



CREATING SOLUTIONS FOR **30 YEARS**

CORPORATE GOVERNANCE
REPORT

2019

MARTIFER
GROUP



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Note: For all intents and purposes, the Portuguese version shall prevail.

CORPORATE GOVERNANCE REPORT

PART I

**INFORMATION ON
SHAREHOLDER STRUCTURE
ORGANIZATION AND
CORPORATE GOVERNANCE**



PART I

Information on shareholder structure, organisation and corporate governance

A. SHAREHOLDER STRUCTURE

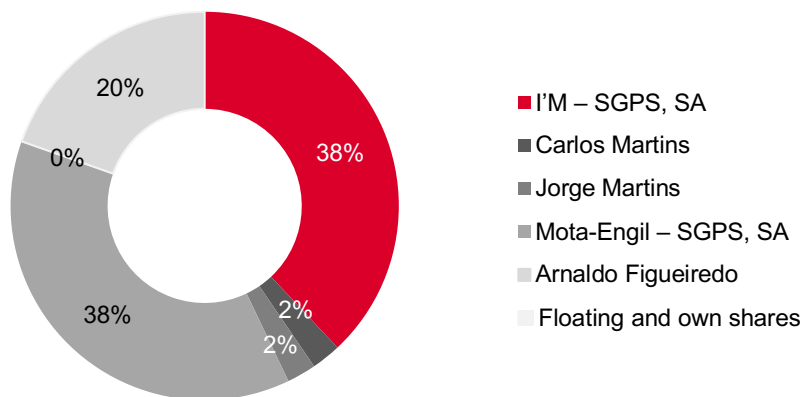
I. CAPITAL STRUCTURE

1. Capital Structure

The share capital of Martifer SGPS, S.A., a publicly-traded company (henceforth also referred to as 'Company' or 'Martifer'), amounts to €50,000,000.00 (fifty million Euros), is fully subscribed and paid up and is represented by 100,000,000 (one hundred million) nominative, scriptural shares, with a par value of €0.50 (fifty Euro cents) each.

All the shares are ordinary, no different categories of shares existing, nor rights and duties beyond those foreseen in law or the Company's Articles of Association.

All the shares issued by Martifer have been admitted to trading on the Euronext Lisbon regulated market, corresponding to ISIN Code PTMFR0AM0003, trading under the Mnemo Code MAR.



The itemised information on the distribution of share capital by the reference shareholders is present in Item 7, Part I of the Corporate Governance Report.

2. Restrictions on transfer and ownership of shares

There are neither restrictions on the free transfer of the Company's shares, nor shareholders holding special rights. Consequently, all shares admitted to trading on the stock exchange are freely transmissible in accordance with the applicable standard regulations.

3. Own shares

During 2019, no transactions involving own shares occurred. Consequently, on 31 December 2019, the Company held, as it did in 2018, own shares totalling 2,215,910, representative of 2.22% of its share capital. These shares correspond to 2.22% of the voting rights of the Company.

4. Impact of changes in shareholder control over the Company on important agreements

Martifer neither celebrated nor is it part of any important agreement that comes into effect, is amended or terminates in the event of a change in shareholder control over the Company due to a takeover bid.

Similarly, the Company has not adopted, via the approval of any statutory provisions or other measures adopted by the Company, rules or regulations designed to prevent the success of takeover bids.

Likewise, there are no statutory provisions limiting the number of votes that can be held or exercised by a single shareholder, individually or together with other shareholders.

5. Countermeasures in the event of changes in shareholder control

During the 2019 financial period, no countermeasures were adopted in the event of changes in shareholder control.

6. Shareholder Agreements that the Company is Aware of

The only Shareholders Agreement known by the Company was executed on 28 May 2007 between I'M SGPS, S. A. (ex- MTO - SGPS, S. A.) and Mota-Engil, SGPS, S. A.. It was altered by the amendments executed on 22 December 2009 and 17 April 2012.

The shares subject to the mentioned Shareholders Agreement, on 31 December 2019, are held by the referred shareholders in the following amounts:

SHAREHOLDERS	No. of Shares	Percentage	Voting rights ¹
Mota-Engil, SGPS, S .A.	37,500,000	37.50%	38.34%
I'M SGPS, S. A.	38,505,689	38.01%	38.86%
Total	75,505,689	75.51%	77.20%

¹ % of voting rights = No. of Shares Held / (No. of Total Shares - Own Shares)

The referred Shareholders Agreement regulates a few aspects of the Company's corporate life, namely:

1. Attribution of voting rights – The shareholders agree to exercise at the Company's General Meeting, in a concerted way, their voting rights regarding the matters for which the law demands the deliberation of the Shareholders to be made by a qualified majority.

2. Various provisions - At the request of any of them, the shareholders oblige themselves to deliberate changes in the Company's articles of association, whenever they are needed to ensure, broadly, the good execution of the provisions in the Shareholders Agreement;

The shareholders commit, during the validity of the Shareholders Agreement, not to celebrate with other Company shareholders any Shareholders Agreement; and

The Shareholders Agreement does not foresee any restrictions regarding share transfer.

3. Validity - The Shareholders Agreement will last for an undetermined period. Still, any of the shareholders can freely terminate it with a minimum 30-day notice before the date the termination should take effect.



II. SHAREHOLDINGS AND BONDS HELD

7. Qualifying Holdings

On 31 December 2019, the main shareholders holders of qualifying holdings continued to be the companies I'M SGPS, S. A. and Mota-Engil, SGPS, S. A..

The Directors of the Company, Carlos Manuel Marques Martins and Jorge Alberto Marques Martins are the majority shareholders of the company I'M SGPS, S. A., holding, respectively, shares representing 48% and 50% of its share capital.

Mota-Engil SGPS, S. A.'s voting rights are held pursuant to Article no. 20 of the Securities Code (Código de Valores Mobiliários - CVM) by the company Mota-Engil, SGPS, S. A..

On 31 December 2019, 82.21% of the voting rights of the Company are attributed to both of these shareholders under the Shareholders Agreement in force on that date.

* The 2,200,000 shares held by the shareholder Carlos Manuel Marques Martins are held directly, and 255,028 shares are held indirectly, under the household of this Member of the Board of Directors of the Company, through the company Black and Blue Investimentos, S. A., of which that Board Member is a shareholder.

The shareholder Jorge Alberto Marques Martins has voting rights for 2,430,260 shares held indirectly by the direct ownership of his spouse, Elisabete Maria de Almeida Jesus Farreca.

The 3,000 shares held by the shareholder and board member Arnaldo José Nunes da Costa Figueiredo are directly held.

