

CORPORATE GOVERNANCE REPORT

_2022



MAKING IT BETTER

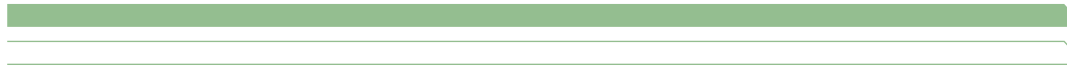


SEMAPA

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Part I

Information on Capital Structure, Organization and Corporate Governance

A. CAPITAL STRUCTURE

I. CAPITAL STRUCTURE

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

Semapa has a share capital of € 81,270,000, represented by a total of 81,270,000 shares without nominal value. All shares are ordinary, 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 under item 7 below.

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

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

3. Number of own shares, corresponding percentage of share capital and percentage of voting rights which would correspond to own shares (Article 245-A.1.a³)).

On 31 December 2022, Semapa held 1,400,627 own shares, corresponding to 1.723% of its share capital. If the voting rights were not suspended, the percentage of voting rights would be the same as the percentage of the total capital.

4. Significant agreements to which the company is party and which take effect, are amended or terminate in the event of a change in the control of the company as a result of a takeover bid, together with the respective effects, unless, due to its nature, disclosure of such agreements would be seriously detrimental to the company, except if the company is specifically required to disclose such information by other mandatory provision of law (Article 245-A.1.j⁴)).

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

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

¹ Corresponds to current Article 29-H.1. a) of the Securities Code.

² Corresponds to current Article 29-H.1. b) of the Securities Code.

³ Corresponds to current Article 29-H.1. a) of the Securities Code.

⁴ Corresponds to current Article 29-H.1. j) of the Securities Code.

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

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

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

On 31 December 2022, there are no Shareholders' Agreements known to the company which could lead to restrictions on the transfer of securities or voting rights.

II. HOLDINGS OF SHARES AND BONDS

7. Identification of persons and organizations who, directly or indirectly, own qualifying holdings (Article 245-A.1.c and d)⁶ 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 2022, as provided for in the legislation in force at the time, are identified in the following table:

Entity	Number of Shares	% share capital and voting rights	% non-suspended voting rights
Sodim, SGPS, S.A.	27,508,892	33.849%	34.442%
Cimo - Gestão de Participações, SGPS, S.A.	38,959,431	47.938%	48.779%
Total:	66,468,323	81.787%	83.221%

The voting rights relating to Sodim and Cimo are allocated on the basis of direct ownership of the shares and a controlling relationship of Sodim over Cimo.

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

This information is provided in Annex I to this Report.

9. Special powers of the management board, in particular concerning resolutions to increase capital (Article 245-A.1.i⁷), indicating, with regard to these, the date on which they were granted, the period during which such powers may be exercised, the upper limit for the increase in share capital, shares already issued under the powers granted and the form taken by these powers.

In the terms of the Articles of Association, the Board of Directors has no 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 that took place in 2022 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 Separate financial statements. In 2022, 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.

⁵ Corresponds to current Article 29-H.1. g) of the Securities Code.

⁶ Corresponds to current Article 29 -H.1.c) and d) of the Securities Code.

⁷ Corresponds to current Article 29-H.1. i) of the Securities Code.

B. CORPORATE BODIES AND COMMITTEES

I. GENERAL MEETING

A) COMPOSITION OF THE GENERAL MEETING

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

The officers of the General Meeting are:

CHAIRMAN:

Rui Manuel Pinto Duarte (term of office from 27/05/2022 to 31/12/2024). The position of Chairman of the General Meeting was vacant from 10 June 2021 to 27 May 2022 due to the passing of the former Chairman of the General Meeting.

SECRETARY:

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

B) EXERCISE OF VOTING RIGHTS

12. Any restrictions on voting rights, such as limitations on the exercise of voting rights based on the ownership of a given number or percentage of shares, time limits for exercising voting rights or systems for detaching voting rights from ownership rights (Article 245-A.1.f⁸);

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

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

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

- i. Shareholders with voting rights may participate in the General Meetings, and the participation in the General Meetings and the exercise of the voting rights depend on the proof of the status of shareholder with the right to vote at 00:00 (GMT) on the 5th trading day prior to the General Meeting;
- ii. Voting rights may be exercised by postal vote or electronically, and it is the responsibility of the Chairman of the General Meeting to verify its authenticity and orderliness and ensure its confidentiality until the moment of voting, observing the following:
 - a) Voting declarations must be addressed to the Chairman of the General Meeting, and received at the registered office by the day prior to the General Meeting;
 - b) In the case of exercise of the voting right electronically, the email message addressed to the Chairman of the General Meeting must contain, as an attachment, a document in PDF format, signed in accordance with the signature on a valid identification document of the respective holder, containing the declarations of vote relating to each of the items on the agenda as well as a copy of the holder's identification document. The Chairman of the General Meeting may establish, in the convening notice of the meeting in question, a regime different from that established in this paragraph, which ensures equivalent security and reliability;

⁸ Corresponds to current Article 29-H.1. f) of the Securities Code.

- c) In the case of exercise of the voting right by postal mail, the envelope must contain a letter addressed to the Chairman of the General Meeting, duly signed in accordance with the signature on a valid identification document of the respective holder and containing the declarations of vote relating to each of the items on the agenda, as well as a copy of the holder's identification document;
 - d) The votes cast by these means will be computed together with the votes that may be expressed at the General Meeting, being considered as votes against motions submitted subsequent to their being cast.
- iii. The General Meeting may be held by telematic means, whenever this proves to be appropriate and convenient, provided that the Chairman of the General Meeting confirms that, for the purposes of holding the General Meeting, the respective means, the authenticity of the declarations and the security of communications are ensured, with the Company proceeding with the registration of its content and the respective participants.

At the Company's Annual General Meeting held on 27 May 2022, when the new bylaws identified above were adopted, the bylaws previously in force were applied, which - *although they did not specifically regulate voting by electronic means* - authorised the regulation of other ways of exercising voting rights other than a paper format, provided they also ensured the authenticity and confidentiality of the votes up to voting time, having some shareholders exercised their voting rights by electronic means under that authorisation.

Whereas until now no shareholders requested or showed interest in participating in the General Meetings by telematic means and also considering the costs and administrative burden involved in the preparation of a remote meeting and installation of a system enabling remote attendance of the meetings, the company's General Meetings in 2022 was held in person, benefiting from extended disclosure deadlines and flexible participation requirements.

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



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

A) COMPOSITION

15. Identification of the governance model adopted.

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

16. Rules in the Articles of Association on procedural and material requirements applicable to the appointment and substitution of members, as the case may be, of the Board of Directors, the Executive Board of Directors and the General and Supervisory Board (Article 245-A.1.h⁹). Policy of diversity.

Currently, Semapa's Articles of Association set no special rules on the appointment and replacement of directors, therefore the general supplementary rules set by the Companies Code apply here, *i.e.* shareholders have the power to appoint the directors (and the supervisory body). However, the company does disclose on the company's [website](#)¹⁰ its Principles of Diversity, 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	50.00%
	50-65	37.50%
	>65	12.50%
Gender	Female	37.50%
	Male	62.50%
Education	Econ./Manag.	37.50%
	Engineering	25.00%
	Applied Mathematics	12.50%
	Non graduate	25.00%
Professional background	Professional experience abroad	37.50%
	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 potential 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 2022 the 2023 Plan for Equality, reflecting changes to the 2022 Plan for Equality adopted in 2021. Semapa communicated the Plan to the CMVM, and also published it on its [website](#)¹¹.

⁹ Corresponds to current Article 29-H.1. h) of the Securities Code.

¹⁰ <https://www.semapa.pt/en/governo/principiosdiversidade>

¹¹ <https://www.semapa.pt/en/sustentabilidade/planoparaigualdade>

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 of three to fifteen directors appointed each for a three-year term as set forth in the bylaws amended in 2022.

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

Members of the Board of Directors	Date of first appointment and end date of term of office
José Antônio do Prado Fay	2018-2024
Ricardo Miguel dos Santos Pacheco Pires	2014-2024
Vítor Paulo Paranhos Pereira	2014-2024
António Pedro de Carvalho Viana-Baptista	2010-2024
Carlos Eduardo Coelho Alves	2015-2021
Filipa Mendes de Almeida de Queiroz Pereira	2018-2024
Francisco José Melo e Castro Guedes	2001-2021
Lua Mónica Mendes de Almeida de Queiroz Pereira	2018-2024
Mafalda Mendes de Almeida de Queiroz Pereira	2018-2024
Paulo José Lameiras Martins	2022-2024
Vítor Manuel Galvão Rocha Novais Gonçalves	2010-2021

On 3 November 2021, the Board of Directors of Semapa appointed Director Ricardo Miguel dos Santos Pacheco Pires as CEO of Semapa, with effect from 1 January 2022.

At the Annual General Meeting held on 27 May 2022, José Paulo Lameiras Martins was appointed for the first time as a director for the term of office 2022/2024, where all members of the Board were reconducted, excluding Carlos Eduardo Coelho Alves, Francisco José Melo e Castro Guedes and Vítor Manuel Galvão Rocha Novais Gonçalves, who resigned on that date.

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

The executive members of the Board of Directors are those who belong to the Executive Board, as per paragraph 28 below, the others being non-executive.

In fiscal year 2022, the company's Board of Directors had ten members, until May 27, and eight members, from that date until December 31, and two thereof were members of the Executive Board in the year. Since the number of non-executive directors in 2022 accounted for 80% to 75% of the members of the Board of Directors, we consider this proportion to be appropriate considering the size of the company and the complexity of the risks inherent to its activity, and sufficient to 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, as well as 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.

Of the non-executive members who held office in 2022 financial year, the following may be regarded as independent, in light of the criteria set out in the corporate governance code adopted: Carlos Eduardo Coelho Alves and Paulo José Lameiras Martins, despite the commercial relationship between Semapa and Haitong Bank, entity in which the latter performs non-executive management duties in Haitong Bank, which is not considered to be significant, as they are not related to any specific group with interest in the company, nor are they under any circumstance likely to affect an exempt analysis or decision.

On the other hand, Director Francisco José Melo e Castro Guedes was not classified as independent as he is a member of the Board of Directors since 2001. Directors José Antônio do Prado Fay, Filipa Mendes de Almeida de Queiroz Pereira, Mafalda Mendes de Almeida de Queiroz Pereira and Lua Mónica Mendes de Almeida de Queiroz Pereira were not qualified as independent in light of the mentioned criteria, since they were also members of the Board of Directors of companies owning qualified holdings in Semapa in 2022. Director Vitor Manuel Galvão Rocha Novais Gonçalves has not been classified as independent in light of the above-mentioned applicable criteria, since he was director of a company controlling Semapa, and received remuneration for his office. Finally, 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.

Thus, in the course of the 2022 financial year, the Board included, at any given time, 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 effective 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, the independent judgement and 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.

JOSÉ ANTÔNIO DO PRADO FAY

José Fay has a degree in Mechanical Engineering from the Rio de Janeiro Federal University and he attended a specific post-graduate course in Equipment Engineering at Coppe/Petrobras (Coordination of Graduate Studies and Engineering Research). He initiated his professional activity at Copesul in 1978, where he was manager of the engineering sector until 1986. From 1986 to 1988 he was 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 Perdigão, S.A. in 2006, acting as Chairman of that company in 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 a Senior Advisor at Mckinsey & Co. until 2020. Since 2020 he holds office as Chairman of the Board of Directors of Semapa, Sodim and other related companies in the group. He is also member of the Boards of Directors of São Salvador Alimentos, S.A. and of Superbac Biotechnology Solutions.

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 several M&A and capital market projects in the Energy, Paper and Pulp and Food & Beverages sectors. He works 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 CEO of the company since 2022, also holding positions in other related companies. Since 2015, he has been non-Executive Director of The Navigator Company and Secil, and in 2022 was appointed Chairman of the Board of Directors of both companies. He was appointed CEO of Semapa Next in 2017, and in 2022 he took duties as Chairman of the Board of Directors of that company. He is also Chairman of the Board of Directors in the ETSA Group since 2020. From 2020 to 2022 he lectured in the Master in Finance of Universidade Católica de Lisboa.

