	0.002%	0.002%
Bestinver Hedge Value Fund, F.I.L.	932,756	1.148%	1.168%
Bestinver Empleo, F.P.	11,068	0.014%	0.014%
Bestinver Iberian SICAV	89,830	0.111%	0.112%
Bestinver Bestifund SICAV	40,613	0.050%	0.051%
Bestinver Crecimiento EPSV	2,162	0.003%	0.003%
<b>Total:</b>	<b>4,032,051</b>	<b>4.961%</b>	<b>5.048%</b>
<b>C -</b> Norges Bank (the Central Bank of Norway)	1,699,613	2.091%	2.128%

The voting rights relating to the companies in group A are allocated on the basis of (i) direct ownership of the shares; (ii) the open coordination of the exercise of voting rights, which means that the voting rights held by these companies taken together in Semapa are allocated to each of them, as explained next, and (iii) the existence of, direct and indirect, controlling relationships of Sodim, SGPS, S.A. also described ahead, and (iv) the ownership of shares by members of the Board of Directors of the company above mentioned.

The allocation to Sodim by virtue of the open coordination of the exercise of voting rights, under the terms in which they have been announced, according to Article 20. 1 c) and h) of the Securities Code, matches the part identified by the letter A in the table above.

The allocation to Sodim by virtue of the controlling relationship, in accordance with Article 20. 1 b) of the Securities Code, was on 31 December 2020 as follows:

Entity	Allocation	No. shares	% share capital and voting rights	% non-suspended voting rights
Sodim, SGPS, S.A.		19,478,903	23.968%	24.388%
Cimo - Gestão de Participações, SGPS, S.A.	100% owned by Sodim	38,959,431	47.938%	48.779%
<b>Total:</b>		<b>58,438,334</b>	<b>71.906%</b>	<b>73.167%</b>

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

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

This information is provided in Annex I to this Report.

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

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

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

All transactions taking place in 2020 between the company and qualifying shareholders are described in Note 10.4 of the Annex to the consolidated accounts and Note 10.2 of the annex to the individual financial statements. In 2020, 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: Francisco Xavier Zea Mantero (term of office from 24/05/2018 to 31/12/2021)

SECRETARY: Luís Nuno Pessoa Ferreira Gaspar (term of office from 24/05/2018 to 31/12/2021)

#### **B) EXERCISE OF VOTING RIGHTS**

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

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

Despite the existence of time limits established in Semapa's Articles of Association for attendance of the General Meeting, the mandatory legal rules on this matter apply, such as Article 23-C of the Securities Code. The time limit established by the Articles of Association for exercise of postal rights is the day prior to the General Meeting.

The Articles of Association make no provision for electronic voting. Nevertheless, the Board of Directors might regulate on alternative ways to vote besides paper format, as long as authenticity and confidentiality of the votes are also guaranteed until the moment of the voting.

Although the Board of Directors never used this capacity, the Chairman of the General Meeting has always accepted electronic votes as long as they are received under comparable conditions as the vote by mail, in what regards the deadline, comprehensibility, the guarantee of authenticity, confidentiality and other formal issues.

Considering the adverse context resulting from the Covid-19 pandemic outbreak, and as stated in the respective notice, shareholders were encouraged to exercise their voting rights at the company's Annual General Meeting held in 2020 preferably by electronic mail.

To exercise the right to vote by electronic mail shareholders should send by e-mail a statement addressed to the Chairman of the General Meeting in PDF format, duly signed - in accordance with the signature on the relevant valid identification document, a copy of which must accompany said statement - expressing the wish to vote, and the declarations of vote, one for each item on the Agenda, in PDF format, with the indication in the title of the document of the agenda item for which it is intended.

Still in the context of the pandemic, and taking into account the Recommendations regarding the conduct of General Meetings of 20 March 2020, issued under the cooperation between the Securities Market Commission (CMVM), the Portuguese Institute of Corporate Governance (IPCG) and the Association of Issuing Companies of Listed Securities on Market (AEM), the company has implemented the appropriate means for the shareholders to attend the 2020 Annual General Meeting, which was held exclusively by telematic means, as provided by Article 377 (6)(b) of the Companies Code.

To attend the meeting, shareholders had to declare their willingness to participate by providing an e-mail address to which the company sent the instructions for the remote session, and which was used to verify the identity of each shareholder on the electronic platform used.

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 which lay down that voting rights are not counted if in excess of a given number, when cast by a single shareholder or shareholders related to him.

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

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

## II. MANAGEMENT AND SUPERVISION

### A) COMPOSITION

**15. Identification of the governance model adopted.**

The company has adopted the governance model provided for in Article 278 (1) (a) (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 h)). 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). The company does, however, disclose on the company's website (<https://www.semapa.pt/index.php/en/investidores/governo/principiosdiversidade>) its Principles of Diversity, which lay down the profile requirements and criteria for new members of the governing bodies.

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.

The following analysis highlights a fairly reasonable level of diversity:

Diversity factor	Parameter	%
Age	< 50	30.77%
	50-65	46.15%
	>65	23.08%
Gender	Female	23.08%
	Male	76.92%
Education	Econ./Manag.	53.85%
	Engineering	23.08%
	Applied Mathematics	7.69%
	Non graduate	15.38%
Professional background	Professional experience abroad	46.15%
	Different sectors of the group	100%

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 appropriate profile, knowledge and their curricula, and should foster transparent selection methods and ensure 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 diversity.

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 2020 the 2021 Plan for Equality, reflecting changes to the 2020 Plan for Equality adopted in 2019. Semapa communicated the Plan to the CMVM, and also published it in the website of Semapa.



**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 four-year term.

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

<b>Members of the Board of Directors</b>	<b>Date of first appointment and end date of term of office</b>
Heinz-Peter Elstrodt	2019-2020
José Antônio do Prado Fay	2018-2021
João Nuno de Sottomayor Pinto de Castello Branco	2015-2021
José Miguel Pereira Gens Paredes	2006-2020
Ricardo Miguel dos Santos Pacheco Pires	2014-2021
Vítor Paulo Paranhos Pereira	2014-2021
António Pedro de Carvalho Viana-Baptista	2010-2021
Carlos Eduardo Coelho Alves	2015-2021
Filipa Mendes de Almeida de Queiroz Pereira	2018-2021
Francisco José Melo e Castro Guedes	2001-2021
Lua Mónica Mendes de Almeida de Queiroz Pereira	2018-2021
Mafalda Mendes de Almeida de Queiroz Pereira	2018-2021
Vítor Manuel Galvão Rocha Novais Gonçalves	2010-2021

The company appointed on 30 July 2020 the Director José Antônio do Prado Fay as Chairman of the Board of Directors of the company, with effect from the same date and until the end of the current term of office, due to the resignation of Heinz-Peter Elstrodt from his duties.

José Miguel Pereira Gens Paredes terminated his duties as Member of the Board of Directors and Member of the Executive Board, by resignation with effect from 29 February 2020.

Vítor Paulo Paranhos Pereira, on the other hand, assumed executive duties on 1 March 2020.

**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 members.

During the fiscal year of 2020, the company's Board of Directors had (i) thirteen members, until February 29, (ii) twelve members, from that date until August 31, and (iii) eleven members, from that date until December 31, and three thereof were members of the Executive Board in the year. Since the number of non-executive directors in 2020 represented between 73% and 77% 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 undertake efficiently 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, which 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.

On the basis of the criteria laid down by the corporate governance code adopted, Carlos Eduardo Coelho Alves may be classified as an independent non-executive director, as he is not associated with any group with specific interests in the Company, nor is he under any circumstance likely to affect the impartiality of his analyses or decisions.

On the other hand, Director Francisco José Melo e Castro Guedes was not classified as independent as he is member of the Board of Directors since 2001. Directors Heinz-Peter Elstrodt, Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira, Lua Mónica Mendes de Almeida de Queiroz Pereira and José Antônio do Prado Fay were not classified as independent in the light of the criteria referred, since they were also members of the Board of Directors of companies owning qualified holdings in Semapa in 2020. Director Vitor Manuel Galvão Rocha Novais Gonçalves was not classified as independent in the light of the above-mentioned applicable criteria, since he is director of a company with controlling relationships with Semapa, and receives remuneration for his duties. Director António Pedro de Carvalho Viana-Baptista is not an independent director by virtue of the commercial ties existing between the company and the entity in which he holds management functions. Finally, Director Vítor Paulo Paranhos Pereira - by reference to the period during which he did not perform executive duties - was also not considered independent since in 2020 he held management functions in participated companies or in the companies with controlling relationships with Sodim, SGPS, S.A.

Thus, in the course of the 2020 financial year, the Board included only one non-executive director who fulfilled 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 non-independent 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.

#### **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.**

##### **HEINZ-PETER ELSTRODT**

Heinz-Peter Elstrodt has a degree in Business Administration and Industrial Engineering by the University of Karlsruhe and a PhD in Economics by the University of Augsburg. He worked from 1983 until 2015 at McKinsey & Co., Inc., having served as Chairman for Latin America from 2004. He is a Guest Lecturer at the London Business School since 2016, where he teaches family business management. Within this context, Heinz-Peter Elstrodt has lent support to several family businesses in the process of passing down these businesses to the following generation and in the professionalisation of management, with acknowledged experience and knowledge in the areas of corporate governance, financial planning, and leadership development and strategy in family businesses. He was a member of the Board of Directors of Camargo Corrêa S.A. (Brazil) in 2016 and 2017 and of Lojas Renner S.A. (Brazil) from 2016 to 2019. From 2019 to 2020, he held office as Chairman of the Board of Directors of Semapa and other related companies in the group.

##### **JOSÉ ANTÔNIO DO PRADO FAY**

José Antônio do Prado 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 Head of the Engineering and Maintenance Division at Petroquímica Triunfo, S.A. From 1988 to 2000 he held several management functions at Bounge 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 Perdígão, S.A. in 2006, acting as Chairman of that company from 2008. He was Chairman of Brasil Foods S.A. from 2007 to 2013. He is a member of the Board of Directors of Camil, S.A. since 2013. He is Senior advisor at the Warburg Pincus fund and was Senior advisor at McKinsey & Co. until 2020. Since 2020 he has held office as Chairman of the Board of Directors of Semapa and other related companies, and as member of the Boards of Directors of São Salvador Alimentos, S.A. and Superbac Biotechnology Solutions.

## **JOÃO NUNO DE SOTTOMAYOR PINTO DE CASTELLO BRANCO**

João Castello Branco is CEO of Semapa since July 2015, and is Chairman of the Board of Directors of The Navigator Company and Secil since the end of 2018. Since 2019 he is Chairman of the Board of Business Council for Sustainable Development (BCSD) Portugal and is member of the Executive Committee of the World Business Council for Sustainable Development (WBCSD). He is also member of the General Board of AEM – Associação Portuguesa de Emitentes. Previously and after finishing his degree, he worked at the engine development centre of Renault, in France. He joined McKinsey in 1991, where he held positions in several industries, both in Portugal and in Spain, and was Managing Partner of the firm's Iberia office until July 2015. João Castello Branco is a graduate in mechanical engineering by Instituto Superior Técnico and holds a master degree in management by INSEAD.

## **JOSÉ MIGUEL PEREIRA GENS PAREDES**

José Miguel Paredes holds a degree in Economics from Universidade Católica Portuguesa and initiated his professional activity in 1985, at Direcção Geral de Concorrência e Preços (Portuguese Competition Authority). In the following years, he worked at the Rodoviária Nacional, Trader Interbiz, Cossec (Credit Insurance Company) in the External Credit Department, Generale Bank in the Commercial Department and Treasury / Foreign Exchange Trading Room, in Portugal, and United Distillers in the Financial Department in Portugal. In 1994, he became Financial Director of Semapa and some of the other related companies in the group. He was Executive Director of Enersis, a renewable energy company owned by the Semapa group. From 2004 to 2018 he was Semapa's investor relations officer and he has held office as Executive Director of Semapa since 2006. In 2008 José Miguel Paredes was appointed Director of ETSA and he is Chairman of the Board of Directors since 2010. He also became Director of The Navigator Company and Secil in 2011 and 2012, respectively. In 2018 he was appointed Director of Sonagi. He left the Semapa group and Sonagi in February 2020.

## **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 developed different M&A and capital market projects in the Energy, Paper and Pulp and Food & Beverages sectors. He has worked for Semapa since 2008, first as Director of Strategic Planning and New Business and 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 he also holds positions in other related companies. Since 2015, he has held positions in the board of The Navigator Company and Secil. He has been CEO of Semapa Next since 2017 and took over in March 2020 duties as Chairman of the Board of Directors in the ETSA group.