On 31 December 2019, based on the information made available to the Company, the following entities were holders of qualifying shareholdings, calculated in accordance with no. 1 of Article no. 20 of the Securities Code ("CVM"), in the share capital of the Company:

SHAREHOLDERS	NO. OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS ¹
I'M – SGPS, S. A.	38,005,689	38.01%	38.86%
Carlos Manuel Marques Martins*	2,455,028	2.46%	2.51%
Jorge Alberto Marques Martins*	2,430,260	2.43%	2.48%
Total Imputable to I'M – SGPS, S. A.	42,890,977	42.89%	43.86%
Mota-Engil – SGPS, S. A.	37,500,000	37.50%	38.35%
Arnaldo José Nunes da Costa Figueiredo **	3,000	0.00%	0.00%
Total Imputable to Mota-Engil, SGPS, S. A.	37,503,000	37.50%	38.35%

¹ % of voting rights = No. of Shares Held / (No. of Total Shares - Own Shares)

* Member of a corporate body of I'M SGPS, S. A. ; ** Member of a corporate body of Mota-Engil SGPS, S. A.

8. Number of shares and bonds held by members of the management and supervisory boards

(In accordance with the dispositions of no. 5 of Article no. 447 of the Portuguese Commercial Companies Code – “CCC”)

NAME OF THE MEMBER OF THE CORPORATE BODY	CORPORATE BODY	SHARES HELD ON 31.12.2019
Carlos Manuel Marques Martins*	Board of Directors	2,455,028
Jorge Alberto Marques Martins**	Board of Directors	2,430,260
Arnaldo Nunes da Costa Figueiredo	Board of Directors	3,000
Pedro Miguel Rodrigues Duarte	Board of Directors	0
Pedro Nuno Cardoso Abreu Moreira	Board of Directors	0
Maria Sílvia da Fonseca Vasconcelos da Mota	Board of Directors	0
Vítor Manuel Álvares Escária	Board of Directors	0
Mariana França Gouveia	Board of Directors	0
Paulo Sérgio Jesus das Neves	Supervisory Board	0
Américo Agostinho Martins Pereira	Supervisory Board	0
Mária Maria Machado Lapa de Barros Peixoto	Supervisory Board	0
António Baia Engana	Supervisory Board	0

* Of the 2,455,028 shares held by the shareholder Carlos Martins, 255,028 are held on an indirect basis, under the household of this Member of the Board of the Company, through the company BLACK AND BLUE INVESTMENTOS, SA, of which that Board Member is a shareholder.

** The 2,430,260 shares held by the shareholder Jorge Martins are held indirectly by marriage with Elisabete Maria de Almeida Jesus Farreca.

Note: There are no obligations held by members of management and supervisory bodies.

9. Special Powers of the Board of Directors, namely in what concerns the operations of capital increase

The Board of Directors is authorised, under the terms of the current Articles of Association, after a favourable opinion from the Supervisory Board and in compliance with the other applicable provisions of the Articles of Association, to increase the share capital in cash, once or more times, up to the maximum limit of a hundred and twenty-five million euros. The Board of Directors will set the terms and conditions of each capital increase, as well as the form and date/period of the subscription and execution, as set forth by Article no. 4, paragraph no. 8 of the Company’s Articles of Association, as approved at the General Meeting held on 25 May 2007.

Up to this date, there has not been any capital increase in the Company under this assignment of the Board of Directors.

10. Significant Business Relations between the Holders of Qualifying Holdings and the Company

On 31 December 2019, the main shareholders holders of qualifying holdings continued to be the companies I'M SGPS, S. A. and Mota-Engil, SGPS, S. A..

During 2019, no significant business or commercial transactions occurred between the Company and the holders of qualifying holdings in the Company.

Regarding business or transactions between holders of qualifying holdings in the Company and other Company affiliates, they fall within the normal activities of these companies and were conducted under normal market conditions.



B. CORPORATE BODIES AND COMMITTEES

In this Part B, the information referred to in Article no. 447 of the CCC, in article no. 3 of Law no. 28/2009 of 19 July (Remuneration Policy), in subparagraph (r), paragraph 1 of article no. 245-A of the Securities Code (diversity in the administrative and supervisory bodies) and in article no. 5 of Law no. 62/2017 of 1 of August (balanced representation of men and women in the administrative and supervisory bodies) is also included.

Martifer is the holding company of a Group with head office in Portugal, internationally present through subsidiaries, affiliated companies and joint ventures. The vast project portfolio that it continuously developed answers various markets and clients.

Responding to the challenges arising in this framework, Martifer Group's corporate governance advocates a policy of diversity in the composition of its corporate bodies, in particular the Board of Directors and the Supervisory Board:

- to promote diversity in the composition of the respective body;
- to enhance the performance of each member and as a whole, of each body;
- to encourage comprehensive, balanced and innovative analyses; and, consequently, allow the decision-making and control processes reasoned and agile;
- to contribute to the increase of innovation and renewal of the Company, for its sustainable development and creation of value for shareholders and other stakeholders in the long term.

Martifer, thus, recognises the need to continually promote diversity in its bodies and other managers, in particular in the Board of Directors and the Supervisory Board, in particular on the following aspects:

- Appropriate academic qualifications and relevant professional experience for the exercise of a specific corporate position and that, in the respective social body, there are the necessary skills for the proper performance of the duties of that body;
- Inclusion of members of different ages, combining the knowledge and experience of senior members with the innovation and creativity of young members, to allow the respective body to have an innovative vision of the business and prudent management of risks;
- The promotion of gender diversity and, consequently, an appropriate balance of sensibilities and style of decision-making within the respective body.

In what concerns to the Board of Directors and the Supervisory Board, whose composition was changed at the General Assembly on 18 May 2018, the policy is evidenced as indicated in Item 19 (Board of Directors) and Item 33 (Supervisory Board) of this report. In particular, it should be stressed that, in both cases, the Board of Directors comprises 25% of people of the under-represented gender and the Supervisory Board integrates 33.3% in the same way.

The analysis of diversity in Martifer's corporate bodies transmits the existence of a reasonable level of diversity. Verify the following table:

DIVERSITY FACTOR	PARAMETER	%
AGE	<45	33%
	45-60	42%
	>60	25%
SEX	Female	25%
	Male	75%
LITERARY QUALIFICATIONS	Engineering	33%
	Economy/Management	42%
	Law	8%
	Others	17%



I. GENERAL MEETING

a) Composition of the Presiding Board of the General Meeting

11. Identification and position of the members of the presiding Board of the General Meeting and respective term of office

The Board of the Shareholders General Meeting comprises a president, a vice president and a secretary. The present holders of these positions were elected at the 18 May 2018 Shareholders General Meeting for a three-year term of office, ending on 31 December 2020.