VÍTOR PAULO PARANHOS PEREIRA

Vitor Paranhos Pereira holds a degree in Economics by Universidade Católica Portuguesa and attended AESE (Universidade de Navarra). He began his professional activity in 1982 at the company Gaspar Marques Campos Correia & C^a. Lda. as Financial Director until 1987. From 1987 to 1989 he was Deputy Financial Director of the Instituto do Comércio Externo de Portugal (ICEP). Vitor Pereira joined the group in 1989 as Financial Director of Sodim, and in 2009 he became member of the Board of Directors of that company until May 2018, and afterwards from March 2020 to the present date. He also holds directorships in several companies related to Sodim, namely Hotel Ritz since 1998. From 2001 to 2016, he was Director of the Hotel Villa Magna. He is director of Sonagi since 1995, where he has served as Chairman of the Board of Directors since June 2020. He was appointed director of Refundos in 2005, where he has served as Chairman of the Board of Directors from 2018 to May 2020. From 2006 to 2015 he was Chairman of the Audit Board of the 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 was Chairman of the General Meeting of the *Associação Portuguesa de Fundos de Investimento, Pensões e Patrimónios* (APPFIPP). He has served as member of the Audit Board of Eurovida – Companhia de Seguros, S.A. and Popular Seguros – Companhia de Seguros, S.A. from 2009 to 2018. In 2014 he was appointed member of the Board of Directors of Semapa. He has held office as Executive Director of Semapa and other related companies since March 2020, and since 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 Economics, a post-graduate degree in European Economy and holds an MBA (INSEAD). From 1984 to 1991, he was Principal Partner at Mckinsey & Co. and, between 1991 and 1998, Director of 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 the office of Non-Executive Director of Jasper Inc, California until 2016, of Abertis, S.A. from 2017 to 2018 and of Atento, S.A. from 2018 to 2021. He is currently Executive Director of Alter Venture Partners G.P., SARL, and also Non-Executive Director of Jerónimo Martins, S.A. and Azora Capital S.L. He has been Non-Executive Director of Semapa since 2010.

CARLOS EDUARDO COELHO ALVES

Carlos Alves has a degree in Mechanical Engineering from Instituto Superior Técnico and 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 Cometna – 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, holding 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 was Non-Executive Director of Semapa from November 2015 to May 2022. He has been 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 Director of Sodim (the controlling company of Semapa) since 2014, also integrating the Board of Directors of Semapa and Hotel Ritz, since 2018.

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 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 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 and, from 2001 to June 2020, he was a Board member at Secil. From 2001 to June 2022 he occupied Management positions at Semapa, having carried out Executive positions from 2001 to 2014 at Semapa and other related 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 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, London Business School and Harvard Business School and has been involved in the development of projects in Real Estate. She has been 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 Head of Corporate Finance 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, he was Director of SGC Comunicações at the SGC Group, in charge of International Business Development. He is currently Director of Zoom Investment and The Navigator Company, among others. He was a director of Semapa from 2010 to 2022.

PAULO JOSÉ LAMEIRAS MARTINS

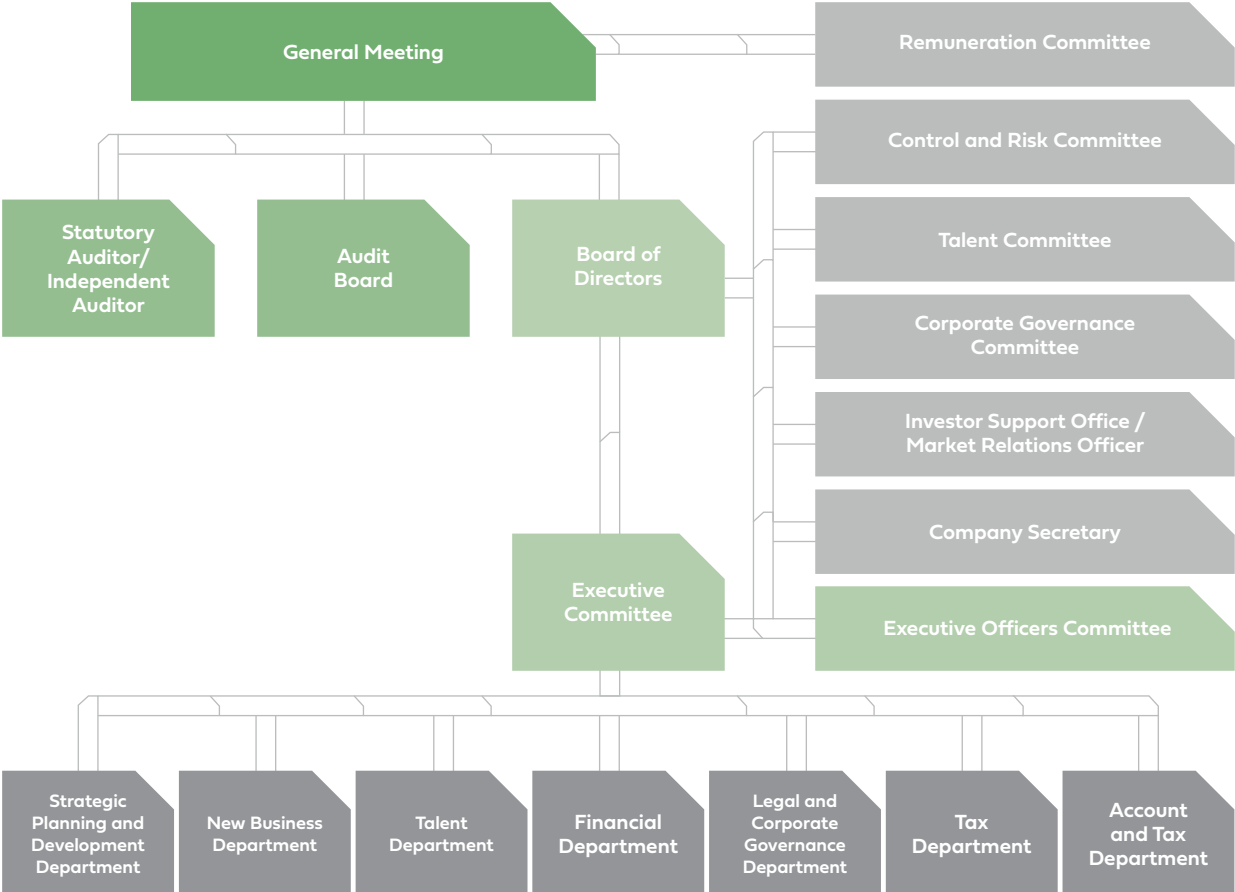
Paulo Lameiras Martins has a degree in Industrial Production Engineering from Universidade Nova, a post-graduate degree in Management and attended the International Directors Program (INSEAD). He has a long career in Investment Banking. He has been member of the Board of Directors of several banks and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

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

Besides the directorships held by several Directors in Sodim and Cimo, as companies which own qualifying holdings in Semapa, 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, directly and indirectly through companies controlled by them, and as heirs to the undivided estate of Pedro Mendonça Queiroz Pereira in Sodim, 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 as at 31 December 2022:



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

Tight coordination and contact were guaranteed through close cooperation between the Chairman and the members of the Executive Board, in particular the CEO Ricardo Pires, through the availability of the members of the Executive Board to convey all relevant, 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 convened for all strategic decisions regarded as especially important, even if they fall within the scope of the general powers delegated.

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

An Executive Officers Committee was set up with effect from 1 January 2022, to assist the Executive Board within the scope of the respective delegated powers and, in particular, with the competences referred to in paragraph 29. of this report.

In order to assure that information is communicated on a regular basis, the Executive Board also sends to the Audit Board the notices and minutes of the meetings of the former. The remaining committees and corporate governing bodies also ensure information flows in a timely and appropriate manner and in accordance with their respective operating regulations, by disclosing 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 2022, although duties and responsibilities were not rigidly compartmentalised within the Executive Board, the distribution of functions was as follows:

- 1st** Strategic development and planning and investment policy, management control, information technologies, legal, corporate governance, human resources and talent management, which are the responsibility of the CEO Ricardo Miguel dos Santos Pacheco Pires.
- 2nd** Financial, accounting and audit, taxation and sustainability, which are the responsibility of the Director Vítor Paulo Paranhos Pereira

Regarding strategic planning, 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 participate in the definition, 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.

Within the scope of strategic planning and main policies, the company sought to incorporate and put into practice its Strategic Principles, which are as follows:

- i.** Grow, creating value for the shareholder with a view to sustainable development and a high level of social awareness;
- ii.** Promote the development of surrounding communities;
- iii.** To develop its Human Resources, providing them with attractive career opportunities in accordance with the ambition and skills demonstrated; and
- iv.** Be on the lookout for business opportunities, undertaking acquisitions that generate value.

The Semapa Group has a management approach based on the principles of ethics, integrity and honesty in internal and external relationships and in the performance of activities that integrate all stages of the value chain. Its activities are governed by internal policies such as the Code of Ethics and Conduct, the Human Rights Policy, the Corruption Prevention Policy, the Policy on the Prevention of Money Laundering and Terrorist Financing, the Tax Policy, the Code of Good Conduct for Preventing and Combating Harassment and the Annual Plan for Equality, as well as established mechanisms and procedures for reporting irregularities and preventing conflicts of interest.

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, and under the logic of value creation seeking to act positively on the environment, society and governance in general.

The society has established the following five drivers for action or Capitals:

1st. Financial capital (Chapter 4.1 of the Annual Report):

Semapa is responsible for investment in key sectors of the national and international economy, seeking to balance the demands of creating value for shareholders with the principles of sustainable development and, in this way, generating value for its different *stakeholders*. Sustainable value creation is a material topic which is reflected across the different activities undertaken both by Semapa *Holding* and its subsidiaries.

The way the Group creates and distributes economic value along the value chain reflects its meaningful impacts on society and the way it impacts the lives of thousands of people, illustrated through the monetary value added to local economies through the generation of products and services, payment for capital services, salaries, taxes, community investment, among others.

The Group's companies have taken important steps in sustainable finance, by seeking financing options directly linked to compliance with sustainable development objectives or ESG – Environmental, Social and Governance-performance indicators.

Semapa's duty is to manage the risks inherent to its business and also to monitor the context and manage the risks to which its Subsidiaries are exposed. Semapa has an agile and robust risk control and management system in place to respond to the different businesses, geographies, and risk situations to which the Group is exposed.

2nd. Natural capital (Chapter 4.2 of the Annual Report):

The Semapa Group is committed to reducing its environmental footprint by acting responsibly, promoting the efficient use of resources, reducing pollution to a minimum, protecting biodiversity and ecosystems, and fostering the development of new products and solutions. This commitment underpins key business issues, namely climate change and energy, water management, circular economy, biodiversity conservation and ecosystem services.

Climate change is currently one of the most important matters in society, in which the industry sector, as one of the main contributors to greenhouse gas emissions (GHG), is pivotal, after the energy and logistics sectors. The decarbonisation of the Semapa Group's industrial processes is founded on the implementation of measures concerning the incorporation of energy from renewable sources and alternative fuels, promoting energy and resource efficiency. In many cases it also involves the implementation of R&D projects for the development of new low carbon products and processes.

Water is an essential resource for several stages in the industrial processes of the Semapa Group's subsidiaries. Given the volumes of water used and the prospects of water shortage in the natural environment, both in terms of quantity and quality, the Group is committed to reducing water usage and ensuring that its activities do not constitute an additional risk factor *per se* for the environment and surrounding communities. Considering the significant impact on this resource, water abstraction and the discharge of industrial effluents by subsidiaries are covered by licences in this area. Consequently, the subsidiaries take measures to reduce their intake of water and increase the quality of treated effluents, hereby helping to optimise the circularity of this natural resource.