## **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<sup>a</sup>. Lda. as Financial Director until 1987. From 1987 to 1989 he was Deputy Financial Director of the Instituto do Comércio Externo de Portugal (ICEP). Vítor Paranhos Pereira joined the group in 1989 as Financial Director of Sodim, and in 2009 he was appointed as member of the Board of Directors of that company until May 2018. 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 has held office as Director of Sonagi since 1995. From 2006 to 2015 he was Chairman of the Audit Board of the Associação da Hotelaria de Portugal (AHP) and in April 2019 he was appointed as Chairman of the General Meeting of this organisation. From 2007 to 2016 he has been 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 was appointed director of Refundos in 2005, where he has served as Chairman of the Board of Directors from 2018 to May 2020. He has held office as Executive Director of Semapa and other related companies since March 2020, and since February and March 2020 he has also held management positions at Secil and The Navigator Company, respectively.

## **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 held office as non-Executive Director of Jasper Inc, California until 2016 and of Abertis, S.A. from 2017 to 2018. At present, he is non-executive Director of Jerónimo Martins, S.A. (where he also acted as member of the Audit Committee from 2010 to 2015) and of Atento, S.A., in addition to performing duties as Director of Alter Venture Partners G.P., SARL. He has been non-executive Director of Semapa since 2010.

## **CARLOS EDUARDO COELHO ALVES**

Carlos Alves has a degree in mechanical engineering from Instituto Superior Técnico and he is an Expert Industrial Manager by the Portuguese Association of Engineers. He began working as lecturer of Machine Components I and II at Instituto Superior Técnico and he was a Trainee Expert of the Works Monitoring Division at Laboratório Nacional de Engenharia Civil in Lisbon. He was an engineer of technical services at Cometa Companhia Metalúrgica Nacional, SARL, and later director in charge of manufacturing and managing director of Cobrascom S.A. (In Rio de Janeiro, Brazil). Between 1989 and 2009, he held directorship positions in Semapa, Sodim and other related companies. He was also CEO of Secil and CMP between 1994 and 2009, and held management positions at Portucel (currently The Navigator Company), Soporcel, and Enersis, where he was Chairman of the Board of Directors. He was Chairman of ATIC - Associação Técnica da Indústria do Cimento between 2004 and 2009 and member of the Cembureau Steering Committee between 2004 and 2009. He has been non-executive director of Semapa since November 2015 and non-executive director of Secil since October 2020.

## **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 (the controlling company of Semapa) since 2014, also integrating, since 2018, the Board of Directors of Semapa and Hotel Ritz.

## **FRANCISCO JOSÉ MELO E CASTRO GUEDES**

Francisco Guedes has a degree in Economic and Financial Sciences and holds an MBA from INSEAD. He initiated his professional career in 1971 at the Companhia União Fabril. He performed military service from 1972 to 1975. In the following years, in 1976 he was Financial Director of Companhia Rio Moju and from 1977 to 1987 at the Anglo-American Corporation (in Brazil), holding office as Executive Director, the Holding's Financial Director, Director in charge of all (non-gold) mining and industrial companies in Brazil and Financial Director of Mineração Morro Velho. Between 1988 and 1989 Francisco Guedes he was in charge of the Ricardo Schedel brokerage. In 1990, he was manager of the Aroeira project at Formentur, and in the following years he was director and manager at Anglo American Corporation Portugal, Nacional C.I.T.C., Nutrinveste and Sociedade Ponto Verde. Between 2009 and 2015 he was Director of The Navigator Company. From 2001 until June 2020 he occupied management positions at Secil, having also carried out executive positions from 2001 to 2014 at Semapa and other group companies.

### **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 (the controlling company of Semapa) since 2014, also integrating, since 2018, the Board of Directors of Semapa and Semapa Next, a venture capital company of the group.

### **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 (the controlling company of Semapa) since 2014, also integrating, since 2018, the Board of Directors of Semapa and Sonagi, company dedicated to the real estate management and operation.

### **VÍTOR MANUEL GALVÃO ROCHA NOVAIS GONÇALVES**

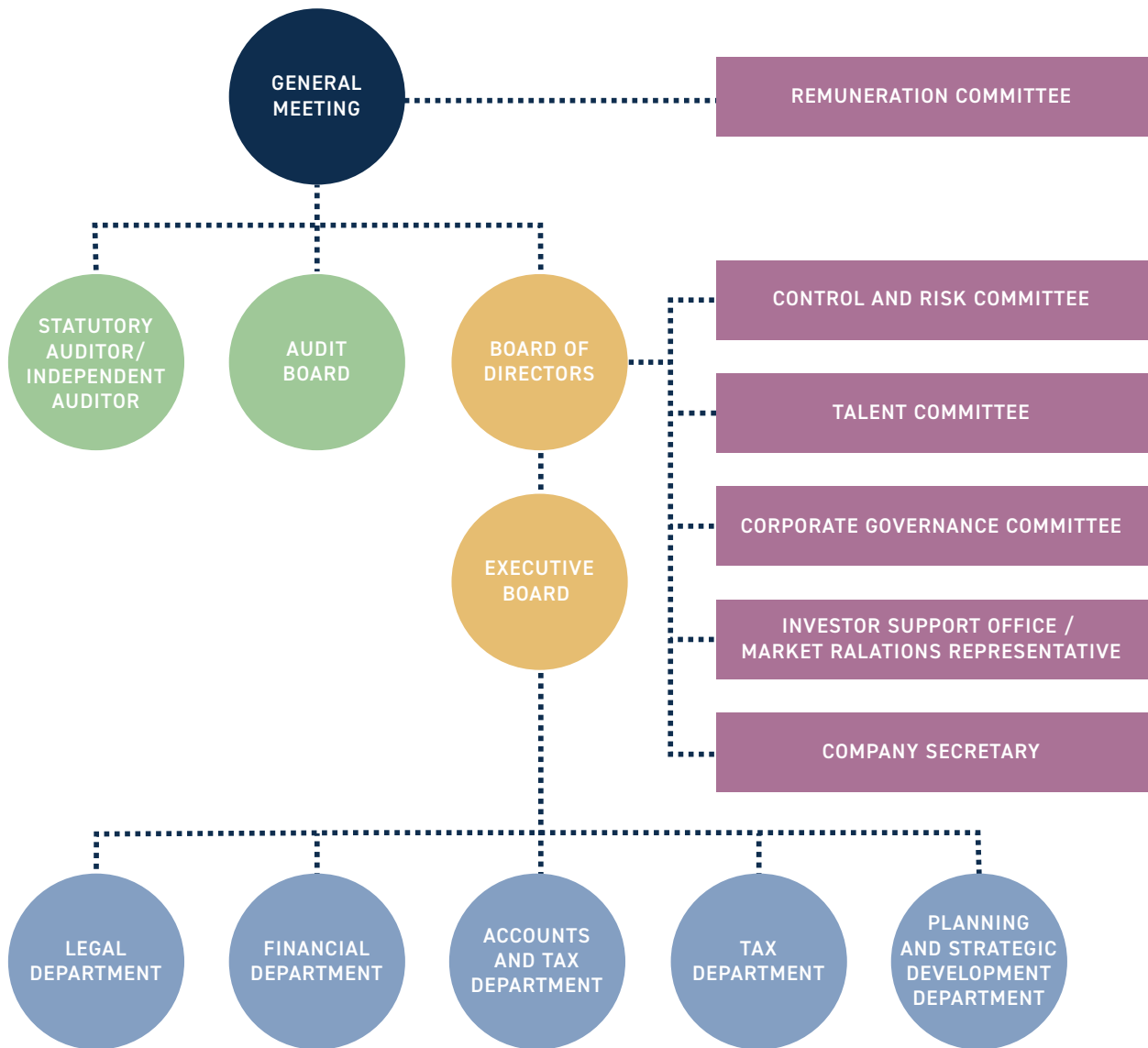
Vítor Novais Gonçalves has a Business and Administration Degree by ISC-HEC, in Brussels, and more than 30 years of professional experience with senior positions in Consumer Goods, Telecom and Financial sectors. He began his professional activity in 1984 at Unilever as Management Trainee and later as Product Manager and Market Manager. Between 1989 and 1992, he was Business Manager in the Venture Capital Area at Citibank Portugal and later he was Corporate Finance Head and member of the Management Committee. Between 1992 and 2000, in the financial area of Group José de Mello, he held board positions in several companies and, among others, was General Manager of Companhia de Seguros Império. Between 2001 and 2009, at SGC Group he was Director of SGC Comunicações, being responsible for International Business Development. He is presently Director of Zoom Investment, Semapa and The Navigator Company, among others.

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

Besides the directorships held by several Directors in companies which own qualifying holdings in Semapa, namely Sodim and subsidiaries, as described in paragraph 26 below, and the direct and indirect shareholdings of Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira, as heirs to the undivided estate of Pedro Mendonça de Queiroz Pereira in Sodim and Vialonga, there are no habitual or significant family, professional or business ties between members of the Board of Directors and shareholders in Semapa which own qualifying holdings.

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

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



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

The two bodies were coordinated and kept in contact through the close cooperation between the Chairman of the Board and the executive team and, in particular with the CEO, João Castello Branco, 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 especially important, even if they fall within the scope of the general powers delegated.

Information requested by the other members of corporate boards is also provided in good time and in an appropriate form by the members of the Executive Board.

In order to assure that information is communicated on a regular basis, the Chief Executive Officer also provides the notices and minutes of meetings of the Executive Board to the Chairman of the Audit Board. The remaining committees and corporate governing bodies also ensure information flows in a timely and 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 to exercise their legal and statutory powers.

Until 31 December 2020, although duties and responsibilities are not rigidly compartmentalised within the Executive Board, the distribution of functions was as follows:

**1st** Strategic planning and investment policy, management control, corporate governance, human resources, and talent management, which are the responsibility of the CEO, João Nuno de Sottomayor Pinto de Castello Branco.

**2nd** Financial, accounting and audit, tax and legal affairs, which are the responsibility of the Director Vítor Paulo Paranhos Pereira

**3rd** Strategic development and IT, which are the responsibility of the Director Ricardo Miguel dos Santos Pacheco Pires.

Financial, accounting and audit, tax and legal affairs, as well as management planning and control, were the responsibility of Director José Miguel Pereira Gens Paredes until 29 February 2020.

Regarding strategic planning and Investments Policy, and without prejudice to the mentioned office, this is an area that naturally entails more intervention on behalf of the non-executive members and that counts on the substantial involvement of the Chairman of the Board. Non-executive directors should participate in the definition, by the managing body, of the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.

As regards the definition of strategic planning and main policies, the company sought to incorporate and put into practice the Strategic Principles established by the company, which are as follows:

- i. To achieve growth with added value for shareholders, with a view to sustainable development with a firm social conscience;
- ii. Promote the development of the communities with which it is related;
- iii. To develop its Human Resources, providing them with attractive career opportunities in accordance with the ambition and skills demonstrated; and
- iv. To be ready for business opportunities and to make acquisitions with the potential for generating value.

Based on the aforementioned Strategic Principles, the company has set four Pillars for Sustainability, which together establish the strategic drivers of the company's performance in this area and of the holding group:

**1st Value creation in the business:** based on sustainable economic performance and the creation of value for its shareholders, on improving the performance of operations in the various business areas throughout its value chain, on implementing a strategy for the development of non-financial metrics for sustainability, on a management approach founded on the principles of ethics, honesty and integrity, and on a focus on sustained innovation and on research and development of more efficient processes and innovative products.

**2nd Valorisation of people:** by developing several talent and career management programs, whereby the company lends special emphasis to the way its values (published at <https://www.semapa.pt/index.php/en/grupo/missao>) are experienced and put into practice, and giving special relevance to the health, safety, and well-being of its employees.

**3rd Protection of the planet:** in view of the existing challenges associated with protecting the planet, the company and the group companies recognise their fundamental role in minimising environmental impacts by adapting their activities and aligning with the European strategy towards a green economy.

**4th Involvement with the community:** by carrying out activities related to social responsibility with the neighbouring communities, aimed at improving their quality of life and preserving the surrounding environment.

In the scope of sustainability, an ad hoc committee has been set up, with various working groups to address specific matters, which has developed its activity under the supervision of the Executive Board and transversally involving all the group's companies. As a result of this activity, the company publishes its "Sustainability Report" every year which, from a consolidated perspective, and in response to the legal requirements introduced by Decree Law No. 89/2017 of July 28, provides a detailed analysis of the company's approach and commitment to sustainability issues. Consequently, by adhering to and fulfilling the aforementioned strategic principles and according to the provisions in the aforementioned report, the company guarantees its long-term success, and with a significant contribution to the community at large.