The members of the Board of the Shareholders General Meeting are:

PRESIDENT	José Joaquim Neiva Nunes de Oliveira
VICE PRESIDENT	Luís Leitão Marques Vale Lima
SECRETARY	Luís Neiva de Oliveira Nunes de Oliveira

b) Exercise the right to vote

12. Restrictions on the right to vote

The Company's Articles of Association do not establish any percentage or maximum limit regarding the right to vote by any shareholder. The Company has not issued preference shares without voting rights.

The Shareholders General Meeting is, therefore, comprised of shareholders holding Company shares, each share carrying one vote.

Shareholders can participate provided they hold shares at least five days before the date set for the General Meeting, and provided these shares are registered in their name in securities' accounts.

Up to three days before the date set for the General Meeting, a certificate issued by the relevant entity shall be presented to the Company as proof of ownership of the shares. In the event of suspension of the General Meeting, the Company does not require the blockage of the shares for the full suspension period until the session is resumed; instead, compliance with the ordinary notice period for the first meeting suffices.

Shareholders may be represented at the Shareholders General Meetings by a written proxy mandate addressed to the President of the Board of the General Meeting. The mandate mentioned above may also be sent by electronic mail following the respective Shareholders General Meeting notice of meeting instructions.

Shareholders may also exercise their vote by correspondence on all matters subject to approval at the General Meeting.

The proposals to be submitted for approval at the General Meeting, as well as the other information necessary for the preparation and participation at the said meetings (including, amongst other, the template to exercise the vote by correspondence), are made available to the shareholders up to twenty-one (21) days before the date of the General Meeting, at the Company's registered office and on the Company's website. Such documentation can be found on the company's website on the Internet at <http://www.martifer.pt/>. In addition to the Company's website, such documentation is made available to shareholders, for consultation, at the company's registered office during business hours, as well as in the Information Disclosure System of CMVM (www.cmvm.pt), on the date of disclosure of the notice of the meeting. Still, in the same e-mail address of the Company, the minutes of the meetings of the General Assemblies are also made available within five days after their occurrence.



Martifer has been ensuring and implementing measures to promote and encourage the participation of shareholders in general meetings:

- Voting by correspondence;
- Access to proxy forms and voting ballots on its website;
- Disclosing on the website, in Portuguese and English, the notice of meeting for the General Meeting, the possible ways to exercise the vote and the procedures to adopt to vote by correspondence or by proxy;
- Making available on the website, in Portuguese and English, the preparatory documentation relating to the various items on the Agenda;
- Creating an electronic mail address exclusively dedicated to the General Meeting, which is disclosed in the notice of the meeting, to facilitate the clarification of any doubts;

13. The maximum percentage of voting rights that may be exercised by a single shareholder or by shareholders that are in any relationship as set out in no. 1 of Article no. 20 of CVM

There is no restriction on the number of votes that can be held or exercised by a single shareholder or group of shareholders.

14. Shareholders' resolutions that, imposed by the Articles of Association, can only be made with a qualified majority, besides the legally foreseen

Article no. 18 of the Company's Articles of Association establishes both for a first or a second notice of a meeting, the rule of a simple majority of the votes issued to pass resolutions unless otherwise foreseen in the CCC or in the Articles of Association.

The only exception to this rule relates to the provision in the Company's Articles of Association that sets a qualified majority of two-thirds of the votes counted for the passing of resolutions relating to the dismissal of board members without fair grounds.

II. MANAGEMENT AND SUPERVISION

a) Composition

15. Corporate Governance Model

The Company adopts the Latin monist government model, commonly known as the "*latin strengthened*", which advocates the separation between the administration and supervisory bodies (dual), being its Corporate Governance structure formed by the Board of Directors, a Supervisory Body and by a Statutory Auditor. All the bodies are elected at the Shareholders General Meeting.

For the term of office corresponding to the 3-year period 2018-2020, the Board of Directors delegated the governing of the day-to-day affairs of the Company to an Executive Committee, under the terms and within the limits defined in Item 21.1 below.

The adoption of this model allows the existence of a supervisory body with strengthened powers of effective supervision, composed entirely by members subject to a regime of incompatibilities and independence requirements.

Except for the Certified Public Accountant, that was elected for a 2-year period (2018-2019), the members who integrate the corporate bodies, the Board of the General Meeting and the Remuneration Setting Committee were elected for a three-year period (2018-2020). The Remuneration Setting Committee, elected at a Shareholders General Meeting, is responsible for setting the remuneration of the members of the Company's corporate bodies as well as for defining the general guidelines to be observed in setting the amounts.

16. Rules of the Articles of Association on the procedural and material requirements governing the appointment and replacement of members of the Board of Directors

The Board of Directors shall be appointed or replaced following the provisions of the Company Code and the Articles of Association.

According to the provisions of subparagraph d) of paragraph 1 of Article no. 289 CCC, the proposals for the election of directors (and other social bodies) indicated the professional qualifications and professional activities carried out, in the last five years, of the persons whose election was proposed by the shareholders of the Company. These elements provided sufficient grounds for the adequacy of the profile, knowledge and curriculum, to the position to be performed by the candidates.

The members of the Board of Directors are proposed and elected every three years by the Shareholders at a Shareholders General Meeting or co-opted by the Board of Directors, subject to ratification at the General Meeting; their re-election is allowed once or more than once. The proposals for the election of members of the social bodies include the professional qualifications and professional activities of the persons whose election is proposed by the shareholders of the Company. Under the Articles of Association, a member of the management board may be appointed by a minimum number of Shareholders, holding at least 10% (ten per cent) of the share capital, who voted against the passed proposal to elect the directors.

According to article no. 9 of the Articles of Association, the Board of Directors appoints the President and two Vice Presidents from amongst its members, and to the extent it considers it pertinent and appropriate, it constitutes an Executive Committee or delegates powers to executive board members.

According to the Articles of Association, the substitution of board members is made as set forth in Article no. 393 of the CCC. In accordance with the Company's Articles of Association, for the purposes of substituting board members under no. 1 of the said Article of the CCC, definitive absence is qualified as permanent when, without justification accepted by the management body, a board member does not attend more than five meetings, consecutive or not.

As an exclusive competence of the General Assembly and, therefore, of the shareholders, the choice and appointment of the members of the corporate bodies, it is not possible for the Company to draw up and impose models or policies of diversity as mentioned in paragraph 1(r), of Article 245-A of the Securities Code.

Nevertheless, shareholders have been applying diversity criteria that seek to combine the individual attributes of each member, such as independence, integrity, experience and competence, with the specificities of the Company, namely its governance model, its size, its shareholder structure and business model.