As this is mostly an industrial Group, its subsidiaries seek to promote circularity in order to obtain efficiency gains in the consumption of resources and in leveraging new products and services, which lead to economic gains.

The genetic diversity of species of fauna and flora and the relationships between them are basic elements for the balance of nature and ecosystems. Healthy ecosystems produce a wide range of services that support the raw material and services essential to human life and activities, positively influencing the well-being, health and wealth creation of communities. Furthermore, biodiversity conservation activities are an important ally in mitigating and adapting to the effects of climate change – relevant to the Group companies.

3rd. Human capital (Chapter 4.3 of the Annual Report):

Essential for the pursuit of the Group's mission, vision and strategy, human capital is a key asset, resulting in the investment in developing an attractive project for Employees and providing them with an experience of permanent career opportunities and enhancement in line with their aspirations and proven skills.

The Group companies seek to recognise and value merit, encourage internal growth and the development of skills throughout the career, as well as to boost employee engagement and motivation. Employee training is of strategic importance to the Group, which invests in training plans for the development of 'Employees' technical and personal skills.

The Group directs efforts towards engagement mechanisms and internal communication as fundamental tools for establishing an open dialogue and a close relationship with Employees, with a view to convey internal values and culture, fostering team spirit and corporate identity.

The industrial nature of most of the Group companies' business entails potentially significant risks to the health and safety of its Employees, which may lead to work accidents and the development of occupational diseases. Because of this reality, the Group seeks to create safe working conditions, with an eye on prevention and training, as part of the development of a culture of health and safety at work. Due to its impact on people's lives and the loss of productivity and other costs that it entails, "Health, Safety and Welfare at Work" is a matter that Semapa Group takes very seriously.

4th. Social capital (Chapter 4.4 of the Annual Report):

Helping to develop its local communities is a guiding principle of the Semapa Group's activities. It is worth noting that the involvement with the communities is also based on a proximity approach, strengthening a relationship of trust and reinforcing the social licence to operate in the different subsidiaries.

On the other hand, and as heir to the long business tradition of philanthropy and patronage of the Queiroz Pereira Family – *its major shareholder* – the Semapa Group develops and supports projects under its social corporate responsibility, either through the Nossa Senhora do Bom Sucesso Foundation and through its companies, in alignment with the United Nations' Sustainable Development Goals (SDGs). These actions are ultimately aimed at improving the quality of life of communities and environmental preservation.

5th. Intellectual capital (Chapter 4.5 of the Annual Report):

The Semapa Group invests in Research, Development and Innovation activities as a way to ensure new frontiers of business profitability, increasing process efficiency and creating innovative products. All of the Group's business segments with own RD&I are aligned, in view of guaranteeing scientific and technological knowledge production while maintaining competitiveness in various sectors.

In order to leverage their Research, Development and Innovation activities, the Group companies participate in work networks and consortia for applying for funds and external funding programmes (national and international), in addition to their own investment in this area.

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) Without prejudice to the limits provided in sub-paragraphs d) to f) below, to negotiate and resolve to enter into any commercial or civil contract, by public or private act, on the terms and conditions it deems most appropriate, and to 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 transactions in bank accounts, in all the legally admissible forms;
- d) To negotiate and resolve to enter into and amend loan agreements, with financial institutions or other entities, including the provision of the respective guarantees in cases where the law permits such delegation, all on the terms it sees fit, up to an accumulated amount of € 50,000.000.00 (fifty million euros), per year, and provided that the ratio "Net Debt (excluding the effect of IFRS 16) / EBITDA", calculated through the consolidated accounts of the previous year, does not exceed 2.5 (two and a half) times the limits set out in the final part of this sub-paragraph are not applicable to the renewal of bank overdraft and current account credit facility agreements up to an accumulated amount of € 10,000,000.00 (ten million euros) per year;
- e) To resolve on the acquisition, sale and encumbrance of assets of all kinds, up to the amount of € 5,000,000.00 (five million euros) per operation, on the terms and conditions it sees fit, negotiating and resolving on the conclusion for such purposes, by public or private document, of any contract, and carrying out any accessory or complementary acts which may be necessary for the performance of these contracts;
- f) To resolve to acquire, dispose of and encumber interests in other companies up to € 10,000,000.00 (ten million euros) per year, in the terms and conditions it sees fit, negotiating and resolving on the conclusion for such purposes, by public or private document, of any contractual instrument, and carrying out any accessory or complementary acts which may be necessary for the performance of these contracts;
- g) To 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;
- h) To draft the company reports, balance sheets, financial statements and proposals for allocation of profits;
- i) To take all steps necessary or appropriate in connection with the company's labour relations with its employees, namely hiring, dismissing, transferring, defining terms of employment and wage, and revising and amending the same;
- j) To resolve on the representation of the company before any court, mediation or arbitration body, taking all decisions as may be necessary or appropriate in connection with any proceedings pending or upcoming, namely to withdraw, confess or settle;
- k) To appoint attorneys for the company within the powers delegated to it;
- l) To take all steps necessary or appropriate in connection with existing or planned issues of bonds and commercial paper, including the actual decision to issue; and
- m) In general, to carry out all acts of day-to-day management in the company, except for those which cannot be delegated under Article 407.4 of the Companies Code.

The Executive Board is barred from resolving on the following:

- 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, spin-off or transformation of the company.

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

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

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 paragraph 29 of this report.

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

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

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

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

The **Remuneration Committee** draws up the remuneration policy for the members of the Board of Directors and Audit Board, conducts analyses and determines the remuneration of Directors, in close collaboration with the Talent Committee.

The **Strategic Planning and 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.

As for the **New Business Department**, it is responsible for identifying and researching new business opportunities towards their implementation.

The **Talent Department**, whose Director is part of Semapa's Executive Officers Committee, is primarily responsible for submitting the Talent Management Policies for Semapa and ensuring their implementation, guaranteeing that Semapa has a solid value proposition as an employer, in order to ensure the attraction and retention of the best talents, offering an experience with positive effects for the Employee.

In this context, it covers all processes in an Employee's life cycle (attraction, integration, development, mobility, evaluation and monitoring of *alumni*), supporting management at each of these moments.

It is also in charge of promoting Semapa's Culture in all of its dimensions, ensuring close internal communication and holding events that reinforce the desire to be Simple, Close and Empowered.

At a corporate level, the Talent Department advises on processes concerning:

- > The appointment of executive directors and members of other bodies and committees;
- > The succession plans for executive directors, and
- > The design of Evaluation and Compensation Policies and their enforcement in relation to executive directors.

Furthermore, it designs and implements development programmes for certain segments, namely front-line Managers and young talents.

The **Financial Department** is primarily engaged in financial management and planning.

The **Legal and Corporate Governance Department** provides the company with legal advice and is in charge of legal compliance and corporate governance related matters in order to assure that procedures and proceedings comply with the relevant legislation.

The **Tax Department**, provides tax advice, ensuring compliance with the applicable legislation and preventing unlawful fiscal planning.

Finally, the **Accounting and Tax Department** is mainly responsible for rendering the Company's accounts and complying with its tax obligations.

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, with the help of the respective departments and services helping drawing up, processing and disclosing 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 Board also establishes, in particular, mechanisms that ensure, within the limits of the legislation and applicable regulations, access of its members to Employees of the company and to all information required for assessing the Company's performance, status and development prospects, including, and without limitation, minutes, documentation supporting the decisions taken, notices and files of the meetings of the Board of Directors and its Executive Board, without prejudice to having access to other documents or persons to request clarifications.

The activities conducted by Semapa are aligned with responsible business practices, guided by the values of Entrepreneurship, Innovation and Social and Environmental Awareness, which form the basis of the various policies, codes and regulations that ensure high standards of behaviour, of which we highlight the following:

- > Code of Ethics and Conduct;
- > Human Rights Policy;
- > Code of Good Conduct for Preventing and Combating Harassment at Work;
- > Corruption Prevention Policy;
- > Policy for the Prevention of Money Laundering and Terrorist Financing, and
- > Fiscal Policy.

Sound policies and regulations, and monitoring of the areas that pose the greatest risk, have supported the prevention and combat of any type of corruption, and other illegal behaviour, also reinforcing the company's commitment to human rights and the other principles and rules contained in these policies and regulations, which provide the benchmark for its actions and include its commitment to sustainable development and responsible business conduct.

B) FUNCTIONING



GRI 2-18

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's [website](#)¹² where they may be found.

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

The Board of Directors met 13 times in 2022, and attendance by each member (either physical or through telematic means) was as follows:

Members of the Board of Directors	Members present (%)	Members present and represented (%)
José António do Prado Fay	100%	100%
Ricardo Miguel dos Santos Pacheco Pires	100%	100%
Vítor Paulo Paranhos Pereira	100%	100%
António Pedro de Carvalho Viana-Baptista	92%	92%
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%
Paulo José Lameiras Martins	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 their duties.

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

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

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

¹² https://www.semapa.pt/sites/default/files/participacoes/Regulamento_CA_EN.pdf

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

Consequently, in 2022 and in relation to the 2021 financial year, the Talent Committee convened and gave its opinion on the individual performance assessment proposals for the members of the Executive Board, Ricardo Pires and Vítor Paranhos Pereira issued by the respective CEO, and the performance proposals of the Chairman of the Board of Directors for the CEO, João Castello Branco, communicating his opinion to the Remuneration Committee. Such assessment proposals are based on executive director performance assessment criteria applied by Semapa, as described in detail in paragraph 25.

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, including the Executive Board, taking into account the implementation of the company's strategic and budget plans, risk management, the internal functioning and the contribution of each member to these objectives, as well as the relationship with the company's other bodies and committees. The Talent Committee monitors the overall assessment of the Board of Directors' performance, as provided by its regulation.

The assessment of the performance of the executive directors and the self-assessment of the performance of the Board of Directors and its committees in 2021 were conducted in 2022, and the relevant performances in the 2022 financial year will be assessed in 2023, as described above.

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

The criteria for assessing the performance of executive directors in force from 2021 to 2024 is the criteria defined in paragraph 7 of chapter IV of the Remuneration Policy Statement for setting the variable remuneration component. Such criteria is met through a system of quantitative and qualitative KPIs of the company's performance (general business indicators weighing 65%) and of the relevant director (specific objectives weighing 20% and behavioural indicators, accounting for 15% of the total score). The general business indicators include, in particular, EBITDA, net profit, cash flow, and Total Shareholder Return vs. Peers, while the behavioural skills include the alignment of each director with the long-term interests and the sustainability of the company.

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 out 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 paragraph 19, the members of the Board of Directors occupy the positions detailed below:

JOSÉ ANTÔNIO DO PRADO FAY

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

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

Office held in other companies:

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

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 ¹³
APHELION, S.A.	Chairman of the Board of Directors
BIOLOGICAL - Gestão de Resíduos Industriais, Lda.	Manager ¹⁴
ETSA LOG, S.A.	Chairman of the Board of Directors ¹⁵
ETSA - Investimentos, SGPS, S.A.	Chairman of the Board of Directors
I.T.S. - Indústria Transformadora de Subprodutos, S.A.	Chairman of the Board of Directors ¹⁶
SEBOL - Comércio e Indústria de Sebo, S.A.	Chairman of the Board of Directors ¹⁷
SEMAPA Inversiones, S.L.	Director
SEMAPA NEXT, S.A.	Chairman of the Board of Directors ¹⁸

Office held in other companies:

CIMO - Gestão de Participações, SGPS S.A.	Director
PYRUS AGRICULTURAL LLC	Director
PYRUS INVESTMENTS LLC	Director
PYRUS REAL ESTATE LLC	Director
SECIL - Companhia Geral de Cal e Cimento, S.A.	Chairman of the Board of Directors ¹⁹
SODIM, SGPS, S.A.	Director
THE NAVIGATOR COMPANY, S.A.	Chairman of the Board of Directors ²⁰
UPSIS, S.A.	Director

VÍTOR PAULO PARANHOS PEREIRA

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

APHELION, S.A.	Director
SEMAPA Inversiones, S.L.	Chairman of the Board of Directors
SEMAPA NEXT, S.A.	Director ²¹

Office held in other companies:

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

¹³ In office until 27 May 2022.