Regarding the powers of the Executive Board, broad management powers are delegated to the Executive Board, which are largely detailed in the respective act of delegation, and only limited with regard to the matters indicated in article 407(4) of the Companies Code. Powers are specifically delegated for the following:

- a) To negotiate and resolve to enter into any commercial or civil contract, by public or private act, on the terms and conditions it deems most appropriate, and to take all decisions it sees fit in the performance of these contracts;
- b) To resolve to issue, sign, draw, accept, endorse, guarantee, protest or carry out any other act in connection with the use of bills or credit instruments;
- c) To resolve on all routine banking operations, with Portuguese or foreign financial institutions, namely opening, consulting and establishing the form of effecting movements in bank accounts, in all the legally admissible forms;
- d) To negotiate and resolve to contract and amend loan agreements, with financial institutions or other entities, including the provision of the respective guarantees in cases where the law permits such delegation, all on the terms it sees fit;
- e) To resolve to acquire, dispose of and encumber assets of all kinds, on the terms and conditions it sees fit, negotiating and resolving on the conclusion for such purposes, by public or private document, of any contractual instrument, and carrying out any accessory or complementary acts which may be necessary for the performance of these contracts;
- f) To take all decisions and carry out all acts in connection with the exercise by the company of its position as shareholder, namely by appointing its representatives at the General Meetings of companies in which it has holdings and adopting unanimous resolutions in writing;
- g) To draft the company reports, balance sheets, financial statements and proposals for allocation of profits;
- h) To take all steps necessary or appropriate in connection with the company's industrial relations with its employees, namely contracting, dismissing, transferring, defining terms of employment and pay, and revising and amending the same;
- i) To resolve on representation of the company before any court or mediation or arbitration body, taking all decisions as may be necessary or appropriate in connection with any proceedings pending before the same or to bring the same, and namely to desist, confess or settle;
- j) To appoint attorneys for the company within the powers delegated to it;



- k) To take all steps necessary or appropriate in connection with existing or planned issues of bonds and commercial paper, including the actual decision to issue; and
- l) In general, to carry out all acts of day-to-day management in the company, except for those which cannot be delegated under Article 407 (4) of the Companies Code.

The Executive Board is barred from resolving on the following:

- a) Selection of the Chairman of the Board of Directors;
- b) Co-option of directors;
- c) Requests for the call of a General Meeting;
- d) Annual reports and accounts;
- e) Provision of warranties and personal or real security by the company;
- f) Change in registered offices and increases in share capital; and
- g) 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 item 38 of this report, there are no delegated powers or special areas of responsibility for individual members.

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

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

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

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

Until the entry into force of Law no. 50/2020, of 25 August, the Remuneration Committee drew up every year - including in 2020 - the remuneration policy statement for its directors and auditors, being obliged, from that date, to draw up a remuneration policy for its directors and auditors. This committee is also responsible for conducting analyses and determining the remuneration of directors, in close collaboration with the Talent Committee.

The Legal Department provides the company with legal advice and is responsible by legal compliance to assure that procedures and proceedings comply with the relevant legislation. The Financial Division is primarily engaged in financial management and planning. The Accounts and Tax Department is mainly responsible for rendering the Company's accounts and complying with its tax obligations. The Tax directorate, on the other hand, provides tax advice, ensuring compliance with the applicable legislation and preventing unlawful fiscal planning. The Planning and Strategic Development Department is responsible for the group's planning, budgeting, and business control processes, and must also look into new investments and the group's strategic planning and development.

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 employees of the company and 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.

Note that the rules of procedure of the Board of Directors, the Control and Risk Committee and the Audit Board were reviewed in 2020, after the publication of Law No. 50/2020 of August 25 and the 2018 IPCG Corporate Governance Code as amended in 2020.

## B) FUNCTIONING

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

The Board of Directors has rules of procedure which are published on the company website ([https://www.semapa.pt/sites/default/files/participacoes/Regulamento\\_CA%20EN.pdf](https://www.semapa.pt/sites/default/files/participacoes/Regulamento_CA%20EN.pdf)) 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 12 times in 2020, 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 (%)
Heinz-Peter Elstrodt	100	100
José Antônio do Prado Fay	100	100
João Nuno de Sottomayor Pinto de Castello Branco	100	100
José Miguel Pereira Gens Paredes	100	100
Ricardo Miguel dos Santos Pacheco Pires	100	100
Vítor Paulo Paranhos Pereira	100	100
António Pedro de Carvalho Viana-Baptista	100	100
Carlos Eduardo Coelho Alves	100	100
Filipa Mendes de Almeida de Queiroz Pereira	100	100
Francisco José Melo e Castro Guedes	100	100
Lua Mónica Mendes de Almeida de Queiroz Pereira	100	100
Mafalda Mendes de Almeida de Queiroz Pereira	100	100
Vítor Manuel Galvão Rocha Novais Gonçalves	100	100

The table above specifies the proportion of meetings attended by the directors in the period during which they performed duties.

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

The Remuneration Committee determines how the system will work and prepares the framework for the assessment of the executive directors. It is also responsible for the final check to the performance factors and their impact in terms of remuneration, as well as guaranteeing overall coherence.

However, assessment in the strict sense, as the specific appraisal of individual performance, is the responsibility of the team supervisor, as is the case of the members of the Executive Board, and of the Chairman of the Board of Directors, as for the Chief Executive Officer, and in both cases with the participation of other non-executive directors whom the supervisor deems appropriate to involve. The Talent Committee has also been involved in this process since it was set up. It is composed by 5 non-executive members of the Board of Directors, who oversee the board performance evaluation system and the distribution of the company's remuneration, which means that the Board of Directors does not need to be involved in the assessment of the executive directors.

Consequently, in 2020 and in relation to the 2019 financial year, the Talent Committee gave its opinion on the individual performance proposals for the members of the Executive Board issued by the respective CEO, and the performance proposals of the Chairman of the Board of Directors for the CEO, communicating his opinion to the Remuneration Committee.

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 as well as the performance of its committees and executive directors, 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 2019 were conducted in 2020, and the relevant performances in the 2020 financial year will be assessed in 2021, as described above.

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

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

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

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

Besides the activities mentioned under item 19, the members of the Board of Directors 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
CIMIGEST, SGPS, S.A.	Chairman of the Board of Directors <sup>1</sup>
CIMO – Gestão de Participações, SGPS S.A.	Chairman of the Board of Directors <sup>2</sup>
SÃO SALVADOR ALIMENTOS S. A.	Director <sup>3</sup>
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director <sup>4</sup>
SODIM, SGPS, S.A.	Chairman of the Board of Directors <sup>5</sup>
SUPERBAC Biotechnology Solutions	Director <sup>6</sup>
SUPREMO CIMENTOS, S.A.	Director <sup>7</sup>

### **JOÃO NUNO DE SOTTOMAYOR PINTO DE CASTELLO BRANCO**

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

APHELION, S.A.	Chairman of the Board of Directors
SEMAPA NEXT, S.A.	Chairman of the Board of Directors

Office held in other companies:

AEM - Ass. de Emp. Emitentes de Valores Cotados em Mercado	Member of the General Board
BCSD - Conselho Empresarial para o Desenvolvimento Sustentável	Chairman
CELPA - Associação da Indústria Papeleira	President of the General Council, in representation of Navigator Paper Figueira, S.A. <sup>8</sup>
CEPI - Confederation of European Paper Industries	Member of the Board in representation of CELPA Associação da Indústria Papeleira <sup>9</sup>
CIMIGEST, SGPS, S.A.	Director <sup>10</sup>
FOREST SOLUTIONS GROUP	Co-Chair <sup>11</sup>
FÓRUM PARA A COMPETITIVIDADE	Member of the Governing Board
THE NAVIGATOR COMPANY, S.A.	Chairman of the Board of Directors
SECIL - Companhia Geral de Cal e Cimento, S.A.	Chairman of the Board of Directors
SODIM, SGPS, S.A.	Director
WBCSD - World Business Council of Sustainable Development	Member of the Executive Board

### **RICARDO MIGUEL DOS SANTOS PACHECO PIRES**

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

ABAPOR - Comércio e Indústria de Carnes, S.A.	Chairman of the Board of Directors <sup>12</sup>
APHELION, S.A.	Director
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Manager <sup>13</sup>

1 Start of the term of office on 01 August 2020. Company incorporated in Sodim, SGPS, S.A. on 03 September 2020.

2 Start of the term of office on 31 July 2020.

3 Start of the term of office on 25 November 2020.

4 In office until 31 August 2020.

5 Start of the term of office on 01 August 2020.

6 Start of the term of office on 10 March 2020.

7 In office until 01 September 2020.

8 In office until 15 June 2020.

9 In office until 15 June 2020.

10 Company incorporated in Sodim, SGPS, S.A. on 03 September 2020.

11 In office until April 2020.

12 Start of the term of office on 01 March 2020.

13 Start of the term of office on 01 March 2020.

ETSA LOG, S.A.	Chairman of the Board of Directors <sup>14</sup>
ETSA - Investimentos, SGPS, S.A.	Chairman of the Board of Directors <sup>15</sup>
I.T.S. - Indústria Transformadora de Subprodutos, S.A.	Chairman of the Board of Directors <sup>16</sup>
SEBOL - Comércio e Indústria de Sebo, S.A.	Chairman of the Board of Directors <sup>17</sup>
SEMAPA Inversiones, S.L.	Director <sup>18</sup>
SEMAPA NEXT, S.A.	Managing Director

Office held in other companies:

CIMIGEST, SGPS, S.A.	Director <sup>19</sup>
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.	Director
SODIM, SGPS, S.A.	Director
THE NAVIGATOR COMPANY, S.A.	Director
UPSIS, S.A.	Director

### VÍTOR PAULO PARANHOS PEREIRA

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

APHELION, S.A.	Director <sup>20</sup>
CELCIMO, S.L.	Chairman of the Board of Directors <sup>21</sup>
SEMAPA Inversiones, S.L.	Chairman of the Board of Directors <sup>22</sup>

Office held in other companies:

ANTASOBRAL - Sociedade Agropecuária, S.A.	Director
CAPITAL HOTELS BV	Director <sup>23</sup>
CAPITAL HOTELS - Sociedade de Investimentos e Gestão, S.A.	Director
CIMO - Gestão de Participações, SGPS S.A.	Director <sup>24</sup>
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
REFUNDOS - Sociedade Gestora de Fundos de Investimento Imobiliário, S.A.	Chairman of the Board of Directors <sup>25</sup>
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director <sup>26</sup>
SODIM, SGPS, S.A.	Director <sup>27</sup>
SOCIEDADE AGRÍCOLA da HERDADE dos FIDALGOS, Unip., Lda	Manager
SONAGI, SGPS, S.A.	Chairman of the Board of Directors <sup>28</sup>
SONAGI Imobiliária, S.A.	Chairman of the Board of Directors
THE NAVIGATOR COMPANY, S.A.	Director <sup>29</sup>
ASSOCIAÇÃO DA HOTELARIA DE PORTUGAL	Chairman of the General Meeting

14 Start of the term of office on 01 March 2020.

15 Start of the term of office on 01 March 2020.

16 Start of the term of office on 01 March 2020.

17 Start of the term of office on 01 March 2020.

18 Start of the term of office on 28 August 2020.

19 Company incorporated in Sodim, SGPS, S.A. on 03 September 2020.

20 Start of the term of office on 01 March 2020.

21 Start of the term of office on 01 March 2020.

22 Start of the term of office on 28 August 2020.

23 Company incorporated into Capital Hotels - Sociedade de Investimentos e Gestão, S.A., on 23 September 2020.

24 Start of the term of office on 31 July 2020.

25 In office until 18 May 2020.

26 Start of the term of office on 28 February 2020.

27 Start of the term of office on 01 March 2020.

28 Served as Director until 3 June 2020, having taken office as Chairman after that date.

29 Start of the term of office on 01 March 2020.

## 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
ATENTO, S.A.	Director
JERÓNIMO MARTINS SGPS, S.A.	Director

## CARLOS EDUARDO COELHO ALVES

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

Office held in other companies:

SECIL - Companhia Geral de Cal e Cimento, S.A.	Director <sup>30</sup>
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## 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, LDA.	Manager
CAPITAL HOTELS Sociedade de Investimento e Gestão S.A.	Chairman of the Board of Directors
CIMIGEST, SGPS, S.A.	Director <sup>31</sup>
CIMO Gestão de Participações, SGPS S.A.	Director <sup>32</sup>
FUNDAÇÃO NOSSA SENHORA DO BOM SUCESSO	President of the General Council
HOTEL RITZ, S.A.	Director
LAGUM, LDA.	Manager
SODIM, SGPS, S.A.	Director
REALTRAJE, LDA.	Manager
REPRESENTAÇÕES CARVALHAL, S.A.	Director

## FRANCISCO JOSÉ MELO E CASTRO GUEDES

Office held in other companies belonging to the same group as Semapa:  
CEL CIMO, S.L.