Furthermore, in compliance with the Resolution of the Council of Ministers no. 11-A/2015, the Company has committed itself to meet the diversity targets in the composition of its corporate bodies and has female representation in its corporate bodies. So, not only are candidate profiles considered but also diversity requirements. Of note, the current mandate of 2018-2020 was immediately in line with the proportion of persons of each sex assigned to the administrative and supervisory body, and this proportion was met on 31 December 2019.

In September 2019, the company published its Plan for Gender Equality, which can be found on the Company's website at the following link <https://www.martifer.pt/pt/investors/corporate-governance/plano-igualdade-genero>, where the objectives to be pursued by the Company in this context are defined, as well as the concrete measures to be implemented to achieve its objectives.

17. Composition of the Board of Directors

Following the Company's Articles of Association, Martifer's Board of Directors is constituted by 5 (five) to 9 (nine) members elected at a General Meeting.

The term of office of the members appointed to the Board of Directors is 3 (three) calendar years, and there are no restrictions regarding their re-election. The members of the Board of Directors are considered inducted as soon as they are elected, and they remain in office until replaced by newly elected board members.



On 31 December 2019, the Board of Directors had 8 (eight) members, elected at the Company's General Meeting for a three-calendar year term of office, ending on 31 December 2020.

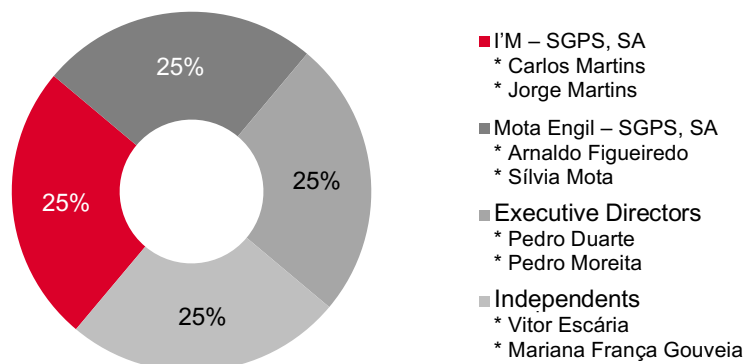
On 31 December 2019, the composition of the Board of Directors for the 2018-2020 term of office was as follows:

NAME OF THE BOARD MEMBER	FIRST NOMINATION	END OF CURRENT TERM OF OFFICE
Carlos Manuel Marques Martins (President)	2004	2020
Jorge Alberto Marques Martins (Vice President)	2004	2020
Arnaldo José Nunes da Costa Figueiredo (Vice President)	2010	2020
Pedro Nuno Cardoso Abreu Moreira	2015	2020
Pedro Miguel Rodrigues Duarte	2018	2020
Maria Sílvia da Fonseca Vasconcelos da Mota	2018	2020
Vítor Manuel Álvares Escária	2018	2020
Mariana França Gouveia	2018	2020

18. Distinction between executive and non-executive members

NAME OF DIRECTOR	(Executive / Non-executive)	INDEPENDENT or NON-INDEPENDENT
Carlos Manuel Marques Martins (President)	Non-executive	Non-independent
Jorge Alberto Marques Martins (Vice President)	Non-executive	Non-independent
Arnaldo José Nunes da Costa Figueiredo (Vice President)	Non-executive	Non-independent
Pedro Miguel Rodrigues Duarte	Executive	-
Pedro Nuno Cardoso Abreu Moreira	Executive	-
Maria Sílvia da Fonseca Vasconcelos da Mota	Non-executive	Non-independent
Vítor Manuel Álvares Escária	Non-executive	Independent
Mariana França Gouveia	Non-executive	Independent

On 31 December 2019, of the 8 (eight) members of the Board of Directors, 6 (six) are non-executive board members, whose duties are to monitor and assess the management of the Company by the executive directors, 2 (two) of these 6 (six) non-executive members are independent board members. One third of its non-executive members, in office on 31 December 2019 are considered independent.





The relationship established between non-executive board members and the reference shareholders allows the definition of a pattern of adequacy of the number of elements of the Board of Directors with designated non-executive functions. This parity enables us to infer the adequacy finding of the number of members of the Board of Directors.

Given the size of the Company and its shareholder structure, the number of independent directors is considered appropriate, taking into account its shareholder structure and the low free float. To verify the independence of the members of the Board of Directors, the criteria used is that foreseen in Article no. 414, no. 5 of the CCC, as well as that established in 18.1 of Annexe 1 of Regulation no. 4/2103 of CMVM and in Recommendation III.4 of the Code of Corporate Governance of the Portuguese Corporate Governance Institute (IPCG - Instituto Português de *Corporate Governance*) (2018).

19. Professional qualifications of the members of the Board of Directors

The experience and knowledge of the members of the Board of Directors is detailed in their curricula, presented in the document attached to this report as Annexe I; these attest, in a rigorous and specific manner, their ability to carry out the duties attributed to them.

20. Meaningful family, professional or business relationships of members of the Board of Directors with shareholders that are assigned qualifying holdings

The President of the Board of Directors, Carlos Manuel Marques Martins, and the Vice President, Jorge Alberto Marques Martins, both hold shares and voting rights in one of the major shareholders, I'M - SGPS, S. A.. The abovementioned Board Members are brothers.

The Vice President of the Board of Directors, Arnaldo José Nunes da Costa Figueiredo, exercises management positions in Mota-Engil Group companies. Mota-Engil SGPS, S. A., Martifer's other major shareholder, is the holding company of the Group mentioned above.