¹⁴ In office until 27 May 2022.

¹⁵ In office until 27 May 2022.

¹⁶ In office until 27 May 2022.

¹⁷ In office until 27 May 2022.

¹⁸ Appointed Chairman of the Board of Directors on 1 January 2022.

¹⁹ Appointed Chairman of the Board of Directors on 1 January 2022.

²⁰ Appointed Chairman of the Board of Directors on 1 January 2022.

²¹ Appointed Member of the Board of Directors on 1 December 2022.

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 ²²
AZORA CAPITAL S.L.	Director
JERÓNIMO MARTINS SGPS, S.A.	Director

FILIPA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

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

Office held in other companies:

ABSTRACTREASON, LDA.	Manager
BESTWEB, Prestação de Serviços e Consultoria Informática, Lda	Manager
CAPITAL HOTELS – Sociedade de Investimento e Gestão S.A.	Chairman of the Board of Directors
CIMO – Gestão de Participações, SGPS S.A.	Director
FUNDAÇÃO NOSSA SENHORA DO BOM SUCESSO	President of the General Council
HOTEL RITZ, S.A.	Director
LAGUM – Sociedade Imobiliária, Lda.	Manager
TARGET ONE CAPITAL, S.A.	Sole Director ²³
SODIM, SGPS, S.A.	Director
ABELAR CAPITAL, Lda. ²⁴	Manager
PREMIUM PECULI, S.A. ²⁵	Director ²⁶

LUA MÓNICA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

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

Office held in other companies:

CIMO – Gestão de Participações, SGPS S.A.	Director
ECO MALHADA, Lda.	Manager
SODIM, SGPS, S.A.	Director
PREMIUM CAELI, S.A.	Sole Director ²⁷
PREMIUM PECULI, S.A. ²⁸	Chairman of the Board of Directors ²⁹

22 Ceased functions on 30 June 2022.

23 Start of the term of office on 17 May 2022.

24 Previously called Realtraje, Lda.

25 Formerly known as Representações Carvalhal, S.A.

26 Ceased functions on 17 May 2022.

27 Start of the term of office on 17 May 2022.

28 Formerly known as Representações Carvalhal, S.A.

29 Until 17 May 2022 she held the position of Member of the Board of Directors, having been appointed Chairman of the Board of Directors thereafter.

MAFALDA MENDES DE ALMEIDA DE QUEIROZ PEREIRA

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

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

Office held in other companies:

CIMO – Gestão de Participações, SGPS S.A.	Director
KEYTARGET INVESTMENTS - Consultoria e Investimentos, S.A.	Sole Director ³⁰
MONTE DA PRAIA RECURSOS NATURAIS, S.A.	Director
SOCIEDADE AGRÍCOLA da HERDADE dos FIDALGOS, Unip., Lda	Manager
SODIM, SGPS, S.A.	Director
SONAGI, SGPS, S.A.	Director
PREMIUM PECULI, S.A. ³¹	Chairman of the Board of Directors ³²

PAULO JOSÉ LAMEIRAS MARTINS

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

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

Office held in other companies:

HAITONG BANK, S.A.	Director
PARAMA UNIPessoal, Lda.	Director

According to the regulation of the Board of Directors, the directors of the Executive Board may not perform executive functions in entities outside of the Company's group, unless the activity of such entities is found to be ancillary or complementary to the group's activity or is not very time-consuming, thus the executive directors do not 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 subsidiary 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 Committee, Executive Officers Committee, Control and Risk Committee, Corporate Governance Committee and Talent Committee.

Executive Officers Committee, the Control and Risk Committee, the Corporate Governance Committee and the Talent Committee have rules of procedure, which are published on the company [website](#)³³, where they may be looked up.

³⁰ Start of the term of office on 17 May 2022.

³¹ Formerly known as Representações Carvalhal, S.A.

³² Ceased functions on 17 May 2022.

³³ <https://www.semapa.pt/en/governo/estatutos>

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 2022:

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

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

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

EXECUTIVE BOARD:

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

The Executive Board is the company's executive body, which has performed its duties in the scope of the powers entrusted to it by the Board of Directors. The Board meets on a regular basis and whenever necessary in light of ongoing business and monitoring of the company's activity. In 2022 it held 41 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.

EXECUTIVE OFFICERS COMMITTEE:

The Executive Officers Committee assists the Executive Board in the functions delegated to it by the Board of Directors of the Company and, at the request of the Executive Board, is also responsible for issuing non-binding opinions on the following matters:

- a) Implement the strategies and policies defined and the annual budget;
- b) Carry out the financial, accounting and tax control;

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

The Executive Officers Committee met 41 times in financial year 2022 and is comprised of Ricardo Pires, Chairman, and Vítor Paranhos Pereira, Isabel Viegas and Hugo Pinto as members, whereas Ricardo Pires and Vítor Paranhos Pereira are also Directors of the company.

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

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; and
- d) To propose the discussion, alteration and introduction of new procedures to improve the detection, control and management of risks inherent to the company.

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

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

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

The Control and Risk Committee met four times in 2022 and on 31 December 2022 it included Paulo Lameiras Martins, Chairman, and Vítor Paranhos Pereira and Margarida Rebocho, as members. Paulo Lameiras Martins and Vítor Paranhos Pereira were also Directors of the company.

This committee conducted the activities, ensured the monitoring and made all the verifications corresponding to its duties, and held joint meetings with the members of the Audit Board, with the support of the 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 twice in the financial year 2022. On 31 December 2022 it consisted of José Fay, Chairman, and Ricardo Pires and Rui Gouveia, Members and, respectively, Chairman of the Board of Directors, Chief Executive Officer and Company Secretary.

The Corporate Governance Committee conducted its oversight and corporate governance assessment activities throughout the financial year. It also participated actively in the drafting of the Annual Report on Corporate Governance, for which it obtained the necessary information from Rui Gouveia, who is also the Legal Director of the company, and ongoing contact and attendance of meetings by another 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 vitae of nominees for the governing bodies to be appointed, namely the appointment by co-option to perform the duties of member of the Board of Directors of the Company, and the nomination of directors who will perform executive duties;
- ii. Provide the terms of reference 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 nominees for the performance of executive management duties in subsidiaries of the Group, in cases where the Company intends to present the respective elective proposal.

b) Concerning evaluation:

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

The 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 rising challenges.

The Talent Committee met 4 times in the financial year 2022. At 31 December 2022, the members of the Talent Committee were José Fay, Chairman, Ricardo Pires, Filipa Queiroz Pereira, Mafalda Queiroz Pereira, Lua Queiroz Pereira, and Isabel Viegas, Members, being the first five company Directors.

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

III. 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 one or two alternate members, depending on whether there are three or more full members, all holding office for three-year terms.

Members of the Audit Board	Date of first appointment and end date of term of office
José Manuel Oliveira Vitorino (Chairman)	2014-2024
Gonçalo Nuno Palha Gaio Picão Caldeira (Full member)	2006-2024
Maria da Graça Torres Ferreira da Cunha Gonçalves (Full member)	2018-2024
Ana Isabel Moraes Nobre de Amaral Marques (Alternate member)	2016-2021
Maria da Luz Gonçalves de Andrade Campos (Alternate member)	2022-2024

Ana Isabel Moraes Nobre de Amaral Marques was not re-elected as alternate member of the Audit Board for the new term of office 2022/2024, and Maria da Luz Gonçalves de Andrade Campos was appointed to exercise these functions, for said term of office, at the General Meeting held on 27 May 2022.

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

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

Gonçalo Nuno Palha Gaio Picão Caldeira cannot be considered an independent member as he is serving his fifth term of office as a member of the Audit Board, as provided for in article 414.5.b) of the Portuguese Companies' Code.

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

JOSÉ MANUEL OLIVEIRA VITORINO

José Manuel Vitorino has a degree in Corporate Organisation and Management by Instituto Superior de Economia 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. He has also been a Member of the Internal Control Committee of Jerónimo Martins, S.A. since 2022.

GONÇALO NUNO PALHA GAIO PICÃO CALDEIRA

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

MARIA DA GRAÇA TORRES FERREIRA DA CUNHA GONÇALVES

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

B) FUNCTIONING

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

The Audit Board has rules of procedure which are published on the company [website](#)³⁴, where they may be found.

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

In financial year 2022, the Audit Board met 34 times, with members present at all meetings (physical presence or through telematic means).

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

JOSÉ MANUEL OLIVEIRA VITORINO

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

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

Office held in other companies:

ANA Aeroportos de Portugal, S.A.	Member of the Audit Board
SECIL – Companhia Geral de Cal e Cimento, S.A.	Chairman of the Audit Board
THE NAVIGATOR COMPANY, S.A.	Chairman of the Audit Board
JERÓNIMO MARTINS, S.A.	Member of Internal Control Committee ³⁵

³⁴ https://www.semapa.pt/sites/default/files/participacoes/Regulamento_CF_EN.pdf

³⁵ Start of the term of office on 02 May 2022.

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 supplied 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 is conducted by the Audit Board following the rules laid down in the Statute of the Portuguese Association of Statutory Auditors, as adopted by Law no. 140/2015 of 7 September, and the internal procedures established to guarantee that new legal provisions are fulfilled.

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

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

- a) To supervise the management of the company, including, in this regard, an annual assessment of the budget, the internal operation of the Board of Directors and its committees, and the relation between the different corporate bodies and committees of the company;
- b) To ensure compliance with the law and the articles of association;
- c) To check that books, accounting records and the respective supporting documents are in order;
- d) To 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, Employees 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 29-H 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 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 sub-paragraph, non-audit services which as such are not allowed under the applicable laws and regulations in this area, in particular Article 5 of Regulation (EU) 537/2014 of the European Parliament and of the Council) and
- bb) Perform any other duties proposed in law or the articles of association.

The Audit Board is also the main point of contact with the External Auditor and the Statutory Auditor, with direct access to and knowledge of his work. The company believes that this direct supervision by the Audit Board is possible, without interference from the Board of Directors, in relation to the work carried on by the External Auditor and the Statutory Auditor, provided that it does not undermine a prompt and adequate information of the management body, which has ultimate responsibility for the company's affairs and financial statements. Complying with this principle, the External Auditor and Statutory Auditor's reports are addressed to the Audit Board and discussed at joint meetings of this board with a member of the Board of Directors, which include the findings of the accounts audit, and the Audit Board ensures that the necessary conditions are in place in the Company for the provision of audit services. The Audit Board is further in charge of suggesting and monitoring, with the support of the Company's internal services, the External Auditor and Statutory Auditor's pay.

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 Auditor and shareholder representing the Statutory Auditor.

STATUTORY AUDITOR

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

Alternate: Vitor Manuel da Cunha Ribeiro (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 paragraph 39, and KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. is registered with the Securities Market Commission under number 20161489.

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

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 policy and frequency of rotation of the External Auditor and Statutory Auditor and its representative is determined by Article 54 of Law 140/2015, of 7 September (Statute of the Portuguese Association of Statutory Auditors), which came into force on 1 January 2016 and enshrined a new legal regime applicable to the mandatory rotation of Statutory Auditors in public interest companies, such as Semapa.

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

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

As part of its 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 legal framework provided by the Statute of the Portuguese Association of Statutory Auditors Association in force in Portugal and abroad, and are approved by the Audit Board. The Board of Directors and the Audit Board consider that the occasional contracting of these services is justified by the External Auditor and Statutory Auditor's accrued experience in the sectors in which the company operates and by the quality of their work, in addition to the careful definition of the scope of services required at the contracting stage, and to the fact that the Audit Board is supported by the analysis and internal opinions of the services.

In the framework of the provision of tax consultancy services and services other than auditing, our auditors have set strict internal rules to guarantee their independence, and these rules have been adopted in the provision of these services and monitored by the Company, in particular by the Audit Board and the Control and Risk Committee.