SEMAPA Inversiones, S.L.	Chairman of the Board of Directors <sup>33</sup>
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Office held in other companies:

CIMENTS DE SIBLINE S.A.L.	Director
SECIL - Companhia Geral de Cal e Cimento, S.A.	Director <sup>34</sup>

30 Start of the term of office on 01 October 2020.

31 Company incorporated in Sodim, SGPS, S.A. on 03 September 2020.

32 Start of the term of office on 31 July 2020.

33 In office until 28 August 2020.

34 In office until 30 June 2020.

**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:

CIMIGEST, SGPS, S.A. Director<sup>35</sup>CIMO Gestão de Participações, SGPS S.A. Director<sup>36</sup>ECOLUA, LDA. Manager<sup>37</sup>

ECO MALHADA, Lda. Manager

SODIM, SGPS, S.A. Director

REPRESENTAÇÕES CARVALHAL, S.A. Director

**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:

CIMIGEST, SGPS, S.A. Director<sup>38</sup>CIMO Gestão de Participações, SGPS S.A. Director<sup>39</sup>MONTE DA PRAIA RECURSOS NATURAIS, S.A. Director<sup>40</sup>

SOCIEDADE AGRÍCOLA da HERDADE dos FIDALGOS, Unip., Lda. Manager

SODIM, SGPS, S.A. Director

SONAGI, SGPS, S.A. Director

REPRESENTAÇÕES CARVALHAL, S.A. Chairman of the Board of Directors

**VÍTOR MANUEL GALVÃO ROCHA NOVAIS GONÇALVES**

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

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

Office held in other companies:

BELDEVELOPMENT, S.A. Director

EXTRASEARCH, SGPS, S.A. Director

EUROMIDLANDS - Sociedade Imobiliária, Lda. Manager

MAGALHÃES E GONÇALVES Consultoria e Gestão, Lda. Manager

PRUDENTARBÍTRIO, Lda. Manager<sup>41</sup>QUALQUER PONTO Sociedade Imobiliária, S.A. Director<sup>42</sup>QUALQUER PONTO Sociedade Imobiliária, Lda. Manager<sup>43</sup>

QUALQUER PRUMO Sociedade Imobiliária, Lda. Manager

TERRAPONDERADA, Lda. Manager

THE NAVIGATOR COMPANY, S.A. Director

VANGUARDINTEGRAL, Lda. Manager

VRES - Vision Real Estate Solutions, S.A. Director

ZOOM INVESTMENT, SGPS, S.A. Director

ZOOM INVESTMENT TURISMO, S.A. Director

2FOR VENTURE, SGPS, Lda. Manager

35 Company incorporated in Sodim, SGPS, S.A. on 03 September 2020.

36 Start of the term of office on 31 July 2020.

37 Company dissolved on 02 January 2020.

38 Company incorporated in Sodim, SGPS, S.A. on 03 September 2020.

39 Start of the term of office on 31 July 2020.

40 Start of the term of office on 02 December 2020.

41 Start of the term of office on 19 November 2020.

42 In office until 05 May 2020.

43 Start of the term of office on 19 November 2020.

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, Control and Risk Committee, Corporate Governance Committee and Talent 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 (<https://www.semapa.pt/index.php/en/investidores/governo/estatutos>), 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.

#### **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 2020:

- João Nuno de Sottomayor Pinto de Castello Branco, who chairs the board;
- José Miguel Pereira Gens Paredes;
- Vítor Paulo Paranhos Pereira, and
- Ricardo Miguel dos Santos Pacheco Pires.

As mentioned above, and with regard to changes that occurred in 2020, José Miguel Paredes served as executive director until 29 February.

João Castello Branco, José Miguel Paredes, and Ricardo Pires were appointed members of the Executive Board by resolution of the Board of Directors on 05 June 2018, and Vítor Paranhos Pereira was appointed executive director by resolution of the Board of Directors on 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 item 21 of this report.

The Executive Board is the company's executive body, which has performed its duties in the scope of the powers entrusted to it by the Board of Directors. The Board meets on a regular basis and whenever necessary in the light of ongoing business and monitoring of the company's activity. In 2020 it held 42 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, directors of the group's companies and some of the Company's managers may also take part in the meetings.

### CONTROL AND RISK COMMITTEE:

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

- 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.

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;
- c) The necessary tools and measures for the mitigation of the risks identified as relevant for the company's activities.

The Control and Risk Committee met six times in 2020 and on 31 December 2020 it included Carlos Eduardo Coelho Alves, the Chairman, and Vítor Paulo Paranhos Pereira and Margarida Isabel Feijão Antunes Rebocho, Members, being Carlos Alves and Vítor Paranhos Pereira also directors of the company. It should be noted that in 2020 the following changes occurred in the composition of this committee: José Miguel Pereira Gens Paredes and Gonçalo de Castro Salazar Leite, having resigned as Members, in 14 January 2020 and 19 March 2020, respectively, and the appointment on 20 March 2020 of Vítor Paranhos Pereira and Margarida Rebocho, to replace the former.

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 Financial Department and the Accounts and Tax 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 three times in the financial year 2020. Until 30 July 2020, the members of the Corporate Governance Committee were Francisco José Melo and Castro Guedes, the Chairman, Heinz-Peter Elstrodt, and Rui Tiago Trindade Ramos Gouveia, Members, and company director, Chairman of the Board of Directors and Secretary, respectively. Following the resignation of Heinz-Peter Elstrodt as member of Corporate Governance Committee, José António do Prado Fay, Chairman of the Board of Directors of the company, was appointed member of the Corporate Governance Committee on 30 July 2020.

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, particularly through its member Rui Gouveia, who is the Legal Director of the company, and ongoing contact and attendance of several meetings by the Chief Executive Officer and a member of the Legal 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) Concerning appointments:

- i. Assisting the Board of Directors in identifying and assessing the suitability of the profile, knowledge and curriculum of members of the governing bodies to be appointed, namely, the appointment by co-option to perform the duties of a 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 available and foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those 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 gender diversity; and
- iii. Whenever deemed appropriate, to know and monitor the processes of selection of potential candidates 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 Commission is also responsible for talent management: (i) monitor and issue recommendations on internal policies and procedures relating to the group's talent management; and (ii) periodically assess the need and availability of talent in the group and recommend appropriate actions to ensure the group's ability to meet the arising challenges.

The Talent Committee met fifteen times in the financial year 2020. Until 30 July 2020, the members of the Talent Committee were Heinz-Peter Elstrodt, Chairman, Carlos Eduardo Coelho Alves, Filipa Mendes de Almeida de Queiroz Pereira, José Antônio do Prado Fay, Lua Mónica Mendes de Almeida de Queiroz Pereira and Mafalda Mendes de Almeida de Queiroz Pereira, as Members, all of whom are non-executive directors of the company. Following the resignation of Heinz-Peter Elstrodt, as Chairman of the Talent Committee, José Antônio do Prado Fay replaced him as Chairman of the Committee on 30 July 2020.

The remuneration 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 statement on the remuneration policy of directors - after Law no. 50/2020 of 25 August entered into force and to analyse and fix the remuneration of the directors.

### III. AUDITING

#### A) COMPOSITION

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

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

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

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

Members of the Audit Board	Date of first appointment and end date of term of office
José Manuel Oliveira Vitorino (Chairman)	2014-2021
Gonçalo Nuno Palha Gaio Picão Caldeira (Full member)	2006-2021
Maria da Graça Torres Ferreira da Cunha Gonçalves (Full member)	2018-2021
Ana Isabel Moraes Nobre de Amaral Marques (Alternate member)	2016-2021

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 Auditor and the Statutory Auditor.

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

The members of the audit board, José Manuel Oliveira Vitorino (Chairman) and Maria da Graça Torres Ferreira da Cunha Gonçalves 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 second term and the latter in her first term in office.

Following the appointment of Gonçalo Nuno Palha Gaio Picão Caldeira by the Annual General Meeting on 24 May 2018 for a fourth term as member of the Audit Board, he became a non-independent member of this governing body, in accordance with Article 414 (5b) of the Portuguese Commercial 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 item 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 of 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.

#### **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 item in the report where this information is contained in accordance with paragraph 22.**

The Audit Board has rules of procedure which are published on the company website ([https://www.semapa.pt/sites/default/files/participacoes/Regulamento\\_CF\\_EN.pdf](https://www.semapa.pt/sites/default/files/participacoes/Regulamento_CF_EN.pdf)), where they are made available.

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

In the financial year 2020, the Audit Board met 20 times, with members present at all meetings (physical presence or through telematic means) for the period during which they performed duties.

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

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

Besides the activities mentioned under item 33., the members of the Audit Board perform the duties detailed below:

**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

**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

**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 the same as transmitted to them by the directors, 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.

Note that such analysis by the Audit Board is conducted following the rules laid down in the new Regulation of the Register of Auditors, as adopted by Law no. 140/2015 of 7 September, and the internal procedures established to guarantee that the 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 verify, when it deems to be appropriate and as it sees fit, the state of cash and inventories of any type of goods or assets 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 evaluate and issue its opinion on the strategic lines and the risk policy prior to their final approval by the Board of Directors;
- 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, collaborators or others;
- m) To contract the provision of services by experts who assist one or more of its members in the exercise of their functions, which experts shall be contracted and remunerated in line with the importance of the matters entrusted to them and the economic situation of the company;
- 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 year, that shall be 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 245-A 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 the financial 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 financial 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 6 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 with regard to the maintenance of 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 subparagraph, non-audit services which as such are not allowed under the applicable laws and regulations in this area, in particular Article 77(8) of the Statutes of the Association of Statutory Auditors (approved by Law 140/2015, of 7 September), may not be provided; and
- ab) To perform any other duties established 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, whom the Audit Board informs about 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.

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 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 audit firm and the partner and statutory auditor representing the same.**

###### **STATUTORY AUDITOR**

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

Alternate: 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 with 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 item 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.**

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), both having held office with the Company since 2018.



**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 Regulation of the Register of Auditors, as adopted by Law no. 140/2015 of 7 September, entered into force on 1 January 2016, and governs the new applicable laws that require the rotation of the auditors in companies of interest for society, like Semapa, while, previously, the company had no policy that required the rotation of the External Auditor, the Statutory Auditor or their representative.

In compliance with the new legal framework, and considering that PricewaterhouseCoopers & Associados – SROC, Lda. reached the maximum time limit of its functions as statutory auditors, in 2017 the Audit Board carried out, with the support of the administrations and services of the Semapa group companies involved, the process of selection of the statutory auditors for the 2018-2021 term, which was open to several entities. The bids submitted were analysed and assessed by the Audit Board according to the criteria laid down in the selection process.

As a result of the selection process, the Audit Board recommended and put forward to the shareholders the selection of KPMG & Associados – Sociedade de Revisores Oficiais de Contas, S.A. as external auditor, and the proposal was adopted by the shareholders at the General Meeting.

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

As part of its supervisory work and auditing of the Company's accounts, the Audit Board assesses the external auditor 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 new legal framework provided by the new Regulation of the Register of Auditors 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, 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 itself)	
	Amount	Percentage	Amount	Percentage
Value of auditing services	49,323.00	74.9%	833,756.00	89.6%
Value of reliability assurance services	16,500.00	25.1%	88,402.00	9.5%
Value of tax consultancy services	-	-	-	-
Value of other services other than auditing services	-	-	8,228.00	0.9%
<b>Total:</b>	<b>65,823.00</b>	<b>100.00%</b>	<b>930,386.00</b>	<b>100.00%</b>

NOTE: Amounts in Euros

In 2020, services other than audit services contracted by the Company or controlling entities from the External Auditor or the Statutory Auditor, including by entities belonging to the same corporate group or service network, represented 10.4% of the total services provided.

## C. INTERNAL ORGANIZATION

### I. ARTICLES OF ASSOCIATION

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

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

### II. NOTIFICATION OF IRREGULARITIES (WHISTLEBLOWING)

#### 49. Whistleblowing - procedures and policy

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

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

The Audit Board, which may be assisted for these purposes by the Control and Risk Committee, shall investigate all facts necessary for assessment of the alleged irregularity. We further note that, in the event of conflict of interest regarding an irregularity committed by a member of the Audit Board, a copy of the Report must also be sent to the Chairman of the Board of Directors.

This process ends with the report being filed or submitted to the Board of Directors or the Executive Board, depending on whether a Company officer is implicated or not, a proposal for application of the measures most appropriate in light of the irregularity in question.

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

The internal regulations of the company's bodies and committees also provide for the adoption and compliance with that regulation.

Access to the Regulations on Notification of Irregularities is reserved.

The Company also has a set of Principles of Professional Conduct, approved by the Board of Directors on 30 December 2002. This document establishes ethical principles and rules applicable to Company staff and officers.

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

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

The Ethical Principles were changed in late 2018 to include expressly the commitment to respect and promote the Human Rights, and combat money laundering and corruption.

With the entering into force of Law no. 73/2017, of 16 August, amending Article 127 of the Labour Code, which set forth the employer's duty to adopt good conduct codes to prevent and combat sexual harassment at work in companies with seven or more employees, on 1 October 2017 Semapa adopted a Good Conduct Code that contains specific rules aimed at reinforcing the prevention and combat against any type of harassment at work, without prejudice to any other regulations applicable.

### III. INTERNAL CONTROL AND RISK MANAGEMENT

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

Although the Company has no specific independent structure for internal audits, 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 has the knowledge and the chance to deliver 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, and is the recipient, where available, of the reports and opinions made by these services when they concern matters related to financial reporting, identification or resolution of conflicts of interest and detection of potential illegalities 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.

#### 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 item 21 of this Report, and the responsibilities of the bodies and committees involved are better described in item 54.

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

Non-existence of other departments with responsibilities in the field of risk control.

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

Chapter 11 of the notes to the consolidated financial statements provides a detailed analysis of all strategic and operational risks, including economic and legal. The financial risks have been identified and detailed in Chapter 8.1 of the notes to the consolidated financial statements.