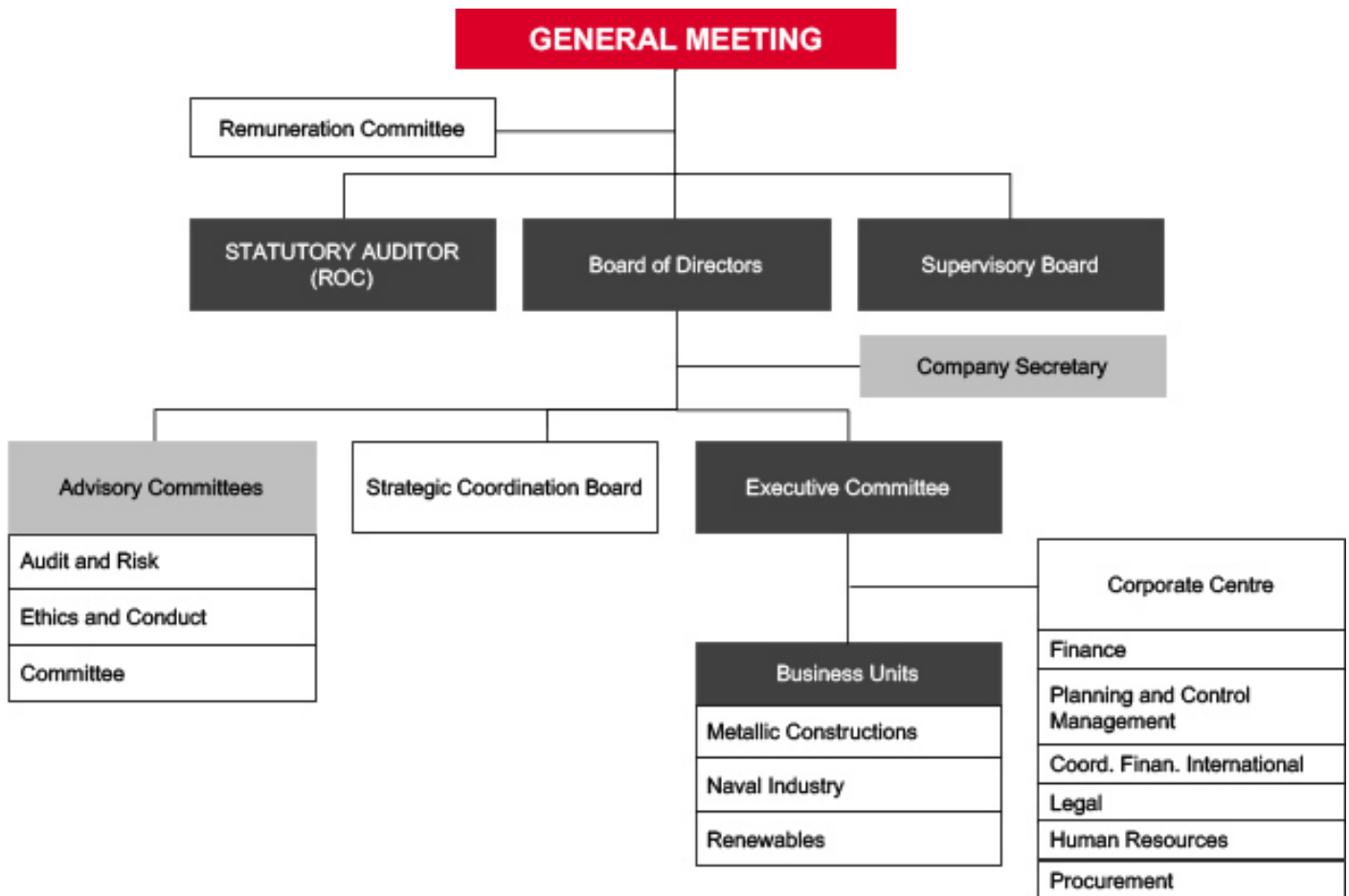
The Member of the Board of Directors Maria Sílvia da Fonseca Vasconcelos da Mota is a shareholder with a qualified holding of Mota-Engil, SGPS, S. A., a reference shareholder of the company, and is a Board Member in companies of the Mota-Engil Group.

The remaining Board Members have no kinship between them.

21. Organisational charts or flowcharts concerning the allocation of powers between the various corporate bodies, committees and/ or departments of the Company, including information on delegating powers, particularly in what regards the delegation of the Company's daily management



21.1 ORGANISATION CHARTS



21.2 DIVISION AND DELEGATION OF POWERS

Management Bodies

On 31 December 2019, the Company presented a Board of Directors with eight (8) members: a President, two Vice Presidents and five Members. On the same date, 2 (two) of its members were executive directors and formed an Executive Committee, and the other 6 (six) were non-executive members.

Following the Articles of Association and under article no. 407, no. 3 of the CCC, daily management powers were delegated to an Executive Committee, positions now held by Pedro Miguel Rodrigues Duarte (President) and by Pedro Nuno Cardoso Abreu Moreira. The referred to executive members are responsible for the implementation of the strategic decisions taken by the Board of Directors, as well as the day-to-day management of the holding company, while holding company, all in the context of the powers that were delegated.

The duties delegated to the Executive Committee include the guidance for the performance of the various Business Areas, as well as the running of the corporate services, the supervision of all the business areas, the promotion of synergies between these, the deployment of the necessary resources, the management of human and financial resources, the definition of the development for each business area and the supervision of the attainment of the objectives of each business area, establishing policies transversal to the Company as a whole. It is also the Executive Committee's duty to exercise the powers that, at any given moment, have been delegated to it by resolution of the Board of Directors, except over matters for which the delegation of powers is forbidden by law or by the Articles of Association.

Per the decision of the Board of Directors dated 24 May 2018, all the necessary or convenient powers for the achievement of the social object and for the exercise of the activity of the Company were delegated, of which are highlighted:

- Approval of operations, and the possible issue of binding instructions to the Boards of Directors of subsidiaries, to be carried out by the business units of Martifer Group;
- Issuance of any proposals to submit to the Board of Directors concerning matters of exclusive competence;
- Approval of transversal policies and rules, instructions or orientations such as procedural manuals, regulations and service orders;
- Participation in Joint-Ventures and in Economic Interest European Groups and, additionally, the execution of consortium and associative partnership contracts, except when they have as their objective the participation in projects involving a turnover of more than one hundred million Euros;
- Appointment of representatives in the General Meetings of the Company's subsidiaries and determination of the voting intentions at the said Meetings;
- Representation of the company in court and outside it, actively or passively, including the submission, opposition and appeal regarding any legal or arbitration proceedings, including also the confession, withdrawal or transaction of any lawsuits and the acceptance of arbitration commitments, except for processes relating Clients;
- The hiring of employees, defining remuneration levels, categories and conditions and other benefits or complements, in full compliance with the general remuneration policies;
- Exercising disciplinary powers and applying sanctions;
- Execution of proxies to carry out specific acts or categories of acts, defining the extent of the respective mandates.

The ordinary meetings of the Executive Committee shall be held monthly, and at the beginning of each financial year, the meetings to be held during that year shall be scheduled. The president of the Executive Committee sends the President of the Board of Directors, with the required prior notice, the meeting agendas and the minutes of the respective meetings. The executive members provide the non-executive board members, as well as the other members of the corporate bodies, all the necessary clarifications for them to exercise their duties, either on their own initiative or at their request.