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

Services	Company		Group entities (including the company)	
	Amount	Percentage	Amount	Percentage
Value of auditing services	35,549.00	68%	896,702.00	73%
Value of reliability assurance services	16,500.00	32%	208,700.00	17%
Value of tax consultancy services	-	-	-	-
Value of other services other than auditing services	-	-	125,750.00	10%
Total:	52,049.00	100%	1,231,152.00	100%

Note:
Amounts in Euros

In 2022, 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 27% 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.h³⁶).

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

II. NOTIFICATION OF IRREGULARITIES (WHISTLEBLOWING)



GRI 2-16, 2-26

49. Whistleblowing – procedures and policy

The company has a set of Regulations on the Reporting of Irregularities since 2006, which govern the Company's procedures that governing bodies and employees can use to report irregularities allegedly taking place within the Company.

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

Thus, and until the implementation of the Whistleblower Reporting Channel on 15 June 2022, Semapa had a set of rules and procedures in place for whistleblowing that provided for the following:

- a) The general duty to report alleged irregularities, requiring that such reports are made to the Audit Board with such powers, and also providing for an alternative solution in the event of conflicts of interests on the part of the Audit Board regarding the report in question.
- b) 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. 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.
- c) The process ends with the report being filed or a proposal for application of the measures most appropriate in light of the irregularity in question being submitted to the Board of Directors or the Executive Board, depending on whether a Company officer is implicated or not.
- d) To safeguard the confidentiality of 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 revision of the Regulation on the Reporting of Irregularities has extended the scope of application of the rules contained therein to the company's committees, shareholders, candidates in the recruitment process, service providers, contractors, subcontractors, suppliers, volunteers and trainees of the Company, as well as redefining the concept of "irregularity" in accordance with the applicable laws.

³⁶ Corresponds to current Article 29 -H.1.h) of the Securities Code.

Under the terms of these Regulations, the communication of irregularities is made through the whistleblower reporting channel available on the company's website and the reception and follow-up of the communications is carried out by the Legal Department - which may consult other departments and internal committees, except in the case of conflicts of interest, or hiring of external entities - followed by reporting to the Audit Board of all irregularities reported and followed up. Anonymous reporting is also permitted, ensuring in any case that it will be treated confidentially and that the whistleblower will not be harmed.

In case of conflict of interest of the Legal Department concerning the irregularity allegedly committed, the Audit Board shall be directly responsible for the follow-up of the procedure.

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

The Company's Whistleblower Reporting Channel, which is managed by an external and independent entity, Deloitte, which separates the reports submitted and guarantees anonymity and confidentiality, is available on the company's [website](#)³⁷, and by telephone on +351 210 427 83. The telephone line refers the complainant to the Whistleblower Channel, which will record the details of the complaint.

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

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

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

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

The Code of Ethics and Conduct which, by the end of 2018, had expressly enshrined the commitment to respect and promote Human Rights, to combat money laundering and corruption, currently reinforces respect for competition legislation, since the revision of February 2023.

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

³⁷ <https://www.semapa.pt/en/governo/canaldedenuncias>

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

Furthermore, the company adequately and effectively discloses its tax policy on its [website](#)³⁸, reviewing it whenever deemed appropriate, and ensures both the establishment and compliance with internal procedures through adequate and regular supervision of its tax practices, with the involvement of its corporate bodies, always with the aim of minimising potential risks in decision-making on tax matters.

In addition to the revisions to the existing Policies mentioned above, in February 2023 the Board of Directors also approved a set of policies aimed at reinforcing the company's commitment to the sustainability objectives and guaranteeing minimum safeguards, namely the Human Rights Policy, the Corruption Prevention Policy and the Policy for the Prevention of Money Laundering and Financing of Terrorism, which can be found on the [website](#)³⁹ of the company.

III. INTERNAL CONTROL AND RISK MANAGEMENT



GRI 2-25, 2-26

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

Although the Company has no specific independent structure for internal audits, the internal control - which comprises the risk management and compliance functions - is conducted by the Board of Directors and through an internal committee with special responsibilities in this area - the Control and Risk Committee - the Audit Board and the External Auditor and Statutory Auditor being responsible for monitoring and assessment 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 paragraph 21 of this report, and the responsibilities of the bodies and committees involved are better described in paragraph 54.

³⁸ https://www.semapa.pt/sites/default/files/participacoes/TAXPOLICY_0.pdf

³⁹ <https://www.semapa.pt/en/governo/estatutos>

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

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

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

The dynamic environment in which the Group operates calls for the constant monitoring of the main internal and external factors affecting its activity, representing relentless challenges to the fulfilment of its strategic plans and objectives. As an economic agent, Semapa is exposed to risks inherent to its activity, which can have a significant impact on the value of its assets. Semapa's performance as a Holding Company (*SGPS - Sociedade Gestora de Participações Sociais*) is closely linked to the performance of its subsidiaries.

Semapa promotes an environment of autonomy and liability in its subsidiaries, which is reflected in the exposure to a number of risks that affect not only each of the companies, but can also spread to Semapa and other Group companies.

Chapter 3.6 of the Annual Report provides a detailed analysis of all strategic risks and Chapter 11 of the notes to the consolidated financial statements provides a detailed analysis of all 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, business risk, reputational capital risk, investment decision making risk, talent risk, legal and regulatory risk in Portugal, external shock risk, fraud risk, raw material access risk, cybersecurity risk, and the risk of non-natural environmental disasters. It should be noted that, as a result of Semapa's reassessment of the strategic risk framework, the risks of adverse climatic events, climate transition risk and ESG performance risk were added, stemming from the Group's commitment to climate change issues and ESG challenges. These last three risks are being developed in conjunction with various ongoing initiatives on these matters.

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

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

The aforementioned strategic risks of Semapa and the Group are duly mapped and fully described in chapter 3.6 of the Annual Report, are monitored throughout the year and subject of a risk report approved annually 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.

The year 2022, featuring sudden changes in context and events such as the invasion of Ukraine by Russia, escalating inflation, shortages of resources and raw materials, factors which combined caused a deterioration in the global economic and social context, proved to be particularly dynamic in terms of risk management at Semapa. However, the Group remained resilient, continuing the effort of continuous improvement started in recent years, which enabled it to keep its operations at a normal operating level.

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

With regard to the management of strategic risks, Semapa has been consolidating its strategic risk management and control system, designed based on the best practices and benchmark methods such as COSO and ISO 31000, following the recommendations of the Corporate Governance Code issued by the Portuguese Institute for Corporate Governance (IPCG) and the Portuguese Securities Market Commission (CMVM).

The Group's annual risk monitoring model involves the collection, completion, discussion and approval of individual risk sheets, which contain the identification and follow-up of existing mitigation measures. The Group has also designed key risk indicators (KRIs) to enable timely monitoring of these risks and to anticipate events likely to cause significant disruptions.

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

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

Consequently, the Board of Directors is responsible for identifying the main risks and setting the overall risk strategy, which is supervised by the Audit Board. The main purpose of the Control and Risk Committee - whose powers are set out in paragraphs 21 and 29 - is to detect, control, manage and monitor all relevant risks in the Company's affairs, in particular financial and legal risks, through the aforementioned system, making it possible to promote, monitor and assess the risk framework and measures already in place and needed for mitigating such risks.

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 companies controlled by it was conducted by KPMG & Associados - Sociedade de Revisores Oficiais de Contas, S.A. until the end of the year 2022. 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 and discusses them with the Board of Directors.

The internal control systems implemented, including the risk management function, have proven to be effective, and no situations have so far arisen which have not been duly guarded against or expressly accepted in advance as controlled risks. As stated above, in addition to its own powers in this field and in order to safeguard against the acceptance of excessive risks by the Company, the Board of Directors created the Control and Risk Committee which, in accordance with the responsibilities defined by the Board of Directors, is responsible for assuring internal control and risk management.

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

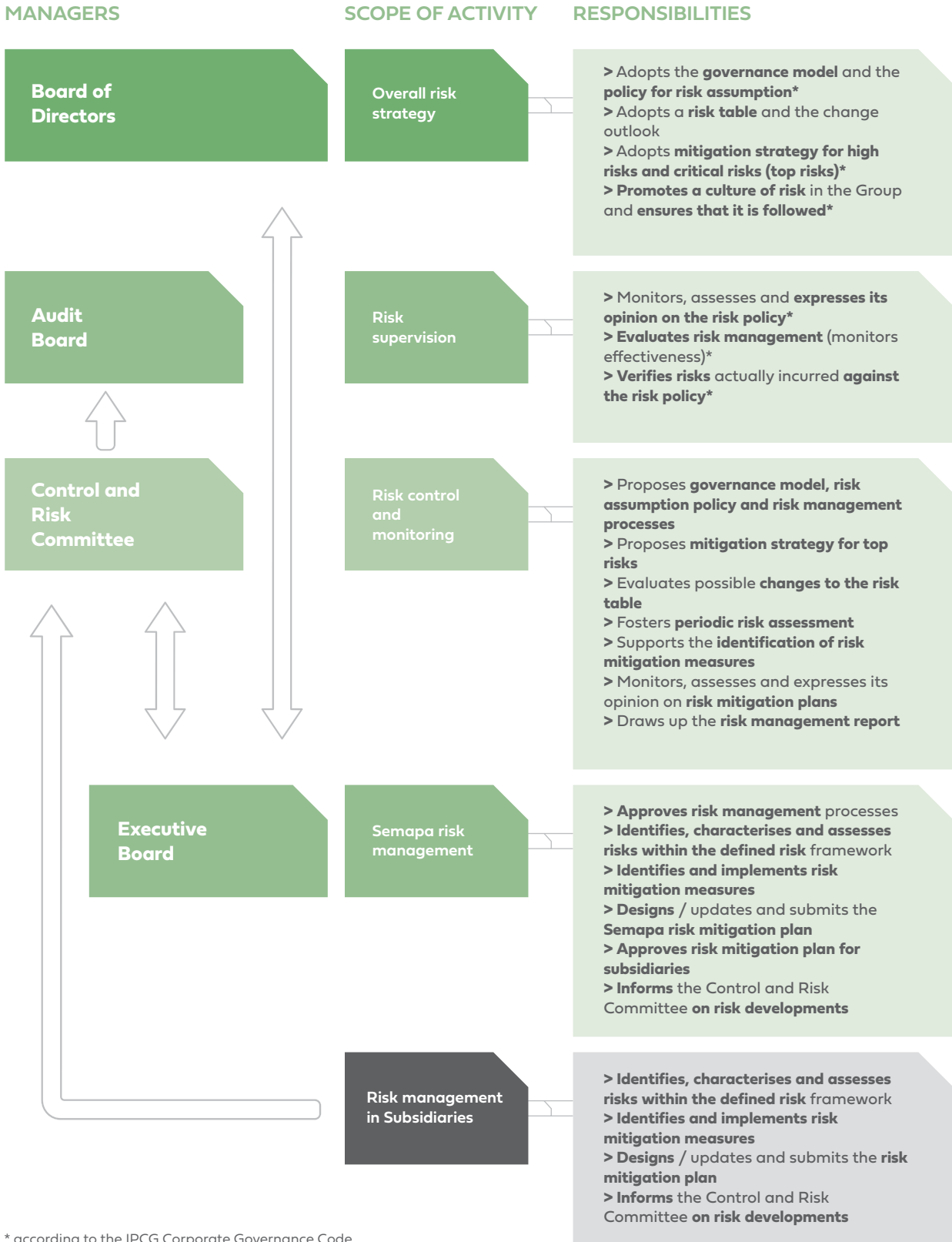
In this context, the company approved the Risk Management System (Risk Policy) at a meeting of the Board of Directors held at the beginning of 2019. This system, which results in a Risk Report every year, sets the objectives and thresholds in issues of risk-taking and identifies the likelihood of such 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 2021 Risk Report was adopted at a meeting of the Board of Directors in March 2022, and the 2022 Risk Report shall be adopted together with this Report. Its content is described in paragraph 53 above.

The Audit Board, which plays a particularly important role in this area, with all the powers resulting directly from the law and from the Audit Board's Regulations, 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 and the Control and Risk Committee and the Executive Board hold in the year, until the respective annual Risk Report is issued.