Strategic risks include portfolio risk, reputational capital risk, investment decision making risk, business risk, talent risk, legal and regulatory risk, external shock risk, exchange rate risk, access to finance risk, fraud risk, raw material access risk, cybersecurity risk, and the risk of environmental disasters.

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

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

The aforementioned strategic risks for Semapa and the Group, which have been identified following the work started in 2018 and which has been consolidated since 2019, are duly mapped, and extensively described in the referred chapter 11 of the notes to the financial statements. They are monitored in the year and addressed in a risk report that must be adopted every year by the Board of Directors.

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 (global, regional, national, internal), 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.

We must also mention that 2020 was a year undoubtedly marked by the pandemic crisis caused by the Coronavirus (COVID-19) and the consequences thereof, a scenario unprecedented in recent history and which swept the world across the board, with impacts on the Group's internal context, where significant efforts were made by both Semapa and its subsidiaries to adapt their internal processes and their relations with the outside world, and to optimize fixed and variable costs.

At the governance level, a Crisis Management Office was set up to monitor, anticipate and minimise the impacts of the Covid-19 pandemic on the Group's various companies and plants. Four Steering Groups were thus set up in this context: i) Preservation of Employee Health and containment of the Pandemic, ii) Communication, iii) Business Development and Continuity Plans and iv) Financial (contingency) Plan.

At the operational level, the Contingency Plans implemented at the Group's plants helped to maintain normal operations in this adverse environment.

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

The main purpose of the Control and Risk Committee is to detect and control all relevant risks in the Company's affairs, in particular financial and legal risks, and the Committee is vested with the powers set out in items 21 and 29 of this Report.

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

The external audit to Semapa and the companies controlled by it was conducted by KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. until the end of the year 2020. The company's External and Statutory Auditor checks, in particular, the application of remuneration policies and systems, and the effectiveness and workings of internal control procedures through the information and documents provided by the Company, and in particular by the Remuneration Committee and the Control and Risk Committee. The respective conclusions are reported by the External and Statutory Auditor to the Audit Board, which then reports the shortcomings detected, if any.

The implemented internal control systems, including the risk management function, have proven to be effective, and no situations have so far arisen which have not been anticipated, duly guarded against or expressly accepted in advance as controlled risks. As stated above, in addition to its own powers in this field and in order to safeguard against the acceptance of excessive risks by the Company, the Board of Directors created the 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 System (Risk Policy) at a 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. The 2019 Risk Report was adopted at a meeting of the Board of Directors in March 2020, and the 2020 Risk Report was adopted at the Board Meeting in March 2021. 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, has been informed of, provided its opinion on, and assessed the aforementioned Risk Policy, and has also followed up on the monitoring of these risks at the meetings that the Audit Board with the Control and Risk Committee and the Executive Board hold in the year, and until the respective annual Risk Report is issued.

The strategic lines of action were assessed by the Audit Board in 2019. Since then the Board of Directors has not approved any new strategic guidelines. Whenever new strategic guidelines are approved, the Audit Board will evaluate and comment on them prior to their final approval by the Board of Directors.

The Audit Board also oversaw the progress of the work carried out by the Control and Risk Committee in 2020. 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 mechanisms and procedures for periodic control to ensure that the risks that the company runs are consistent with the objectives set by the management body, having held regular meetings with the other corporate bodies and committees with powers in this area and having requested inspections and clarifications whenever necessary and appropriate.

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

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

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

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

### **IV. INVESTOR SUPPORT**

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

The investor support service is provided by an office reporting to the 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 transmit 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](mailto: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 at <https://www.semapa.pt/index.php/en>, 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.

## V. WEBSITE (59 TO 65)

Description	Internet address
<b>59. Semapa Website</b>	<a href="https://www.semapa.pt/en">https://www.semapa.pt/en</a>
<b>60. Address where information is provided on the company's name, public company status, registered office and other data required by Article 171 of the Companies Code.</b>	<a href="https://www.semapa.pt/index.php/en/frmcontacto">https://www.semapa.pt/index.php/en/frmcontacto</a>
<b>61. Address where the articles of association and rules of procedures of company boards and/or committees can be consulted.</b>	<a href="https://www.semapa.pt/index.php/en/investidores/governo/estatutos">https://www.semapa.pt/index.php/en/investidores/governo/estatutos</a>
<b>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.</b>	<a href="https://www.semapa.pt/index.php/en/investidores/governo/os">https://www.semapa.pt/index.php/en/investidores/governo/os</a> <a href="https://www.semapa.pt/en/frmcontacto">https://www.semapa.pt/en/frmcontacto</a>
<b>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.</b>	<a href="https://www.semapa.pt/index.php/en/investidores/informacao/demonstracoes">https://www.semapa.pt/index.php/en/investidores/informacao/demonstracoes</a> <a href="https://www.semapa.pt/en/investidores/calendario">https://www.semapa.pt/en/investidores/calendario</a>
<b>64. Address where notice of general meetings is posted, together with all preparatory information and subsequent information related to meetings.</b>	<a href="https://www.semapa.pt/index.php/en/investidores/assembleia/ags/AG2020-05-29">https://www.semapa.pt/index.php/en/investidores/assembleia/ags/AG2020-05-29</a>
<b>65. Address for consultation of historical archives, with resolutions adopted at the company's General Meetings, the share capital represented and the results of votes, for the past three years.</b>	<a href="https://www.semapa.pt/index.php/en/investidores/assembleias">https://www.semapa.pt/index.php/en/investidores/assembleias</a>

## D. REMUNERATION

### I. POWERS TO DETERMINE REMUNERATION

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

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

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

### II. THE REMUNERATION COMMITTEE

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

The Remuneration Committee comprises José Gonalo Ferreira Maury, Joo Rodrigo Appleton Moreira Rato and Joo Rodrigo Appleton Moreira Rato, and does not subcontract auxiliary staff. The company may decide freely to hire the services it deems necessary or appropriate, within budget parameters, a right that has been exercised in the past, in which case it must ensure that the services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee. The company considers the Remuneration Committee to be independent of the Board, since all of its members are independent.

Jose Maury resigned in 2014 from office at Egon Zehnder, an HR services company which over the years supported Semapa and other related companies in procurement procedures. The aforementioned resignation in our view has not undermined the independence of this member of the Committee.

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. This was the case at the Annual General Meeting held on 29 May 2020, which all members attended by telematic means, with the exception of José Maury, whose absence was duly justified.

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

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

### III. REMUNERATION STRUCTURE

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

The remuneration policy for members of the management and supervisory bodies for 2020 fiscal year is set out in the Remuneration Policy Statement issued by the Remuneration Committee, approved at the Annual General Meeting of 29 May 2020, corresponding to Annex II of this Report, and there is no deviation from the procedures for the application of the approved remuneration policy.

Due to the publication of Law no. 50/2020 of August 25, the Remuneration Committee will submit for approval a new Remuneration Policy to the company's Annual General Meeting to be held in 2021, drawn up under the terms of Article 26-C of the Securities Code. This Remuneration Policy will be submitted to the General Meeting at least every four years and whenever there is a material change in the current remuneration policy.

The company considers that it only makes sense to issue its remuneration report after a remuneration policy has been drafted under the terms of Article 26-C of the Securities Code, and on which it can express an opinion. Thus, at the Annual General Meeting to be held in 2022, the Board of Directors will submit to the shareholders a remunerations report based on the Remuneration Policy for the year 2021, pursuant to Article 245-C of the Securities Code.

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

The way in which remuneration of company officers is structured and how it was based on the directors' performance in 2020 follows clearly the Remuneration Policy Statement of the Remuneration Committee, specifically items 1 and 6 of chapter VI, to which we make reference.

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

The effect of the alignment of the interests in the long-term results, to some extent, from the fact that, in the financial year in question, one of the KPIs of EBITDA is linked to the medium-term plan, albeit in a form that is more limited than that arising from Semapa's de facto situation in relation to the significant stability of the Executive Board's members. Such stability is naturally linked to longer time lines, including in the wage component, as future results influence future remunerations for which expectations exist.

The same is true for excessive risk-taking. The company has no separate remuneration mechanism aimed specifically at that. Risk is an intrinsic characteristic of any act of management and, as such, it is unavoidably and continuously considered in all management decisions. A quantitative or qualitative assessment of risk as good or bad cannot be made autonomously, but only in the light of its impact on Company's performance over the time. It is thus confused with long-term interests, and consequently benefits from the aforementioned incentives to overall alignment over time.



Furthermore, since the Talent Committee was set up, there is now one more organisational unit with specific responsibilities of monitoring the management performance assessment system and the allocation of the company's remuneration.

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

The remuneration of executive directors includes a variable component, which depends on a performance assessment, as described in the Remuneration Policy Statement, in particular in item 2. of chapter VI. The performance assessment under the variable remuneration for the year in question, in its individual and qualitative component, accounted for approximately 50% of that remuneration component. The weight of this component in 2020 was 35%.

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.

There are no upper limits to remuneration, notwithstanding the limit set by the articles of association on directors' participation in the profits for the year and no mechanism is in place to allow the company to request the reimbursement of variable remuneration paid.

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

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

Payment of the variable component of remuneration is not deferred at the company, notwithstanding the fact that the assessment of 2019 fiscal year, conducted in 2020, included a specific indicator - one of the components of EBITDA is not measured in relation to the fiscal year, rather that a theoretical EBITDA determined by reference to the medium-term plan - which assesses sustainable performance in the medium term.

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

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

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

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

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

The criteria for setting annual bonuses are those related to the variable remuneration, as described in item 2. of chapter VI of the Remuneration Policy Statement, and in item 25. above, and no other non-cash benefits are allocated.

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

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

At present, this is the only pension which Semapa pays. It is a lifetime monthly pension paid 12 months per year, for which the following is provided: (i) the transferability of half of its value to the surviving spouse or minor or disabled children and (ii) mandatory deduction from this pension either the value of remunerated services later delivered to Semapa or controlled companies, or the value of pensions that the beneficiary is entitled to receive from the national Social Insurance scheme related to the same period of service. Semapa's liability with this pension is as mentioned in Note 7.3 to the Consolidated Financial Statements and Note 7.2 to the Individual Financial Statements.

#### IV. DISCLOSURE OF REMUNERATION

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

Below we indicate the remuneration earned in 2020, paid by Semapa to the members of the Company's management body, distinguishing between fixed and variable remuneration, though the variable remuneration was paid in 2020 but refers to the performance of 2019, but without a breakdown of the different components of the latter, insofar as it is set as a whole, taking into account the factors described in the Remuneration Policy Statement issued by the Remuneration Committee, without identifying components.

Board of Directors	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Relative percentage
António Pedro de Carvalho Viana-Baptista	128,305.13	100%	-	-
Carlos Eduardo Coelho Alves	77,825.00	100%	-	-
Filipa Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Francisco José de Melo e Castro Guedes	77,825.00	100%	-	-
Heinz-Peter Elstrodt	275,148.90	100%	-	-
João Nuno de Sottomayor Pinto de Castello Branco	761,199.25	58.19%	546,953.00	41.81%
José Miguel Pereira Gens Paredes	129,816.51	25.39%	381,541.00	74.61%
José António do Prado Fay	243,524.20	100%	-	-
Lua Mónica Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Mafalda Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Paulo Miguel Garcês Ventura	-	-	143,449.00	100%
Ricardo Miguel dos Santos Pacheco Pires	315,969.50	40.60%	462,202.00	59.40%
Vítor Manuel Galvão Rocha Novais Gonçalves	77,825.00	100%	-	-
Vítor Paulo Paranhos Pereira	289,444.50	100%	-	-
<b>Total</b>	<b>2,610,357.99</b>	<b>-</b>	<b>1,534,145.00</b>	<b>-</b>

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.

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

It should be clarified that the amounts referred to in this item do not relate only to companies controlled by Semapa. They also include amounts over which Semapa and its officers have no control, as they are the concern of its shareholders, the shareholders of shareholders and other companies controlled by shareholders, where a controlling relationship is involved.

The following directors earned remunerations in other controlling or controlled companies or companies under common control: Directors Filipa Mendes de Almeida de Queiroz Pereira (70,750.00 Euros), Heinz-Peter Elstrodt (98,672.26 Euros), Lua Mónica Mendes de Almeida de Queiroz Pereira (70,750.00 Euros), Mafalda Mendes de Almeida de Queiroz Pereira (70,750.00 Euros), Vítor Manuel Galvão Rocha Novais Gonçalves (96,145.14 Euros), and Vítor Paulo Paranhos Pereira (168,101.00 Euros). It should be noted that the members of the Board of Directors did not receive remuneration in other companies in a group relationship.

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

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

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

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

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

Audit Board	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Relative percentage
José Manuel Oliveira Vitorino	22,000.00	100%	-	-
Gonçalo Nuno Palha Gaio Picão Caldeira	15,999.97	100%	-	-
Maria da Graça Torres Ferreira da Cunha	15,999.97	100%	-	-
<b>Total</b>	<b>53,999.94</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTE: Amounts in Euros

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

In 2020, the Chairman of the General Meeting earned a fixed remuneration of 4,000 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 Statement approved by Semapa's Remuneration Committee 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 abovementioned Remuneration Policy Statement, 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 presumably have received through to the end of 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.