Except for the matters that cannot be delegated by law according to Article no. 407, paragraphs no. 4 and no. 8 of the CCC, and reserving, of course, the discussion and approval of the strategic plan of the Company and the Group and the approval of the annual budget, the Board of Directors has expressly stated that certain matters are excluded from the powers delegated to Executive Board Members, namely:

- I. Approval of the activity plans and budgets for Martifer Group companies;
- II. Investment or commitment to invest in new business areas;
- III. Investments and divestments unforeseen in the annual budgets of Martifer Group companies, when the amounts involved are equal to or above five million Euros
- IV. Constitution of any covenants or encumbrances on Martifer Group's companies' share;
- V. The participation in Joint-Ventures and in Economic Interest European Groups and, additionally, the celebration of consortium and associative partnership contracts, the incorporation or participation in any other forms of temporary or permanent associations of companies and/ or private or public entities, if they intend to participate in projects involving a turnover of more than one hundred million Euros;
- VI. Appointment of proxies, individual or legal, to hold corporate positions in other companies;
- VII. The constitution of the Executive Committee and the Strategic Coordination Council, and the definition of the matters to be delegated to them;
- VIII. Subscription, acquisition or disposal of shareholdings in any company;
- IX. Acquisition and disposal of own shares according to and within the limits of the resolution made at the Company's General Meeting.

The delegation of powers will cease with the passing of a resolution by the Board of Directors or, automatically, with the end of the term of office of the Board of Directors that delegated the powers mentioned above.

The president of the Board of Directors has the powers conferred by law and by the Articles of Association.



On 31 December 2019, Pedro Miguel Rodrigues Duarte, as President of the Executive Committee was regarded the *Chief Executive Officer* (CEO) of the Company and Pedro Nuno Cardoso Abreu Moreira, responsible for the company's financial areas was considered the *Chief Financial Officer* (CFO).

According to Article no. 407, no. 1 of the Portuguese Commercial Companies Code, the Board of Directors also attributed to the Board Member Pedro Nuno Cardoso Abreu Moreira the special position of being the Company Representative with the Market and with CMVM.

The executive directors accompanied the activity developed by the Company, ensuring the effective supervision, monitoring and assessment of the activity, in particular through regular meetings of the Board of Directors, without prejudice to the access to any information or documentation that may be requested at any time.

The Board of Directors holds meetings at least four times per year, or whenever convened by its President or by 2 (two) of its Members.

Supervisory Bodies

The supervision of the Company is exercised by a Supervisory Board and by a Statutory Auditor, that shall carry out the duties resulting from the applicable law and articles of association. It is the responsibility of the General Assembly to elect the Supervisory Board, as well as to appoint, on a proposal from the Supervisory Board, the Statutory Auditor or the Statutory Auditor Company.

The Company's Supervisory Board has four members, a president, two effective members and one alternate.

Committees

REMUNERATION SETTING COMMITTEE

According to the articles of association, the Remuneration Setting Committee, elected by the shareholders gathered at the General Assembly, shall define the remuneration policy of the members of corporate bodies, setting the applicable remuneration, taking into account the positions held, the verified performance and the economic situation of Company, meets whenever necessary. Minutes are drawn up of all of the meetings held.

STRATEGIC COORDINATION BOARD

The Strategic Coordination Board is an advisory body, resulting from the appointment by the Board of Directors of the Company, having as duties to decide, without a binding nature, on the matters set out in the framework of its regulation and others that are mandated by the Board of Directors for its analysis and potential issuance of opinions and recommendations.

The Strategic Coordination Board includes five directors of the Company, appointed by Martifer's Board of Directors, among them, compulsorily, the CEO and the CFO and by (i) a manager of the metallic constructions business area; (ii) a manager of the renewable energy business area; and (iii) a manager of the shipbuilding and ship repair business area.

The Strategic Coordination Board is responsible for monitoring and, on its own initiative, issue recommendations to the Board of Directors on matters of the Company and of the economic group, which include: the execution of the annual budget; the implementation of the strategic plan; the general remuneration policy and the strategy for each geographical area, resulting in a continuous and permanent assessment of the non-executive board members.

The Strategic Coordination Board meets every month and, in addition, whenever convened by its President or at the request of any two of its Members.

The Board of Directors and the Members of the Strategic Coordination Board may indicate to the President of the Strategic Coordination Board any matters that they deem to be object of reflection by the Strategic Coordination Board.

b) Functioning

22. Availability and place where rules and regulations on the functioning of the Board of Directors may be viewed

The Board of Directors' Organisational and Functional Regulation in force can be found on Martifer's website at – www.martifer.pt (Tab: Investors, Section: Corporate Governance, Articles of Association).

23. The number of meetings held and the attendance of each member of the Board of Directors

The Board of Directors meets ordinarily once per quarter and, as defined in the Articles of Association and the respective Regulation, whenever the President or 2 (two) of its Members convene a meeting; resolutions may be approved with the presence or representation of the majority of its Members, in accordance with the provisions of paragraph no. 1 of article no. 10 of the Articles of Association and no. 1 of article no. 5 of the Regulation of the Board of Directors.

Following the abovementioned, any 2 (two) administrators without delegated powers may convene meetings, to exercise their powers of supervision, monitoring and assessment of the activity of the members to whom the Board of Directors attributes delegated powers.

To that end, and to safeguard the exercise in an independent and informed manner of the competencies of the non-executive board members referred to in the previous paragraph, the following mechanisms and procedures were instituted by the Board of Directors and enshrined in Internal Regulations:

- (i) the obligation to hand over to the Board Members all the information considered necessary or convenient and that is requested by them to the Company or to any of the Board Members with delegated powers;
- (ii) the satisfaction of the requests of the Board Members with no delegated powers shall be made in an appropriate and timely manner;
- (iii) the possibility of any non-executive Board Member taking part in the Executive Committee meetings so that the non-executive Board Members can exercise the powers attributed to them; and
- (iv) the specialised committees with monitoring, supervisory and appraisal duties on the activity of the board members with delegated powers shall be presided and composed mainly of board members with no delegated powers.

During the 2019 financial year, no constraints were detected regarding the management and operations of the Company; therefore, it can be considered that the mechanism that assures the coordination of the work of the non-executive board members is safeguarded.

In 2019, the Board of Directors met thirteen times. The minutes were elaborated and signed by the Board Members and the Company Secretary and recorded in the respective minutes book, with copies also being sent to the President of the Supervisory Board.

During the year 2019, 12 (twelve) meetings of the Executive Committee were held, with the following attendance degree of each board member to those meetings, during the exercise of their respective positions:

NAME OF THE BOARD MEMBER	Board of Directors ATTENDANCE	Executive Committee ATTENDANCE
Carlos Manuel Marques Martins (President of the Board of Directors)	100%	-
Jorge Alberto Marques Martins (Vice President)	100%	-
Arnaldo José Nunes da Costa Figueiredo (Vice President)	100%	-
Pedro Miguel Rodrigues Duarte	100%	100%
Pedro Nuno Cardoso Abreu Moreira	100%	100%
Maria Sílvia da Fonseca Vasconcelos da Mota	92.30%	-
Vítor Manuel Álvares Escária	100%	-
Mariana França Gouveia	100%	-

Note: If the board member was not physically present at a given meeting, he/she was represented by another board member at the meeting, as mandate letter respectively issued to that effect.