Regarding the strategic lines, the Audit Board assessed and gave its opinion in 2023, prior to the update of the strategic lines approved in January 2023 by the Board of Directors.

The Audit Board also oversaw the progress of the work carried out by the Control and Risk Committee in 2022. In this context, the Audit Board, in conjunction with the Control and Risk Committee and, where necessary, with the company's management, has been implementing periodic control mechanisms and procedures to ensure that the risks that the company runs are consistent with the objectives set by the management body. Such procedures include (i) holding meetings regularly with the other corporate bodies and committees with powers in this area, in particular to assess the findings and reliability of the risk monitoring model, to discuss and monitor the model and Key Risk Indicators and risk sheets, some of these meetings being attended by the external consultant who assists Semapa in this process, and (ii) engaging with the parties involved in the risk management system, requesting checks and clarification whenever necessary and appropriate.

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



* according to the IPCG Corporate Governance Code

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.m⁴⁰)).

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 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](https://www.semapa.pt/en)⁴¹, 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, due to 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.

⁴⁰ Corresponds to current Article 29 -H.1.I) of the Securities Code.

⁴¹ <https://www.semapa.pt/en>

V. WEBSITE (59 TO 65)

Description	Website address
59. Semapa Website	https://www.semapa.pt/en
60. Address where information is provided on the company's name, public company status, registered office and other data required by Article 171 of the Companies Code.	https://www.semapa.pt/en/frmcontacto
61. Address where the articles of association and rules of procedures of company boards and/or committees can be consulted.	https://www.semapa.pt/en/governo/estatutos
62. Address where information is provided on the identity of company officers, market relations officer, the Investor Support Office or equivalent structure, respective powers and responsibilities and contact details.	https://www.semapa.pt/en/governo/os https://www.semapa.pt/en/frmcontacto
63. Address for consultation of financial statements and reports, which must be accessible for no less than five years, together with the six-monthly corporate diary, disclosed at the start of each semester, including, amongst other things, General Meetings, disclosure of annual, half-yearly and, if applicable, quarterly accounts.	https://www.semapa.pt/en/investidores/informacao/demonstracoes https://www.semapa.pt/en/investidores/calendario
64. Address where notice of general meetings is posted, together with all preparatory information and subsequent information related to meetings.	https://www.semapa.pt/en/investidores/assembleia/ags/AG2022-05-27
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.	https://www.semapa.pt/en/investidores/assembleias

D. REMUNERATIONS AND THE REMUNERATION REPORT



GRI 2-19, 2-20

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

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.

In 2022, until the General Meeting of May 27th, the Remuneration Committee was composed of José Gonçalo Ferreira Maury, João Rodrigo Appleton Moreira Rato and João do Passo Vicente Ribeiro and, thereafter of Maria Eduarda Faria e Maia de Oliveira Luna Pais, João do Passo Vicente Ribeiro and Carlota Infante da Câmara Albergaria Caldeira.

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

The Remuneration Committee does not hire staff to assist it. The 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.

The Remuneration Committee provides all information or clarifications to the shareholders of the company in the respective Annual General Meetings or in any other general meeting if its agenda includes a matter related to the remuneration of the members of the corporate bodies and committees or if the shareholders require its presence, through the presence of at least one of its members. That was the case at the Annual General Meeting of 27 May 2022, which was attended by all outgoing members.

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

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

Eduarda Luna Pais was a consultant at the company Egon Zehnder for several years, and subsequently Office Leader and Partner of this company, leader in executive hiring. She has in-depth and permanently updated knowledge of the evaluation processes and hiring for senior positions and related remuneration packages.

Carlota Albergaria Caldeira, on the other hand, developed over several years a solid experience in human resources consulting, namely Human Capital and Leadership Services, with a focus on executive search project management (national and international market) and assessments and salary benchmark. She worked for several companies, such as Heidrick & Struggles, Jason Associates, Argo Talents and Mercer. She also held positions at Nova School of Business and Economics, first as advisor and later as head of corporate relations for hiring.

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 June⁴².

The remuneration policy for members of the management and supervisory bodies ("Remuneration Policy") issued by the Remuneration Committee, approved at the Annual General Meeting of 30 April 2021 for the period from 2021 to 2024, corresponding to Annex II of this report, and there is no deviation from the procedures for the implementation of the approved remuneration policy.

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 executive directors' performance in 2022 follows clearly the model and principles - *duties performed, the company's economic status and market criteria* - of the Remuneration Policy of Semapa's managing and audit bodies' members, specifically chapters III, IV and V, to which we make reference. Paragraph 24 above describes the process and the bodies in charge of assessing the executive directors' performance.

⁴² This topic is currently governed by Articles 26-A) and following of the Securities Code.

The remuneration system at Semapa sets out its corporate strategy and, in the long-term, aligns the interests of the governing body's members with the interests of the company and its sustainability, in particular because the remuneration is intended to be fair and equitable in light of the principles set out, and because it links the directors to results by means of a variable remuneration component which is set primarily in light of these results, but also considers the behavioural skills of the individual directors, such as the alignment with the company's long-term interests and sustainability.

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

The variable component of remuneration of the executive directors is based on the target amount applied to each director and is paid according to the individual's performance and performance of the company that meet the expectations and the criteria set previously. The target amount is weighted by the aforementioned principles - market, specific functions, state of the company -, in particular comparable market circumstances in positions equivalent in function. Actual performance compared to the expectations and goals, which determine departures from the targets is weighed against a set of quantitative and qualitative KPIs, as mentioned in paragraph 25 above, of the company's performance (general business indicators) and of the relevant director (specific objectives and behavioural indicators). The general business indicators include, in particular, EBITDA, net profit, cash flow, and Total Shareholder Return vs. Peers, while the behavioural skills include the alignment of each director with the long-term interests and the sustainability the company. With this system, it is possible to guarantee that Semapa has no discretionary variable remuneration.

In addition to the statutory limit on management's share of profits for the year, the company also has mechanisms in place to limit variable compensation: (i) the variable remuneration is eliminated in the event of the results showing a significant deterioration in the company's performance in the last reporting period or when such deterioration may be expected in the period underway and (ii) the amount of the variable component attributable has a cap set to prevent good performance at one moment, with immediate remuneration benefits for the administration, from being obtained to the detriment of good performance in the future. In light of the above, it is clear that the criteria for awarding remuneration contribute to the achievement of the Semapa's strategy, and to the long-term interests and sustainability of the company.

Although the company does not have any independent remuneration mechanism in place with the specific purpose of discouraging excessive risk-taking, Semapa does not integrate in its directors' performance objectives any specific objectives that promote excessive risk-taking, nor has any mechanism that allows for anticipated payments of future remuneration. 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 light of its impact on Company's performance over the time. It is thus confused with long-term interests, and consequently benefits from the aforementioned incentives to overall alignment over time.

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

The remuneration of executive directors includes a variable component, which depends on a performance assessment, as described in the previous paragraph and in the Remuneration Policy, in particular in paragraphs 3 and 7 of chapter IV. Paragraph 24 above describes the process and the bodies in charge of assessing the executive directors' performance.

The individual and qualitative component of the performance evaluation carried out in 2022 in relation to fiscal year 2021 had an considerable impact of 35% (specific objectives, with a 20% weight, and behavioural indicators had an impact of 15%) on the variable component of remuneration. The same percentages shall apply again to performance assessment in fiscal year 2022. In the case of non-executive directors, it should be noted that although it is only a fixed part, it can be differentiated according to the accumulation of increased responsibilities, namely through the performance of duties in specialised committees.

In addition to the statutory limit on management's share of profits for the year, the Company does not have other mechanisms in place to limit variable compensation and there is no mechanism allowing the company to demand refund of the 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 Semapa.

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

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

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

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

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

The criteria for setting annual bonuses are those related to the variable remuneration, as described in paragraph 7 of chapter IV of the Remuneration Policy, and in paragraphs 25 and 70 above.

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

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

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

At present, this is the only pension which Semapa pays. It is a lifelong monthly pension paid 12 months per year, for which the following is provided (i) the transferability of half of its value to the surviving spouse or minor or disabled children and (ii) mandatory deduction from this pension either the value of remunerated services later delivered to Semapa or controlled companies, or the value of pensions that the beneficiary is entitled to receive from the national Social Insurance scheme related to the same period of service. On 31 December 2022, Semapa's liability with this pension is €687,661, as mentioned in Note 7.3 to the Consolidated Financial Statements and Note 7.2 to the Separate Financial Statements.

IV. DISCLOSURE OF REMUNERATION

77. Indication of the annual remuneration earned 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 specify the remunerations in 2022 paid by Semapa to the members of the Company's management body, distinguishing between fixed and variable and relative weights, remuneration, though the variable remuneration was paid in 2022 but refers to the performance of 2021, but without a breakdown of the different components of the latter, insofar as it is set as a whole, taking into account the factors described in the Remuneration Policy, without identifying components.

Board of Directors	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Relative percentage
Executive Board				
João Nuno de Sottomayor Pinto de Castello Branco ⁴³	-	-	846,366.00	100%
Ricardo Miguel dos Santos Pacheco Pires	650,000.05	50.27%	643,077.00	49.73%
Vítor Paulo Paranhos Pereira	315,969.50	33.24%	634,657.00	66.76%
SUBTOTAL	965,969.55	-	2,124,100.00	-
Non-Executive Directors				
António Pedro de Carvalho Viana-Baptista	128,305.13	100%	-	-
Carlos Eduardo Coelho Alves	27,500.00	100%	-	-
Filipa Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Francisco José de Melo e Castro Guedes	47,258.71	100%	-	-
José António do Prado Fay	400,020.50	100%	-	-
Lua Mónica Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Mafalda Mendes de Almeida de Queiroz Pereira	77,825.00	100%	-	-
Vítor Manuel Galvão Rocha Novais Gonçalves	27,500.00	100%	-	-
Paulo Lameiras Martins	46,478.84	100%	-	-
SUBTOTAL	910,538.18	-	-	-
TOTAL	1,876,507.73	-	2,124,100.00	-

Note:
Amounts in Euros

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

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

⁴³ João Nuno de Sottomayor Pinto de Castello Branco ceased his duties as Director and Chief Executive Officer, effective 31 December, 2021. In 2022 he received variable remuneration in relation to such duties performed.