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

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

## VI. STOCK OR STOCK OPTION PLANS

**85. Identification of plan and beneficiaries.**

The company has no stock or stock option plans.

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

Not applicable.

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

Not applicable.

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

There is no employee ownership scheme in Semapa.

## E. RELATED PARTY TRANSACTIONS 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 of 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. These regulations were amended due to the changes arising from Law 50/2020 of August 25 and by resolution of the Board of Directors of December 16, 2020, 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.

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:

- a) Loans granted to the company by shareholder companies with a value of less than or equal to one hundred million euros;
- b) Transactions under the taxation regime for company group, with a value of less than or equal to one hundred million euros;
- c) 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;
- d) 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
- e) 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:

- The Board of Directors must be informed biannually of the resolutions concerning related party transactions which they were not a party to.
- 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;
- The Directors of the company who intervene in the formalisation of related party transactions must ensure that such transactions are previously submitted to the regime provided herein and in the applicable laws and regulation, and
- The Executive Board is responsible for monitoring the formalisation and the execution of resolutions concerning Related Party Transactions.

The company will disclose the transactions which are required to be disclosed 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.

Until the amendments to the Regulations on Conflicts of Interest and Related Party Transactions were adopted on 16 December 2020, the rules and criteria applicable to the transactions between the Company and Related Parties were in force, and differed from those that currently apply as follows:

- It was up to the Board of Directors, with a favourable opinion from the Audit Board, to approve only those transactions that should not be approved by the Executive Board (the latter corresponding to the items indicated above, and whose approval continues to be the Executive Board's responsibility);

- The Board of Directors informed the Audit Board, at least every six months, of all transactions that had taken place with related parties, irrespective of whether or not explicit consent of the Audit Board was required, and
- Disclosure of related party transactions was not regulated, nor were the applicable exemptions.

Concerning the procedures applicable to conflicts of interest, the regulation provides for a conflict situation where the decision-maker or someone taking part in a decision (Director) is in a position that, in objective terms, may compromise his independence and influence in his judgement interests distinct from the Company's interests, 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 in a decision whenever there is a situation of conflict of interest, and 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 2020, there were the related party transactions that have been identified in the information on related party transactions in Note 10.4 of the Annex to the consolidated accounts and Note 10.2 of the Annex to the individual financial statements, which were analysed and approved in line with the new Regulation on Conflicts of Interests and Related Party Transactions, as per provisions in force at the time.

The related party transactions in 2020 occurred before 16 December 2020, on which date the Regulation of Conflicts of interests and related party transactions was amended. Thus, and according to the regulations previously in effect, the Board of Directors informed the Audit Board, at least every six months, about the approvals of all transactions carried out.

#### **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 items 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 of the Annex to the consolidated financial statements and Note 10.2 of the Annex to the individual 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 2020, 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 the website.

### 2. ANALYSIS OF COMPLIANCE WITH THE ADOPTED CORPORATE GOVERNANCE CODE

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

#	Adoption	Text	Reference
<b>I. GENERAL PROVISIONS</b>			
General Principle Corporate Governance should promote and enhance the performance of companies, as well as of the capital markets, and strengthen the trust of investors, employees and the general public in the quality and transparency of management and supervision, as well as in the sustained development of the companies.			
<b>I.1 Company's relationship with investors and disclosure</b>			
Principle: Companies, in particular its directors, should treat shareholders and other investors equitably, namely by ensuring mechanisms and procedures are in place for the suitable management and disclosure of information.			
I.1.1	Adopted	The Company should establish mechanisms to ensure the timely disclosure of information to its governing bodies, shareholders, investors and other stakeholders, financial analysts, and to the markets in general.	Part I, item 21 Part I, items 55 to 65
<b>I.2 Diversity in the composition and functioning of the company's governing bodies</b>			
Principle: I.2.A - Companies ensure diversity in the composition of its governing bodies, and the adoption of requirements based on individual merit, in the appointment procedures that are exclusively within the powers of the shareholders. I.2.B - Companies should be provided with clear and transparent decision structures and ensure a maximum effectiveness of the functioning of their governing bodies and commissions. I.2.C - Companies ensure that the functioning of their bodies and committees is duly recorded, namely in minutes, to allow an understanding not only of the meaning of the decisions taken, but also of their grounds and opinions expressed by their members.			
I.2.1	Adopted	Companies should establish standards and requirements regarding the profile of new members of their governing bodies, which are suitable according to the roles to be carried out. Besides individual attributes (such as competence, independence, integrity, availability, and experience), these profiles should take into consideration general diversity requirements, with particular attention to gender diversity, which may contribute to a better performance of the governing body and to the balance of its composition.	Part I, item 16
I.2.2	Adopted	The company's managing and supervisory boards, as well as their committees, should have internal regulations — namely regulating the performance of their duties, their Chairmanship, periodicity of meetings, their functioning and the duties of their members — which shall be fully disclosed on the company's website, and minutes of the meetings of each of these bodies should be carried out.	Part I, items 21, 22, 27, 29, 34 and 61
I.2.3	Adopted	The composition and the number of annual meetings of the managing and supervisory bodies, as well as of their committees, should be disclosed on the company's website.	Part I, items 23, 29 and 35

#	Adoption	Text	Reference
I.2.4	Adopted	A policy for the communication of irregularities (whistleblowing) should be adopted that guarantees the suitable means of communication and treatment of those irregularities, with the safeguarding of the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality is requested.	Part I, item 49

### I.3 Relationships between the company bodies

Principle:

Members of the company's boards, especially directors, should create, considering the duties of each of the boards, the appropriate conditions to ensure balanced and efficient measures to allow for the different governing bodies of the company to act in a harmonious and coordinated way, in possession of the suitable amount of information in order to carry out their respective duties.

I.3.1	Adopted	The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.	Part I, item 21
I.3.2	Adopted	Each of the company's boards and committees should ensure the timely and suitable flow of information, especially regarding the respective calls for meetings and minutes, necessary for the exercise of the competences, determined by law and the bylaws, of each of the remaining boards and committees.	Part I, items 21 and 29

### I.4 Conflicts of interest

Principle:

The existence of current or potential conflicts of interest, between members of the company's boards or committees and the company, should be prevented. The non-interference of the conflicted member in the decision process should be guaranteed.

I.4.1	Adopted	The members of the managing and supervisory boards and the internal committees are bound by internal regulation or equivalent to inform the respective board or committee whenever there are facts that may constitute or give rise to a conflict between their interests and the company's interest.	Part I, item 89
I.4.2	Adopted	Procedures should be adopted to guarantee that the member in conflict does not interfere in the decision-making process, without prejudice to the duty to provide information and other clarifications that the board, the committee or their respective members may request.	Part I, item 89

### I.5 Related party transactions

Principle:

Due to the potential risks that they may hold, transactions with related parties should be justified by the interest of the company and carried out under market conditions, subject to principles of transparency and adequate supervision.

I.5.1	Adopted	The managing body should disclose in the corporate governance report or by other means publicly available the internal procedure for verifying transactions with related parties.	Part I, items 38, 89 to 91
I.5.2	Not applicable.	The managing body should report to the supervisory body the results of the internal procedure for verifying transactions with related parties, including the transactions under analysis, at least every six months.	Recommendation not applicable under the Interpretative Note no. 3 2018 on the IPCG Corporate Governance Code as amended in 2020.

## II. SHAREHOLDERS AND GENERAL MEETINGS

Principles:

II.A - As an instrument for the efficient functioning of the company and the fulfilment of the corporate purpose of the company, the suitable involvement of the shareholders in matters of corporate governance is a positive factor for the company's governance.

II.B - The company should stimulate the personal participation of shareholders in general meetings, which is a space for communication by the shareholders with the company's boards and committees and also of reflection about the company itself.

II.C - The company should implement adequate means for the participation and remote voting by shareholders in meetings.



#	Adoption	Text	Reference
II.1	Adopted	The company should not set an excessively high number of shares to confer voting rights, and it should make its choice clear in the corporate governance report every time its choice entails a diversion from the general rule: that each share has a corresponding vote.	Part I, items 12 and 13
II.2	Adopted	The company should not adopt mechanisms that make decision making by its shareholders (resolutions) more difficult, specifically, by setting a quorum higher than that established by law.	Part I, item 14
II.3	Adopted	The company should implement adequate means for the remote participation by shareholders in the general meeting, which should be proportionate to its size.	Part I, item 12
II.4	Adopted	The company should also implement adequate means for the exercise of remote voting, including by correspondence and electronic means.	Part I, item 12
II.5	Not applicable.	The bylaws, which specify the limitation of the number of votes that can be held or exercised by a sole shareholder, individually or in coordination with other shareholders, should equally provide that, at least every 5 years, the amendment or maintenance of this rule will be subject to a shareholder resolution – without increased quorum in comparison to the legally established – and in that resolution, all votes cast will be counted without observation of the imposed limits.	Part I, items 5 and 13
II.6	Adopted	The company should not adopt mechanisms that imply payments or assumption of fees in the case of the transfer of control or the change 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.	Part I, items 4 and 84

### III. NON-EXECUTIVE MANAGEMENT, MONITORING AND SUPERVISION

Principles:

III.A - The members of governing bodies who possess non-executive management duties or monitoring and supervisory duties should, in an effective and judicious manner, carry out monitoring duties and incentivise executive management for the full accomplishment of the corporate purpose, and such performance should be complemented by committees for areas that are central to corporate governance.

III.B - The composition of the supervisory body and the non-executive directors should provide the company with a balanced and suitable diversity of skills, knowledge, and professional experience.

III.C - The supervisory body should carry out a permanent oversight of the company's managing body, also in a preventive perspective, following the company's activity and, in particular, the decisions of fundamental importance.

III.1	Not adopted	Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions, and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1.	Explanation of Recommendations not adopted below
III.2	Adopted	The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed. The judgment on the suitability should be included in the corporate governance report.	Part I, items 18 and 31
III.3	Adopted	In any case, the number of non-executive directors should be higher than the number of executive directors.	Part I, item 18

#	Adoption	Text	Reference
III.4	Not adopted	<p>Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:</p> <ul style="list-style-type: none"> <li>I. Having carried out functions in any of the company's bodies for more than twelve years, either on a consecutive or non-consecutive basis;</li> <li>II. Having been a prior staff member of the company or of a company which is considered to be in a controlling or group relationship with the company in the last three years;</li> <li>III. Having, in the last three years, provided services or established a significant business relationship with the company or a company which is considered to be in a controlling or group relationship, either directly or as a shareholder, director, manager or officer of the legal person;</li> <li>IV. Having been a beneficiary of remuneration paid by the company or by a company which is considered to be in a controlling or group relationship other than the remuneration resulting from the exercise of a director's duties;</li> <li>V. Having lived in a non-marital partnership or having been the spouse, relative or any first degree next of kin up to and including the third degree of collateral affinity of company directors or of natural persons with direct or indirect qualifying holdings;</li> <li>VI. Having been a qualified holder or representative of a shareholder of qualifying holding.</li> </ul>	Explanation of Recommendations not adopted below
III.5	Not applicable.	The provisions of (i) of recommendation III.4 does not inhibit the qualification of a new Part I, item 18 director as independent if, between the termination of his/her functions in any of the company's bodies and the new appointment, a period of 3 years has elapsed (cooling-off period).	
III.6	Adopted	The supervisory body, in observance of the powers conferred to it by law, should assess and give its opinion on the strategic lines and the risk policy prior to its final approval by the management body.	Part I, items 38 and 54
III.7	Adopted	Companies should have specialised committees, separately or cumulatively, on matters related to corporate governance, appointments, and performance assessment. In the event that the remuneration committee provided for in article 399 of the Commercial Companies Code has been created and should this not be prohibited by law, this recommendation may be fulfilled by conferring competence on such committee in the aforementioned matters.	Part I, items 16, 21, 27 and 29

#### IV. EXECUTIVE MANAGEMENT

Principles:

IV.A - As way of increasing the efficiency and the quality of the managing body's performance and the suitable flow of information in the board, the daily management of the company should be carried out by directors with qualifications, powers and experience suitable for the role. The executive board is responsible for the management of the company, pursuing the company's objectives and aiming to contribute towards the company's sustainable development.

IV.B - In determining the number of executive directors, it should be taken into account, besides the costs and the desirable agility in the functioning of the executive board, the size of the company, the complexity of its activity, and its geographical spread.