24. Competent Corporate Bodies to appraise the performance of the executive board members

The Company's Corporate Governance Committee includes non-executive Members of the Company's Board of Directors and is presided by an independent board member that meets all the independence and compatibility requirements foreseen in 18.1 of Annexe I of Regulation no. 4/2013 of CMVM and of Recommendation III.4 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) (2018). This Committee has, amongst others, the power to appraise the performance of the executive directors and the overall performance of the Board of Directors, as well as that of the various existent committees.

The Company's Remuneration Setting Committee also undertakes, within its scope of powers, the appraisal of the performance of the members of the Board of Directors, endeavouring towards a convergence of the interests of the directors, of the remaining corporate bodies and managers with the interests of the Company, promoting a long-term perspective.

As mentioned below (see item 27), the above committees are not composed solely of board members.

In addition, the Board of Directors includes six non-executive members to ensure the effective monitoring and evaluation capacity of the activity carried out by the two executive members. During the annual discussion, at a Board of Directors meeting (composed in a mixed form, by non-executive and executive directors), of Martifer Group's strategic plan and of the different business areas, the inherent self-assessment, that of the executive board members (which make up the Executive Board), and existing internal commissions are promoted, taking into account not only qualitative aspects, compared to approved plans and budgets, but also the main ongoing projects. The year's assessment is then supplemented when the Management Report and the annual accounts are approved, individually and consolidated.

25. Predefined criteria for assessing the performance of the executive board members

The performance of the Board Members is appraised based on the principles listed in the Remuneration Policy Statement. The remuneration policy and the remuneration of the Company's Corporate Bodies are reviewed annually and submitted for approval at the Company Annual Shareholders General Meeting.

The remuneration policy is oriented along principles and criteria based on the duties carried out, the degree of complexity and the responsibility assumed, of the alignment of the interests of the management board members with the interests of the company, of the performance assessment, of the economic situation of the company and the general market conditions for equivalent positions, as better set out in Item 70 below.

In addition, within the scope of the Corporate Governance Committee and in compliance with Recommendation V.1.1 of the Corporate Governance Code of the Portuguese Institute of Corporate Governance (IPCG) (2018), this body analyses the performance of the Company's Executive Board considering for the purpose:

- (i) a set of economic and financial indicators of performance;
- (ii) the deviations in relation to the established budgets;
- (iii) the level of compliance with the strategic and operational objectives agreed on by the Board of Directors for the year; and
- (iv) the impact of the evolution of the external environment of the Group, in particular the economic and financial situation nationally and internationally, as well as the general condition of supply and demand in their markets.

26. The availability of each member of the Board of Directors and details of the positions held by each of them in other companies, within and outside the Group, and other relevant activities undertaken by members of those bodies throughout the financial year

The indication and description of the positions held and duties carried out by the members of the Board of Directors are better described in the document attached to the present report as Annexe II.

The Company considers that all the members of the Board of Directors have shown total availability to perform the duties inherent to the bodies for which they were elected by the shareholders. Being considered, on the one hand, the Directors' availability to participate in the meetings of the bodies they are a part of (Board of Directors, Risk Committee, Ethics and Conduct Committee and Corporate Governance Committee) and, on the other hand, the total availability to perform the tasks attributed to them by the Board of Directors, regarding both their areas of work and the management responsibilities in given business areas.

c) Committees within the Board of Directors or Supervisory Board and Board Delegates

27. Details of the Committees created within the Board of Directors and the place where the Regulations on the functioning thereof are available

Intending to adopt the best corporate governance practices, the Board of Directors appointed 3 (three) specialised committees to boost its operational effectiveness (according to 21.1 above).

The Corporate Governance Committee, the Ethics and Conduct Committee and the Risk Committee have their own Regulations that lay down the rules relating their composition, functioning and powers, which can be consulted on the Company's website at <http://www.martifer.pt/> (Tab: Investors, Section: Corporate Governance / Articles of Association).

28. Details of the Executive Committee's Members

The Board Members appointed by the Company's Board of Directors to be part of the Executive Committee are:

NAME OF THE BOARD MEMBER	POSITION
Pedro Miguel Rodrigues Duarte	President (CEO)
Pedro Nuno Cardoso Abreu Moreira	Board Member (CFO)

The powers delegated to the Executive Committee by the Board of Directors are set down in Item 21.2 above.

29. Description of the powers of each of the Committees established and a summary of the activities undertaken in the exercise thereof

The Corporate Governance Committee, as per the respective Regulation, shall have 2 to 6 members that are also members of the Supervisory Board and/or the Board of Directors, but that do not hold executive positions. Currently, the Corporate Governance Committee has the following composition:

PRESIDENT	Mariana França Gouveia (independent and non-executive Board Member)
MEMBERS	Arnaldo Figueiredo (non-executive Board Member) Inês Filipa Serra (Corporate Legal Director)

The Corporate Governance Committee is competent to issue suggestions to improve the governance model of Martifer Group, with the objective of promoting compliance with strict ethical and deontological principles and compliance with practices that ensure compliance with corporate governance standards and the best established practices and that sustain a diligent, efficient and balanced management and that promote ethical and responsible conduct, from the perspective of the interests of the shareholders and other stakeholders.



In addition to the informal meetings and the presence of its members in work groups, the Corporate Governance Committee did not formally meet in 2019 since there were no facts that occurred in the Company that called for the issuance of recommendations. The Corporate Governance Committee has its own Regulation that establishes the rules regarding its composition, functioning and powers, which can be consulted on the Company's website at <http://www.martifer.pt/> (Tab: Investors, Section: Corporate Governance/ Articles of Association).

The Corporate Governance Committee has as its primary responsibilities and powers:

- to assess and develop the corporate governance model;
- to reflect on the governance system adopted and verify its effectiveness;
- to advise and to propose to the Company's relevant corporate bodies measures aimed at improving Corporate Governance;
- to undertake performance appraisals of the executive directors and of the Board of Directors as a whole, as well as of other Committees.