Board of Directors		2018	2019	2020	2021	2022
António Pedro de Carvalho Viana-Baptista	Fixed Remuneration	128,305	128,305	128,305	128,305	128,305
	Variation in %	0.0%	0.0%	0.0%	0.0%	0.0%
Carlos Eduardo Coelho Alves	Fixed Remuneration	77,825	77,825	77,825	77,825	27,500
	Variation in %	0.0%	0.0%	0.0%	0.0%	-64.7%
Filipa Mendes de Almeida de Queiroz Pereira	Fixed Remuneration	47,467	77,825	77,825	77,825	77,825
	Variation in %	-	64.0%	0.0%	0.0%	0.0%
Francisco José Melo e Castro Guedes	Fixed Remuneration	77,825	77,825	77,825	77,825	47,259
	Variation in %	0.0%	0.0%	0.0%	0.0%	-39.3%
Heinz-Peter Elstrodt	Fixed Remuneration	-	347,414	275,149	-	-
	Variation in %	-	-	-20.8%	-	-
João Nuno de Sottomayor Pinto de Castello Branco	Fixed Remuneration	761,199	761,199	761,199	925,763	-
	Variable Remuneration	662,411	688,623	546,953	769,537	846,366
	Variation in %	-3.1%	1.8%	-9.8%	29.6%	-50.1%
José António do Prado Fay	Fixed Remuneration	78,260	128,816	243,524	400,021	400,021
	Variation in %	-	64.6%	89.0%	64.3%	0.0%
José Miguel Pereira Gens Paredes	Fixed Remuneration	315,970	315,970	129,817	-	-
	Variable Remuneration	564,464	567,864	381,541	-	-
	Variation in %	3.4%	0.4%	-42.1%	-	-
Lua Mónica Mendes de Almeida de Queiroz Pereira	Fixed Remuneration	47,467	77,825	77,825	77,825	77,825
	Variation in %	-	64.0%	0.0%	0.0%	0.0%
Mafalda Mendes de Almeida de Queiroz Pereira	Fixed Remuneration	47,467	77,825	77,825	77,825	77,825
	Variation in %	-	64.0%	0.0%	0.0%	0.0%
Manuel Custódio de Oliveira	Fixed Remuneration	45,338	-	-	-	-
	Variation in %	-64.7%	-	-	-	-
Paulo Miguel Garcês Ventura	Fixed Remuneration	315,970	192,013	-	-	-
	Variable Remuneration	541,667	512,811	143,449	-	-
	Variation in %	5.1%	-17.8%	-79.6%	-	-
Paulo Lameiras Martins	Fixed Remuneration	-	-	-	-	46,479
	Variable Remuneration	-	-	-	-	-
	Variation in %	-	-	-	-	-
Pedro Mendonça de Queiroz Pereira	Fixed Remuneration	344,576	-	-	-	-
	Variable Remuneration	922,866	-	-	-	-
	Variation in %	-4.3%	-	-	-	-
Ricardo Miguel dos Santos Pacheco Pires ⁴⁴	Fixed Remuneration	295,381	315,970	315,970	315,970	650,000
	Variable Remuneration	535,403	557,560	462,202	586,133	643,077
	Variation in %	6.6%	5.1%	-10.9%	15.9%	43.3%
Vitor Manuel Galvão Rocha Novais Gonçalves	Fixed Remuneration	77,825	77,825	77,825	77,825	27,500
	Variation in %	0.0%	0.0%	0.0%	0.0%	-64.7%
Vitor Paulo Paranhos Pereira ⁴⁵	Fixed Remuneration	128,305	128,305	289,445	315,970	315,970
	Variable Remuneration	-	-	-	582,159	634,657
	Variation in %	0.0%	0.0%	125.6%	210.3%	5.8%

Note:
Amounts in Euros

⁴⁴ Ricardo Miguel dos Santos Pacheco Pires was appointed CEO of Semapa, with effect from 1 January 2022.

⁴⁵ Vitor Paulo Paranhos Pereira initiated executive functions on 1 March 2020.

Company Employees		2018	2019	2020	2021	2022
Total Remuneration	Average Remuneration	77,100	85,744	66,243	77,188	88,387
	Variation in %	-4.1%	11.2%	-22.7%	16.5%	14.5%

Note:
Amounts in Euros

Group Performance		2018	2019	2020	2021	2022
EBITDA	Million Euros	548.5	486.8	419.3	508.7	894.2
	Variation in %	9.5%	-11.2%	-13.9%	21.3%	75.8%
EPS (Results per Action)	Euros/action	1.643	1.540	1.333	2.481	3.845
	Variation in %	6.8%	-6.3%	-13.4%	86.1%	55.0%

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

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

The following directors earned remunerations in other controlled companies or companies under common control: Filipa Mendes de Almeida de Queiroz Pereira (€ 70,750.00), José António do Prado Fay (€ 100,000.03), Lua Mónica Mendes de Almeida de Queiroz Pereira (€ 70,750.00), Mafalda Mendes de Almeida de Queiroz Pereira (€ 70,750.00) and Vítor Manuel Galvão Rocha Novais Gonçalves (€ 98,000.00). It is clarified that the members of the Board of Directors did not have earnings in other companies in a group relationship with Semapa, based on the definition of group as in Article 2.1.g) of Decree-Law no. 158/2009, of 13 July, in accordance with the provisions of Article 26-G.2.d) of the Securities Code.

79. Remuneration paid in the form of profit sharing and/or payment of bonuses, and the grounds on which these bonuses 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 paragraph 77. of this report, the amounts of which were determined by the Remuneration Committee based on the implementation of the criteria described in paragraph 7. of chapter IV of the Remuneration Policy.

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

No compensation was paid, nor is foreseen or due to former executive directors for termination of their directorships.

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

Audit Board	Fixed Remuneration		Variable Remuneration	
	Amount	Relative percentage	Amount	Percentage
José Manuel Oliveira Vitorino	percentage	100%	-	-
Gonçalo Nuno Palha Gaio Picão Caldeira	19,471.53	100%	-	-
Maria da Graça Torres Ferreira da Cunha Gonçalves	19,471.53	100%	-	-
TOTAL	65,698.61	-	-	-

Note:
Amounts in Euros

The table below shows, for the purposes of Article 26-G.2.c) of the Securities Code, the annual variation over the last five fiscal years of the compensation paid individually by the company to the members of the Audit Board:

Audit Board		2018	2019	2020	2021	2022
José Manuel Oliveira Vitorino	Fixed Remuneration	20,304	22,000	22,000	22,000	26,756
	Variation in %	26.9%	8.4%	0.0%	0.0%	21.6%
Gonçalo Nuno Palha Gaio Picão Caldeira	Fixed Remuneration	16,000	16,000	16,000	16,000	19,472
	Variation in %	0.0%	0.0%	0.0%	0.0%	21.7%
Maria da Graça Torres Ferreira da Cunha Gonçalves	Fixed Remuneration	9,759	16,000	16,000	16,000	19,472
	Variation in %	-	64.0%	0.0%	0.0%	21.7%
Miguel Camargo de Sousa Eiró*	Fixed Remuneration	13,369	-	-	-	-
		-39.2%	-	-	-	-

Note:
Amounts in Euros

* Miguel Camargo de Sousa Eiró resigned in 2018.

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

In 2022, the Chairman of the General Meeting earned a fixed remuneration of 5,000 euros.

V. AGREEMENTS WITH REMUNERATION IMPLICATIONS

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

Semapa has no contract with directors limiting or otherwise altering the supplementary legal rules on fair or unfair termination; the Remuneration Policy provides that, where directors resign, the supplementary legal rules will apply in this respect.

Therefore, considering the absence of individual contracts with directors in this regard and the provisions of the above-mentioned Remuneration Policy, where the removal of a director is not due to serious breach of their duties nor to their unfitness for the normal exercise of their functions, the company is obliged to pay compensation in accordance with the general terms of the law, although such compensation shall not exceed the value of the remuneration they would 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.1.⁴⁶)).

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.e⁴⁷)).

There is no employee ownership scheme in Semapa.

⁴⁶ Corresponds to current Article 29 -H.1.k) of the Securities Code.

⁴⁷ Corresponds to current Article 29 -H.1.e) of the Securities Code.

E. RELATED PARTY TRANSACTIONS CONFLICTS OF INTEREST



GRI 2-15

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. The regulation was amended in 2020 due to the changes arising from Law 50/2020 of August 25 and, more recently, to accommodate recommendations, by resolution of the Board of Directors of 3 November 2021, with a favourable and binding opinion of the Audit Board, and now they include the applicable legal and regulatory framework in force on this matter.

This regulation is available on the company's [website](#)⁴⁸.

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 groups, 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.

48 [https://www.semapa.pt/sites/default/files/participacoes/Regulamento_CITPR_EN rev. \(20211108\) docx.pdf](https://www.semapa.pt/sites/default/files/participacoes/Regulamento_CITPR_EN rev. (20211108) docx.pdf)

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.

Concerning the procedures applicable to conflicts of interest, the regulation provides for a conflict situation where the Director is in a position that, in objective terms, may compromise 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 where there is conflict of interest, and where a decision must be taken, 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 2022, 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 separate financial statements, which were analysed and approved in line with the new Regulation on Conflicts of Interests and Related Party Transactions.

In 2022, in compliance with the Regulation on Conflict of Interest and Related Party Transactions, the Board of Directors informed the Audit Board of all transactions carried out for the purpose of verifying the compliance of such transactions with the provisions in clause four of the aforementioned Regulation and with applicable legislation and regulations, the Audit Board having carried out such check.

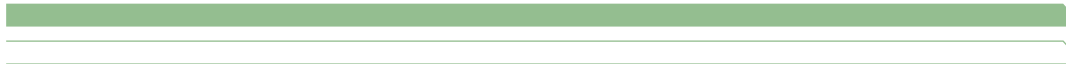
91. Description of the procedures and criteria applicable to intervention by the supervisory body for the purposes of prior assessment of transactions to be carried out between the company and qualifying shareholders or related entities, under Article 20 of the Securities Code.

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

II. DETAILS OF TRANSACTIONS

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

Information on related party transactions is contained in Note 10.4 of the Annex to the consolidated financial statements and Note 10.2 of the Annex to the separate financial statements.



Part II

Assessment of Corporate Governance

1. IDENTIFICATION OF THE CORPORATE GOVERNANCE CODE ADOPTED

Semapa adopted the Corporate Governance Code of the Portuguese Corporate Governance Institute (IPCG), revised in 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 found on its 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
I. GENERAL PROVISIONS			
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.			
I.1 Company's relationship with investors and disclosure			
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
I.2 Diversity in the composition and functioning of the company's governing bodies			
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

#	Adoption	Text	Reference
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.	
I.2.4	Adopted	A policy for the communication of irregularities (whistleblowing) 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 should be adopted.	

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 employees, 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
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#	Adoption	Text	Reference
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 on the 2018 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.

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.

#	Adoption	Text	Reference
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 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
III.4	Not adopted	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: (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; (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; (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; (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; (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; (vi) Having been a qualified holder or representative of a shareholder of qualifying holding.	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 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).	Part I, item 18
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 met 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.

#	Adoption	Text	Reference
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

V. EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT

V.1 Annual evaluation of performance

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
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V.2 Remuneration

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

#	Adoption	Text	Reference
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.	
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.	
V.3 APPOINTMENTS			
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	Not applicable.	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

#	Adoption	Text	Reference
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, items 21, 29, 53 and 54
VI.3	Adopted	The internal control system, 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

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.

#	Adoption	Text	Reference
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 in an independent, informed and efficient manner, hereby ensuring oversight and monitoring of the executive management functions.

In this regard, we highlight the various mechanisms provided for in the Regulations of the Board of Directors and of the company’s internal committees, under the terms of which:

- a) The Directors, including non-executive members, may have access to all Company information and staff for assessing performance, the situation and the outlooks on the development of the Company, including, namely, the minutes, documents supporting decisions taken, convening notices and records on the meeting of other governing bodies, without prejudice to access to all other documents or people who may be called upon to provide clarifications;
- b) The Chairman of the Board of Directors shall notify the Company directors, at the start of all meetings of the Board of Directors, of the most relevant resolutions and acts of the Executive Board since their last meeting, of which the other directors may not yet have been informed;
- c) Minutes shall be drawn up of all Executive Board meetings by the Company Secretary, which shall be made available to any member of the Board of Directors having requested them;

- d) The Chairman of the Executive Board shall, as far as possible, seek to involve non-executive directors in specific projects and acts in order to allow them to follow and maintain close contact with the Company's activities, depending on the matters involved and the specific qualifications and interests of each person;
- e) All executive directors must be available to provide any clarification and information requested by non-executive directors;
- f) The Chairman of the company's Internal Committees must report to the Board of Directors the decisions taken by the SC which, due to their importance, must be known to the Board of Directors. In the case of the Executive Officers Committee, the CEO shall be entrusted with such task.
- g) All members of the company's Internal Committees shall be available to provide any clarifications and information requested by the other directors and
- h) The supporting documents relating to the various items on the order of business of the company's Board and Internal Committee meetings shall be distributed by all the members in advance, allowing a timely analysis, preferably with the notice convening the meeting.

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

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 2022 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. 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 remuneration and historically weighted scheme.

Furthermore, Semapa believes that, given the existing regulation in the Portuguese regime, the prior setting of a maximum amount may produce an effect opposite to that intended by the scope of this recommendation, constituting an incentive for the premature termination of management functions.

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.

It should also be noted that during the 2022 financial year, no members of the company's bodies or committees tendered their resignations.

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 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.

In abstract, the principle is good, but the historical element, coupled with stability and the practice that has already been followed successfully for many years without this element of deferral means that we will not adopt this measure for the time being.”