IV.1	Adopted	The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors applicable to their performance of executive functions in entities outside of the group.	Part I, items 26 and 27
IV.2	Adopted	The managing body should ensure that the company acts consistently with its objects and does not delegate powers, namely, in what regards: i) the definition of the strategy and main policies of the company; ii) the organisation and coordination of the business structure; iii) matters that should be considered strategic in virtue of the amounts involved, the risk, or special characteristics.	Part I, item 21
IV.3	Adopted	In the annual report, the managing body explains in what terms the strategy and the main policies defined seek to ensure the long-term success of the company and which are the main contributions resulting therein for the community at large.	Part I, item 21

#	Adoption	Text	Reference
<b>V. EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT</b>			
<b>V.1 Annual evaluation of performance</b>			
Principle: The company should promote the assessment of performance of the executive board and of its members individually, and also the assessment of the overall performance of the managing body and its specialized committees.			
V.1.1	Adopted	The managing body should annually evaluate its performance as well as the performance of its committees and executive directors, taking into account the accomplishment of the company's strategic plans and budget plans, the risk management, the internal functioning and the contribution of each member of the body to these objectives, as well as the relationship with the company's other bodies and committees.	Part I, items 24 and 25
<b>V.2 Remuneration</b>			
Principle: V.2.A. The remuneration policy of the members of the managing and supervisory boards should allow the company to attract qualified professionals at an economically justifiable cost in relation to its financial situation, induce the alignment of the member's interests with those of the company's shareholders – taking into account the wealth effectively created by the company, its financial situation and the market's – and constitute a factor of development of a culture of professionalization, sustainability, promotion of merit and transparency within the company. V.2.B. - Directors should receive remuneration: i) that suitably remunerates the responsibility taken, the availability and the expertise placed at the disposal of the company; ii) that guarantees a performance aligned with the long-term interests of the shareholders and promotes the sustainable performance of the company; and iii) that rewards performance.			
V.2.1	Adopted	The company should create a remuneration committee, the composition of which should ensure its independence from the management, which may be the remuneration committee appointed under the terms of article 399 of the Commercial Companies Code.	Part I, items 66 and 67
V.2.2	Adopted	The remuneration is to be set by the remuneration committee or by the general meeting, at the proposal of the remuneration committee.	Part I, items 29 and 66 and Annex II
V.2.3	Not adopted	For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report.	Explanation of recommendations not adopted below
V.2.4	Adopted	In order to provide information or clarifications to shareholders, the chair or, in case of his/her impediment, another member of the remuneration committee should be present at the annual general meeting, as well as at any other, whenever the respective agenda includes a matter linked with the remuneration of the members of the company's boards and committees or, if such presence has been requested by the shareholders.	Part I, item 67
V.2.5	Adopted	Within the company's budgetary limitations, the remuneration committee should be able to decide, freely, on the hiring, by the company, of necessary or convenient consulting services to carry out the committee's duties.	Part I, item 67
V.2.6	Adopted	The remuneration committee should ensure that the services are provided independently and that the respective providers do not provide other services to the company, or to others in controlling or group relationship, without the express authorization of the committee.	Part I, item 67
V.2.7	Adopted	Taking into account the alignment of interests between the company and the executive directors, a part of their remuneration should be of a variable nature, reflecting the sustained performance of the company, and not stimulating the assumption of excessive risks.	Part I, items 70 and 71
V.2.8	Not adopted	A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.	Explanation of recommendations not adopted below
V.2.9	Not applicable.	When variable remuneration includes the allocation of options or other instruments directly or indirectly dependent on the value of shares, the start of the exercise period should be deferred in time for a period of no less than three years.	Part I, items 73 and 74
V.2.10	Adopted	The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.	Part I, item 71

#	Adoption	Text	Reference
<b>V.3 APPOINTMENTS</b>			
Principle: Regardless of the manner of appointment, the profile, the knowledge, and the curriculum of the members of the company's governing bodies, and of the executive staff, should be suited to the functions carried out.			
V.3.1	Adopted	The company should, in terms that it considers suitable, but in a demonstrable form, promote that proposals for the appointment of the members of the company's governing bodies are accompanied by a justification in regard to the suitability of the profile, the skills and the curriculum vitae to the duties to be carried out.	Part I, item 16
V.3.2	Not adopted	The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size.	Explanation of recommendations not adopted below
V.3.3	Not adopted	This nomination committee includes a majority of non-executive, independent members.	Explanation of recommendations not adopted below
V.3.4	Adopted	The nomination committee should make its terms of reference available, and should foster, to the extent of its powers, transparent selection processes that include effective mechanisms of identification of potential candidates, and that those chosen for proposal are those 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 gender diversity.	Part I, item 29

## VI. INTERNAL CONTROL

Principle:  
Based on its mid and long-term strategies, the company should establish a system of risk management and control, and of internal audit, which allow for the anticipation and minimization of risks inherent to the company's activity.

VI.1	Adopted	The managing body should debate and approve the company's strategic plan and risk policy, which should include the establishment of limits on risk-taking.	Part I, items 29 and 54
VI.2	Adopted	The supervisory board should be internally organised, implementing mechanisms and procedures of periodic control that seek to guarantee that risks which are effectively incurred by the company are consistent with the company's objectives, as set by the managing body.	Part I, item 54
VI.3	Adopted	The internal control systems, comprising the functions of risk management, compliance, and internal audit should be structured in terms adequate to the size of the company and the complexity of the inherent risks of the company's activity. The supervisory body should evaluate them and, within its competence to supervise the effectiveness of this system, propose adjustments where they are deemed to be necessary.	Part I, items 38, 50 and 54
VI.4	Adopted	The supervisory body should provide its view 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 the adjustments deemed to be necessary.	Part I, items 38 and 50
VI.5	Adopted	The supervisory body should be the recipient of the reports prepared by the internal control services, including the risk management functions, compliance and internal audit, at least regarding matters related to the approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.	Part I, item 50
VI.6	Adopted	Based on its risk policy, the company should establish a risk management function, identifying (i) the main risks it is subject to in carrying out its activity; (ii) the probability of occurrence of those risks and their respective impact; (iii) the devices and measures to adopt towards their mitigation; and (iv) the monitoring procedures, aiming at their accompaniment.	Part I, items 53 and 54
VI.7	Adopted	The company should establish procedures for the supervision, periodic evaluation, and adjustment of the internal control system, including an annual evaluation of the level of internal compliance and the performance of that system, as well as the perspectives for amendments of the risk structure previously defined.	Part I, item 54

#	Adoption	Text	Reference
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## VII. FINANCIAL STATEMENTS AND ACCOUNTING

### VII.1 Financial information

Principles:

VII.A - The supervisory body should, with independence and in a diligent manner, ensure that the managing body complies with its duties when choosing appropriate accounting policies and standards for the company, and when establishing suitable systems of financial reporting, risk management, internal control, and internal audit.

VII.B - The supervisory body should promote an adequate coordination between the internal audit and the statutory audit of accounts.

VII.1.1	Adopted	The supervisory body's internal regulation should impose the obligation to supervise the suitability of the preparation process and the disclosure of financial information by the managing body, including suitable accounting policies, estimates, judgements, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Part I, item 38
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### VII.2 Statutory audit of accounts and supervision

Principle:

The supervisory body should establish and monitor clear and transparent formal procedures on the form of selection of the company's statutory auditor and on their relationship with the company, as well as on the supervision of compliance, by the auditor with rules regarding independence imposed by law and professional regulations.

VII.2.1	Adopted	By internal regulations, the supervisory body should define, according to the applicable legal regime, the monitoring procedures aimed at ensuring the independence of the statutory audit.	Part I, item 38
VII.2.2	Adopted	The supervisory body should be the main interlocutor of the statutory auditor in the company and the first recipient of the respective reports, having the powers, namely, to propose the respective remuneration and to ensure that adequate conditions for the provision of services are ensured within the company.	Part I, item 38
VII.2.3	Adopted	The supervisory body should annually assess the services provided by the statutory auditor, their independence and their suitability in carrying out their functions, and propose their dismissal or the termination of their service contract by the competent body when this is justified for due cause.	Part I, item 38

## EXPLANATION OF RECOMMENDATIONS NOT ADOPTED BELOW

### RECOMMENDATION III.1.

This recommendation states that "Without prejudice to question the legal powers of the chair of the managing body, if he or she is not independent, the independent directors should appoint a coordinator from amongst them, namely, to: (i) act, when necessary, as an interlocutor near the chair of the board of directors and other directors, (ii) make sure there are the necessary conditions and means to carry out their functions, and (iii) coordinate the independent directors in the assessment of the performance of the managing body, as established in recommendation V.1.1."

Given the size and specificities of the company, namely its family nature and concentration of its capital structure, and the total number of non-executive directors and, among them, independent directors, as well as the characteristics and position of the Chairman of the Board of Directors, the company considers that the appointment of a coordinator would be inappropriate and would only aim at the mere formal fulfilment of this recommendation, which the company would not adhere to.

In effect, as has been 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.

This recommendation has therefore not been adopted by the company, although all of its objectives have been met.

#### RECOMMENDATION III.4.

This recommendation states that "Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. (...)."

In the course of the 2020 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 III.4 was not complied with.

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 V.2.3.

This recommendation states that "For each term of office, the remuneration committee or the general meeting, on a proposal from that committee, should also approve the maximum amount of all compensations payable to any member of a board or committee of the company due to the respective termination of office. The said situation as well as the amounts should be disclosed in the corporate governance report or in the remuneration report."

This recommendation is not met because, although it falls within their competence, the Remuneration Committee has not set the maximum amount of all compensation to be paid to the member of any corporate body or committee of the company due to termination of office.

In fact, the Remuneration Committee has never, to date, felt the need to set for itself the aforementioned cap, regardless of the form of termination of employment in question. The specific circumstance to which this limitation relates is not a common one, and when it happens, sensitivity and specificity are always so vast that it cannot fail to impose a case-by-case evaluation, even if it is integrated into the general remuneratory and historically weighted scheme.

However, note that 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 presumably have received through to the end of their term of office.

As for the resignations in 2020 fiscal year, and described in this report, there were no payments arising from the termination of these functions.

#### RECOMMENDATION V.2.8.

This recommendation states that "A significant part of the variable component should be partially deferred in time, for a period of no less than three years, being necessarily connected to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation."

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

"Literature sustains profusely the deferral to a later time of the payment of the variable part of remuneration, which will enable the establishment of a direct link between remuneration and the impact of management on the company over a longer period.

We find the principle generally good, but there are two facts that prevent us from adopting that option for the time being, notwithstanding a specific indicator assessing the medium-term sustainable performance, as mentioned in paragraph 2 in this chapter. The first fact is historical, meaning the practice that has been followed successfully for years without the element of deferral, and the second are prior history of stability of staff in management positions of the company that, inevitably, binds them to a medium and long-term commitment that earnings will continue to condition their remuneration."

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

It should also be noted that the consolidated result of the Semapa exercise has always been repeatedly and consistently very positive, evidencing the sustainability of performance that the Recommendation seeks to caution. It follows from this background that the possible partial deferral, for a period of not less than three years, of the variable remuneration component, would not have had an impact on the right to the variable component by the directors of Semapa.

However, it is important to clarify that Semapa is analysing the model for the deferred payment of the variable part of remuneration with a view to its possible implementation.

#### **RECOMMENDATION V.3.2**

Recommendation V.3.2 states that "The overview and support to the appointment of members of senior management should be attributed to a nomination committee, unless this is not justified by the company's size."

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 present recommendations on the Group's managers.

#### **RECOMMENDATION V.3.3.**

Recommendation V.3.3 states that "This committee includes a majority of non-executive, independent members", referring to the internal committee for the assessment of the performance.

Semapa's Talent Committee consists entirely of non-executive directors, but only one director 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.

### **3. ADDITIONAL INFORMATION**

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

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## ANNEX I

# DISCLOSURES REQUIRED BY ARTICLE 447 OF THE COMPANIES CODE

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(with regard to the financial year of 2020)

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

- Filipa Mendes de Almeida de Queiroz Pereira - 5,488 company shares;
- Mafalda Mendes de Almeida de Queiroz Pereira - 5,888 company shares, and
- Lua Mónica Mendes de Almeida de Queiroz Pereira - 5,888 company shares.

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

- 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.
- Filipa Mendes de Almeida de Queiroz Pereira - 139,800 shares in Sodim, SGPS, S.A.
- Mafalda Mendes de Almeida de Queiroz Pereira - 139,800 shares in Sodim, SGPS, S.A.
- Lua Mónica Mendes de Almeida de Queiroz Pereira - 139,800 shares in Sodim, SGPS, S.A.
- Undivided estate of Pedro Mendonça 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 - 134,422 shares in Sodim, SGPS, 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. - 19.478.903 shares in the company



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

In 2020, SODIM, SGPS, S.A. purchased the following shares in the company:

- On 28 February, 20,000 shares for 11.151 euros per share;
- On 2 March, 45,000 shares for 11.121 euros per share;
- On 4 March, 25,000 shares for 11.551 euros per share;
- On 5 March, 27,269 shares for 11.394 euros per share;
- On 6 March, 47,500 shares for 10.993 euros per share;
- On 9 March, 50,000 shares for 10.319 euros per share; and
- On 29 May, 826,389 shares for 8.45 euros per share.

**5. Transactions in own shares:**

In 2020, Semapa purchased on 20 February, 577,290 shares representing the share capital, at the average price of 12.160 euros.

The purchase of the shares identified before left Semapa owning 1,400,627 own shares, corresponding to 1.723% of its share capital.

In 2020 Semapa did not dispose of any shares in its own capital.

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## ANNEX II

# REMUNERATION POLICY STATEMENT

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Law 28/2009, of 19 June – repealed with effect from the entry into force of Law no. 50/2020, of 25 August –, required the Remuneration Committee to submit each year for the approval of the Annual General Meeting of Shareholders a statement on the remuneration policy for directors and auditors. A proposal was accordingly submitted to shareholders in 2020 at the Annual General Meeting held on 29 May 2020, resulting in approval of a remuneration policy statement as transcribed below:

### **“REMUNERATION POLICY STATEMENT OF THE DIRECTORS AND AUDITORS OF SEMAPA**

#### **I. INTRODUCTION**

The Remuneration Committee of Semapa has been drawing up the remuneration policy statement since 2007, originally in the context of a recommendation from the CMVM, from 2009 according to Law no. 28/2009 of 19 June, and more recently in line with the recommendations of the 2018 Corporate Governance Code of the Portuguese Corporate Governance Institute.

Although the Committee finds that statement stability during the entire mandate period is a good policy, the changes to the legal recommendations followed by Semapa have dictated some changes which, although relevant, have not changed the essence of the options followed.

As is made clear by the several options and explanations that stand out in the text, the end result sought was a reconciliation, on the one hand, of new trends of management remuneration options and, on the other hand, the weight of history, previous options and the specific features of the company.

#### **II. LEGAL FRAMEWORK AND RECOMMENDATIONS**

The framework of this statement is the Law 28/2009 of 19 June mentioned before and the recommendations of the Portuguese Corporate Governance Institute.

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

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

The current recommendations of the Portuguese Corporate Governance Institute make the following requirements:

**V.2.2.** The remuneration committee should approve, at the start of each term of office, execute, and annually confirm the company's remuneration policy for the members of its boards and committees, including the respective fixed components. As to executive directors or directors periodically invested with executive duties, in the case of the existence of a variable component of remuneration, the committee should also approve, execute, and confirm the respective criteria of attribution and measurement, the limitation mechanisms, the mechanisms for deferral of payment, and the remuneration mechanisms based on the allocation of options and shares of the company.

**V.2.3.** The statement on the remuneration policy for the management and supervisory bodies referred to in Article 2 of Law No. 28/2009 of 19 June, shall also contain the following:

- i. The total remuneration amount itemised by each of its components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the company's remuneration policy, including how it contributes to the company's performance in the long run, and information about how the performance requirements were applied;
- ii. The remunerations from companies that belong to the same group;
- iii. The number of shares and options on shares granted or offered, and the main conditions for the exercise of those rights, including the price and the exercise date and any change to such conditions;
- iv. Information on the possibility to request the reimbursement of variable remuneration;
- v. Information on any deviation from the procedures for the application of the approved remuneration policies, including an explanation of the nature of the exceptional circumstances and the indication of the specific elements subject to derogation;
- vi. Information on the enforceability or non-enforceability of payments claimed in regard to the termination of office by directors.

### III. RULES DERIVING FROM LAW AND THE ARTICLES OF ASSOCIATION

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

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

- Powers to fix the remuneration lie with the general meeting of shareholders of a committee appointed by the same.
- The remuneration is to be fixed in accordance with the duties performed and the company's state of affairs.
- Remuneration may be fixed, or may consist in part of a percentage of the profits for the period, but the maximum percentage to be allocated to the directors must be authorized by a clause in the articles of association, and shall not apply to distribution of reserves or any part of the profits for the period which could not, under the law, be distributed to shareholders.

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

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

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

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

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

#### **IV. HISTORICAL FEATURES**

Semapa paid directors variable remuneration for the first time in 2002, and has continued to do so ever since, albeit following different formalities. In some years the payment was made through the deliberate appropriation of earnings directly by the General Meeting and in others the shareholders made no decisions concerning the payable amounts, which were set by the Remuneration Committee in line with the legal, regulatory framework and according to this statement.

The procedure adopted in recent years, and one that has prevailed, entails having the respective amount, and the amounts of the variable remuneration of other staff, expressly included in the proposed distribution of Earnings to be voted by the shareholders.

It should be noted that the appropriation of a percentage of earnings laid down in the Articles of Association is not applied directly, but rather as an indicator and as a statutory limit of amounts which are determined in a more involving process, taking into account the factors set out in the remuneration policy statement in force and the KPIs mentioned below.

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

#### **V. GENERAL PRINCIPLES**

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

##### **a) Duties performed.**

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

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

It should be noted that Semapa's experience has shown that the directors of this company, contrary to what is often observed in other companies of the same type, have not always been neatly split into executive and non-executive. There are a number of directors with delegated powers and who are generally referred to as executive directors, but some of the directors without delegated powers have been closely involved in the life of the company in a variety of ways.

##### **b) The state of the company's affairs.**

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

### c) Market criteria.

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

## VI. COMPLIANCE WITH LEGAL REQUIREMENTS AND RECOMMENDATIONS

Having described the historical background and the general principles adopted, we shall now consider the principles with the relevant legal requirements.

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

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

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

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

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

The variable component of 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 principles - market, specific functions, state of the company -, in particular comparable market circumstances in positions equivalent in function. Another important factor taken into account when setting the targets is Semapa's option not to provide any share or share acquisition option 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 and of the relevant director, which include in particular EBITDA, net revenue and cash flow. One of the EBITDA components is not assessed for the year, but for a theoretical EBITDA established by reference to the medium term plan. An approach was introduced through this specific indicator which already takes into account the company's medium term performance.

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

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

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

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

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

Literature sustains profusely the deferral to a later time of the payment of the variable part of remuneration, which will enable the establishment of a direct link between remuneration and the impact of management on the company over a longer period.

We find the principle generally good, but there are two facts that prevent us from adopting that option for the time being, notwithstanding a specific indicator assessing the medium term sustainable performance, as mentioned in paragraph 2 in this chapter. The first fact is historical, meaning the practice that has been followed successfully for years without the element of deferral, and the second are prior history of stability of staff in management positions of the company that, inevitably, binds them to a medium and long term commitment that earnings will continue to condition their remuneration.

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

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

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

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

#### **6. Recommendations V.2.2. and V.2.3 - Approval of the Remunerations Policy.**

Recommendation V.2.2 provides for the approval of the remuneration policy of the members of the governing bodies at the beginning of their term, implemented and reviewed annually, a practice that is taken up by Semapa. This recommendation and the following then go on to identifying a set of topics to be included in the statement. Some matters mentioned therein have been included in other paragraphs of this statement, while others are included in the Corporate Governance Report that the company publishes every year. For streamlining and simplifying reading for stakeholders, reference will be made herein to all matters, referring to other paragraphs in this statement where necessary and repeating the information found in the corporate governance report, where duplication of information is deemed necessary.

The remunerations specified in this statement refer to the past and not the future.

Concerning fixed remunerations, this committee believes that it is responsible for setting the remunerations, without prejudice to the shareholder participation principle.

The variable component, which this committee is also responsible for setting, is awarded and calculated according to the criteria laid down in paragraph 2 of Chapter VI of this statement. The only mechanism that sets a cap on remuneration is that which results from the fact that the quantitative part of the variable component depends on the KPIs being minimally met. As mentioned before, there is no deferral of payment of the variable remuneration in this company, nor remuneration mechanisms based on stock or acquisition options of the company's own shares.

- (i) The following is the total remuneration of the governing bodies, itemised by different components and the fixed and variable part of remuneration, for 2019, the variable remuneration having been paid in 2019, but concerns performance in 2018:

Board of Directors	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Relative percentage
António Pedro de Carvalho Viana-Baptista	128,305.13	100%	-	-
Carlos Eduardo Coelho Alves	77,825.00	100%	-	-
Filipa Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Francisco José de Melo e Castro Guedes	77,825.00	100%	-	-
Heinz-Peter Elstrodt	347,414.31	100%	-	-
João Nuno de Sottomayor Pinto de Castello Branco	761,199.25	52.50%	688,622.85	47.50%
José Miguel Pereira Gens Paredes	315,969.50	35.75%	567,863.64	64.25%
José Ant3nio do Prado Fay	128,816.00	100%	-	-
Lua M3nica Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Mafalda Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Paulo Miguel Garc3s Ventura	192,012.60	27.24%	512,810.56	72.76%
Ricardo Miguel dos Santos Pacheco Pires	315,969.50	36.17%	557,559.56	63.83%
V3tor Manuel Galv3o Rocha Novais Gon3alves	77,825.00	100%	-	-
V3tor Paulo Paranhos Pereira	128,305.13	100%	-	-
<b>Total</b>	<b>2,784,941.42</b>	<b>-</b>	<b>2,326,856.61</b>	<b>-</b>

NOTE: Figures in Euros

Audit Board	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Relative percentage
Jos3 Manuel Oliveira Vitorino	22,000.00	100%	-	-
Gon3alo Nuno Palha Gaio Pic3o Caldeira	15,999.97	100%	-	-
Maria da Gra3a Torres Ferreira da Cunha	15,999.97	100%	-	-
<b>Total</b>	<b>53,999.94</b>	<b>-</b>	<b>-</b>	<b>-</b>

NOTE: Figures in Euros

The Chairman of the General Meeting only earned a fixed remuneration of 3,000 euros.

Total values were set according to the fulfilment of the principles mentioned before in Chapter V of this statement. On how the remuneration policy contributes to the long-term performance, see paragraphs 1, 2 and 4 of Chapter VI. Performance criteria mentioned in paragraph 2 of Chapter VI was applied mathematically for its quantitative part, and using value assessments conducted by hierarchical superiors and weighed by the Remuneration Committee.

- (ii) Governing bodies are not remunerated in other companies belonging to the same group as Semapa. Note that the group relationship is used in its technical/legal sense, which explains why some events identified in the corporate governance report of Semapa for controlling companies or companies under common control have not been mentioned.

- (iii) The company has no stock or stock acquisition plans, as outlined in paragraph 3 of Chapter VI.
- (iv) There is no mechanism allowing the company to demand refund of the variable remuneration paid.
- (v) There is no removal of the approved remuneration policy implementation procedure.
- (vi) 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 apply here, established in the Companies Code, which regulates the payment to the Directors of any amounts in case of termination of duties before the end of the term of office.

## VII. SPECIFIC OPTIONS

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

1. The remuneration of the executive members of the Board of Directors, as mentioned in paragraph a) of Chapter V, shall comprise a fixed and variable component.
2. The remuneration of non-executive directors shall comprise only a fixed component that may vary due to the piling on of added functions and responsibilities.
3. The fixed component of the remuneration of directors shall consist of an annual amount payable in the year or of a predetermined amount for each meeting of the Board of Directors attended.
4. The procedure for awarding variable remunerations to the executive Directors of the Board, accompanied by the Talent Committee, shall comply with the criteria proposed by the Remuneration Committee, and such remuneration shall not exceed five per cent of the consolidated net profits (IFRS format) as provided by the Articles of Association.
5. In setting all remuneration, including in particular the distribution of the total amount allocated to the variable remuneration of the Board of Directors, the general principles established above shall be observed: the duties performed, the state of the company's affairs and market criteria.
6. The remuneration of the members of the Audit Board and the officers of the General Meeting shall comprise a fixed component only.
7. The fixed remunerations of the members of the Audit Board shall consist in all cases of a fixed annual amount paid in the year.
8. The fixed remuneration of the officers of the General Meeting shall consist in all cases of a predetermined amount for each meeting, the remuneration for second and subsequent meetings being lower than that for the first general meeting of the year.

**Lisbon, 26 March 2020**

### **The Remuneration Committee**

José Gonçalo Ferreira Maury  
João Rodrigo Appleton Moreira Rato  
João do Passo Vicente Ribeiro"



## ANNEX III

# DECLARATION REQUIRED UNDER ARTICLE 245(1)(C) OF THE SECURITIES CODE

Article 246.1 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 245.1 c) of the Securities Code that, to the best of my knowledge, the management report, annual accounts, legal accounts certificate and other financial statements of Semapa Sociedade de Investimento e Gestão, SGPS, S.A., for the financial year of 2020, 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 Antônio do Prado Fay	Chairman of the Board of Directors
João Nuno de Sottomayor Pinto de Castello Branco	Member 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
António Pedro de Carvalho Viana-Baptista	Member of the Board of Directors
Carlos Eduardo Coelho Alves	Member of the Board of Directors
Filipa Mendes de Almeida de Queiroz Pereira	Member of the Board of Directors
Francisco José Melo e Castro Guedes	Member of the Board of Directors
Lua Mónica 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
Vítor Manuel Galvão Rocha Novais Gonçalves	Member of the Board of Directors



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Company Registration and Corporate Taxpayer Number: 502 593 130 | Share Capital: EUR 81 270 000  
ISIN: PTSEM0AM0004 | LEI: 549300HNGOW85KIOH584 | Ticker: Bloomberg (SEM PL); Reuters (SEM.LS)

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