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, in this context, 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.

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

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

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.

Annex I

Disclosures Required by Article 447 of the Companies Code

(with regard to fiscal year 2022)

1. Securities issued by the company and held by company officers, as described in paragraph 1 of Article 447 of the Companies Code:

None.

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

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

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, controlled companies or companies in the same group held by companies in which directors and auditors hold corporate office:

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

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

Target One Capital, S.A. – 190,568 shares in Sodim, SGPS, S.A.

Keytarget Investments - Consultoria e Investimentos, S.A. – 190,567 shares in Sodim, SGPS, S.A.

Premium Caeli, S.A. – 190,567 shares in Sodim, SGPS, S.A.

4. Acquisition, disposal, encumbrance or pledge of securities issued by the company, controlled companies or companies in the same group by company officers and the companies referred to in 2 and 3:

- > On 22 December 2022 the company Target One Capital, S.A., purchased from UPSIS, S.A. 190,568 shares of SODIM, SGPS, S.A., at a price of € 200.00 per share.
- > On 22 December 2022 the company Keytarget Investments - Consultoria e Investimentos, S.A. purchased from UPSIS, S.A. 190,567 shares, of SODIM, SGPS, S.A., at a price of € 200.00 per share.
- > On 22 December 2022 the company Premium Caeli, S.A. purchased from 190,567 shares in SODIM, SGPS, S.A., at a price of € 200.00 per share.

5. Transactions in own shares:

In 2022 Semapa neither acquired nor disposed of any shares in its own capital.



Annex II

Remuneration Policy

"REMUNERATION POLICY OF THE DIRECTORS AND AUDITORS OF SEMAPA (2021-2024)

I. INTRODUCTION

The Remuneration Committee of Semapa has been drawing up a 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.

The new Law no. 50/2020 of 25 August 25 and the repealed of Law no. 28/2009 of 19 June 19 requires Semapa's Remuneration Committee to draw up a Remuneration Policy for its directors and auditors in accordance with the new legal framework.

It should be noted that once the Corporate Governance Code of the Portuguese Institute of Corporate Governance was reviewed in 2020, and in view of the necessary harmonisation of Law no. 50/2020 of 25 August, the content of the remuneration policy is no longer based on a recommendation.

This Remuneration Policy is thus the reflection of the work developed by the Remuneration Committee, based on the previous remuneration policy statement and taking into account the new framework mentioned above.

Taking into account Semapa's track record, the company has continued to opt for reconciliation between, on the one hand, new trends of management remuneration options and, on the other hand, the weight of history, previous options and the specific features of the company.

The remuneration policy is the exclusive responsibility of the Remuneration Committee, which has three members, all independent from the Board. It must be approved by the General Meeting at least every four years and whenever a relevant change occurs.

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

II. RULES DERIVING FROM LAW AND THE ARTICLES OF ASSOCIATION

The framework of this policy is the Law no. 50/2020, of 25 August, which amended the Securities Code.

Regarding the Law no. 50/2020, of 25 August, in addition to rules on the frequency with which the Policy must be issued and approved and on disclosure of its content, Article 26- C.2 of the Securities Code establishes that its content should include:

- a) An explanation of how it contributes to the company's business strategy, its long-term interests, and its sustainability;
- b) An explanation of how the employment and remuneration conditions of the company's employees were taken into account when this policy was established;
- c) A description of the components of the fixed and variable remuneration;
- d) An explanation of all bonuses and other benefits, regardless of their form, which may be paid to directors and auditors, and indication of the respective proportion;
- e) An indication of the duration of the contracts or agreements with the directors and auditors, notice periods, termination clauses and payments associated with their termination;
- f) A description of the main features of complementary or early retirement schemes.

In addition, Article 26-C.3 of the Securities Code stipulates that if variable remuneration is to be awarded to directors, the remuneration policy must lay out:

- a) The criteria for awarding variable remuneration, including financial and non-financial criteria and, where applicable, criteria related to corporate social responsibility, in a clear and comprehensive manner, and explain how these criteria contribute to the company's business strategy, long-term interests and sustainability;
- b) The methods applied to determine the extent to which the performance criteria have been met;
- c) The deferral periods and the possibility for the company to request the refund of variable remuneration that has been paid.

On the other hand, Article 26-C.4 of the Securities Code stipulates that if part of the remuneration is to be paid through shares, the remuneration policy must lay out:

- a) The entitlement vesting periods;
- b) If applicable, the term for holding the shares after the rights have been acquired;
- c) How the share-based remuneration contributes to the company's business strategy, its long-term interests and sustainability;

In addition to the stated in Law no. 50/2020, of 25 August, any system for setting remuneration will inevitably have to consider the legal rules, as well as any private rules which may be established in the articles of association.

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

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

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 provisions, stating the following:

"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.

III. 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.

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

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

b) The state of the company's affairs.

The size of the company and the inevitable complexity of the related management responsibilities are clearly relevant aspects of the state of affairs, understood in the broadest sense. These aspects have implications 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.

It is essential to be able to attract, develop and retain competent professionals, which requires the Remuneration Policy to be competitive and attractive in order to ensure the legitimate interests of individuals but essentially those of Semapa and the creation of sustainable value for shareholders.

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

IV. COMPLIANCE WITH LEGAL REQUIREMENTS

Having established the general principles adopted, we shall now consider the principles with the relevant legal requirements.

1. Article 26-C.2 a) of the Securities Code. Strategy, long-term interests, and sustainability.

Practice has shown that the remuneration system in place at Semapa has successfully supported its business strategy and also, in the long term, the alignment of the interests of members of the management body with those of the company and its sustainability, in particular for the reasons set out below.

Firstly, because the remuneration sets out to be fair and equitable in light of the principles set forth, and secondly because it links the directors to results by means of a variable remuneration component which is set primarily in light of these results, but also considers the behavioural skills of the individual directors, such as the alignment with the company's long-term interests.

2. Article 26-C.2 b) of the Securities Code. Employment and remuneration conditions of the company's employees.

The alignment between this Policy and the remuneration scheme and employment conditions of Semapa employees is assured, given that both remuneration systems are based on the same General Principles set out in this Remuneration Policy, in particular the market conditions in the reference markets for the duties performed.

3. Article 26-C.2 c) of the Securities Code. Components of the fixed and variable remuneration

The remuneration of the members of the Board of Directors is made up of a fixed component, corresponding to an annual amount, payable in the year, and, for the Executive Directors, it also includes a variable component that may correspond to a percentage not exceeding five percent of the net income for the previous year in accordance with the Company's articles of association.

The remunerations of the members of the Audit Board shall consist of a fixed annual amount paid in the year.

Finally, the remuneration of the officers of the General Meeting consists only of a fixed amount based on the meetings actually held.

Note that the concrete amounts of remuneration are fixed according to the principles mentioned above in chapter III of this Policy.

4. Article 26-C.2 d) of the Securities Code. Bonuses and other benefits

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

5. Article 26-C.2 e) of the Securities Code. Agreements relating to the termination of Directors' duties

There are no agreements, and no such provisions have been defined by this Committee, on payments by Semapa relating to dismissal or termination of Directors' duties. This fact is the natural result of the particular situations existing in the company, and not a position of principle taken by this Committee against the existence of agreements of this nature. Only the supplementary legal rule in this matter apply here, as established in the Companies Code, which governs the payment to the Directors of any amounts before the end of the term of office due to termination of duties.

6. Article 26-C.2 f) of the Securities Code. Complementary or early retirement arrangements

There are no complementary or early retirement arrangements for directors currently in place in the company.

7. Article 26-C.3 a) of the Securities Code. Criteria for the variable component

The variable component of remuneration, which is set by this Committee, 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 (general business indicators) and of the relevant director (specific objectives and behavioural indicators). The general business indicators include, in particular, EBITDA, net income, cash flow, and Total Shareholder Return compared to Peers, while the behavioural skills include the alignment of each director with the long-term interests of the company.

In addition to the statutory limit on management's share of profits for the year, the company also has mechanisms in place to limit variable compensation.

On the one hand, the variable remuneration is eliminated in the event of the results showing a significant deterioration in the company's performance in the last reporting period or when such deterioration may be expected in the period underway. On the other hand, the amount of the variable component attributable has a cap set to prevent good performance at one moment (with immediate remuneration benefits for the administration) from being obtained to the detriment of good performance in the future.

In light of the above, it is clear that the criteria for awarding remuneration contribute to the achievement of the Semapa's strategy, and to the long-term interests and sustainability of the company.

8. Article 26-C.3 b) of the Securities Code. Fulfilment of performance criteria

Performance criteria mentioned in the previous paragraph is applied mathematically for its quantitative part and using value assessments for the qualitative part.

Under the process of determining the variable remuneration, the Remuneration Committee draws up this Policy, and the performance evaluation of each executive director follows an internal process structured under the responsibility/leadership of the respective person in charge (i.e. under the responsibility of the person who manages the team, in the case of the members of the Executive Board, and under the responsibility of the Chairman of the Board of Directors, in the case of the Chairman of the Executive Board) and with the involvement of the non-executive directors named by the person in charge.

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

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

9. Article 26-C.3 c) of the Securities Code. Deferral and refund of the 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.

In abstract, the principle is good, but the historical element, coupled with stability and the practice that has already been followed successfully for many years without this element of deferral means that we will not adopt this measure for the time being.

With regard to the obligation to return the variable remuneration that has been paid, and without prejudice to the applicable legal regime, the company does not possess any mechanism that enables it to request the refund from the directors.

10. Article 26-C.4 of the Securities Code. Share plans

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

V. SPECIFIC OPTIONS

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

- 1^o. In setting all remuneration, the general principles established above shall be observed: the duties performed, the state of the company's affairs and market criteria.
- 2^o. Executive Directors
 - > The remuneration of executive directors of the Board of Directors shall comprise a fixed component and a variable component;
 - > The fixed component of the remuneration shall consist of an annual amount payable in the year;
 - > The variable component of remuneration is linked both to Semapa's performance and to the individual performance of each director;
 - > The procedure for awarding variable remunerations to the executive Directors of the Board, which is overseen by the Talent Committee, shall comply with the criteria set by the Remuneration Committee, and such remuneration shall not exceed five per cent of the consolidated net profit (IFRS format) as provided by the Articles of Association.
- 3^o. Non-Executive Directors
 - > The remuneration of non-executive directors shall comprise only a fixed component that may vary according to the piling on of added responsibilities, e.g. committee and specialised committee members.
 - > The fixed component of the remuneration 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^o. Audit Board
 - > The remuneration of the members of the Audit Committee will consist only of a fixed component, i.e. a fixed annual amount paid in the year.

5. 5.General Meeting

> The remuneration of the officers of the General Meeting shall consist of a fixed amount only that will be set for every meeting, the remuneration for second and subsequent meetings being lower than that for the first general meeting of the year.

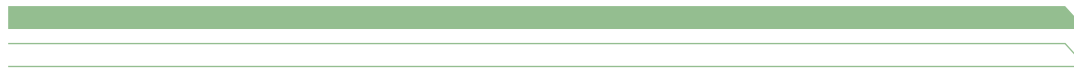
Lisbon, 06 April 2021

The Remuneration Committee

José Gonçalo Ferreira Maury

João Rodrigo Appleton Moreira Rato

João do Passo Vicente Ribeiro



Annex III

Declaration Required under Article 29-G.1.C) of the Securities Code

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

"I hereby declare, under the terms and for the purposes of Article 29-G.1. c) of the Securities Code that, to the best of my knowledge, the management report, annual accounts, legal accounts certificate and other financial statements of Semapa – Sociedade de Investimento e Gestão, SGPS, S.A., for the financial year of 2022, were drawn up in accordance with the relevant accounting rules, and provide a true and fair view of the assets and liabilities, financial affairs and profit or loss of said company and other companies included in the consolidated accounts, and that the management report contains a faithful account of the business, performance and position of said company and other companies included in the consolidated accounts, describing the main risks and uncertainties which they face."

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

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