ETHICS AND CONDUCT COMMITTEE

The Ethics and Conduct Committee has three to seven members, appointed by the Board of Directors, which appoints the President. Presently, the Ethics and Conduct Committee has the following composition:

PRESIDENT	Mariana França Gouveia (independent and non-executive Board Member)
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MEMBERS	Vitor Escária (independent and non-executive Board Member) Inês Filipa Serra (Corporate Legal Director)
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The Ethics and Conduct Committee has its own Regulation that establishes the rules regarding its composition, functioning and powers related to the elaboration, implementation, follow-up and control of ethics and conduct norms at Martifer. The Ethics and Conduct Committee's Regulation can be consulted on the Company's website at <http://www.martifer.pt/> (Tab: Investors, Section: Corporate Governance/ Articles of Association).

The Ethics and Conduct Committee is also responsible for constituting and assuring compliance with the irregularities disclosure policy regarding irregularities occurring at Martifer Group, under which employees can communicate, in an adequate, immediate and confidential (if requested) manner while safeguarding their professional integrity, information relating to the report of irregularities occurred within Martifer Group, establishing and making available the most adequate and effective communication channels for this purpose.

The Ethics and Conduct Committee coordinates its activity with the company's Supervisory Board, given the specific powers of that Body, namely those laid down in the CCC.

The Committee meets periodically or whenever it is convened by its President, by notice of meeting sent by the President to its members with a minimum notice period of seven working days, which will also indicate the respective agenda. The Ethics and Conduct Committee writes up minutes of all its meetings.

In addition to the informal meetings and the presence of its members in work groups, the Ethics and Conduct Committee did not formally meet in 2019 since there were no facts that occurred that called for the issuance of recommendations.

RISK COMMITTEE

The Risk Committee has three to six members that integrate the Board of Directors and/or the Supervisory Board, but the majority of the members cannot hold executive positions. The President of the Company's Board of Directors may not be part of the Risk Committee, but he may participate in the meetings, without the right to vote. The Risk Committee has the following composition:

PRESIDENT	Vitor Escária (independent and non-executive Board Member)
VICE PRESIDENT	Jorge Martins (non-executive Board Member)
MEMBER	Paulo César Ferreira (Corporate Management Planning and Control Director)

The Risk Committee has its own Regulation that establishes the rules regarding its composition, functioning and powers related to the elaboration, implementation and follow-up as a risk management system transversal to Martifer Group. The Risk Committee's Regulation can be consulted on the Company's website at <http://www.martifer.pt/> (Tab: Investors, Section: Corporate Governance/ Articles of Association).

The mission of the Risk Committee is to propose and monitor the implementation of Martifer Group's risk management policy, which aims to establish a strategy for the prevention and management of risk transversal to the Martifer Group, so as to reduce the exposure to risk and safeguard the Groups' worth and the creation of value for its stakeholders.

The main responsibilities attributed to the Risk Committee are:

- to issue recommendations or opinions as to (a) the definition of a risk policy for Martifer Group; (b) the content, format and methodologies to be considered in investment analysis reports, be they organic or of company acquisitions; and (c) the creation of risk identification, monitoring, control and management systems of a (i) legal and contractual, (ii) financial, (iii) technical and operational, (iv) commercial, (v) environmental, (vi) political and (vii) of any other nature, that the Risk Committee considers relevant;
- to ensure compliance with the guiding principles of Martifer Group's Risk policy, assisting the Board of Directors with the setting of the strategic objectives of the Company in matters of risk assumption;
- to prepare opinions on financing and investment operations that require the prior opinion of the Risk Committee;
- to submit to the Board of Directors proposals, suggestions of methodologies to identify and cover risks that are appropriate and that should be adopted by Martifer Group as measures aimed at improving the risk management model in force and to facilitate the pursuit of higher corporate objectives;
- to inform the Board of Directors of any situations or occurrences of which it is aware and that, in its opinion, are non-compliant with the norms and practices of risk identification, monitoring and control;
- to monitor and analyse the reflections and guidance produced on risk management by national and international organisms, so as to take advantage of these to improve Martifer Group's Risk Management model.

In addition to the informal meetings and the presence of its members in work groups, the Risk Committee formally met once in 2019, a meeting of which minutes were prepared, and the respective recommendation was issued.

III. SUPERVISION

a) Composition

30. Details of the Supervisory Board

Martifer's supervisory model is based on a Supervisory Board and a Statutory Auditor (Certified Public Accountant). The functional separation between the Supervisory Board and the Statutory Auditor basically follows a division of the functions: the political supervision is exercised by the Supervisory Board, whereas the review and certification of the financial statements rest with the Statutory Auditor.

In addition to the powers attributed to it by law, which imply the proper monitoring, evaluation and pronouncement on the strategy defined by the Board of Directors, and the supervision of the effectiveness of the risk management system, the Regulation of the Supervisory Board foresees as part of its duties:



- a) To examine the Company's bookkeeping, whenever it considers convenient, and at least once a month;
- b) To monitor the Company's activity and compliance with the applicable laws, the Articles of Association and the applicable regulations;
- c) To represent itself at the Board Meetings whenever it considers such presence convenient;
- d) To convene a General Meeting whenever it considers such call convenient;
- e) To examine periodic situations presented by the Board of Directors during its term of office;
- f) To issue opinions on the budget, the balance sheet, inventory and the annual accounts;
- g) To draw to the attention of the Board of Directors any matter which must be considered and issue an opinion on any matter submitted to it by that Body.

These duties are translated as having to:

- monitor the process of preparing and disseminating financial information;
- monitor the effectiveness of internal control, internal audit and risk management systems;
- regularly assess external audit;
- approve the risk management activity plans and track their implementation;
- approve internal and external audit activity programmes;
- monitor the statutory audit;
- assess and monitor the independence of the Certified Public Accountant, in particular when it provides additional services to the Company;
- issue a prior opinion on business of significant relevance between the Company and its shareholders holding qualified holdings – or entities that have with them any of the relationships provided for in no. 1 of Article no. 20 of the Portuguese Securities Code.

For the full performance of its functions, the Supervisory Board requests and assesses all the management information it deems necessary, as has unrestricted access to the documentation produced by the Company's auditors. The Supervisory Board may request any information it deems necessary and be the first recipient of the final reports drawn up by the external auditors.

31. Composition of the Supervisory Board with details on the minimum and maximum number of members, duration of the term of office, number of effective members, date of first appointment and date of end of the term of office for each member

The Company's Supervisory Board is composed of three effective members and one alternate, elected at the General Meeting of 18 May 2018, for the 2018-2020 term, re-eligible under legal terms, which the Company believes to be appropriate to its governance structure given the composition of the other corporate bodies.

The members of the Supervisory Board may only be elected, as a general rule, by the General Assembly, and in case there is a vacancy in the Board, this vacancy shall be occupied by the alternate member. If there is another vacancy to be occupied, it may only be occupied by means of an election of a new member at a General Assembly.

The members appointed for the current term of office are:

MEMBER	FIRST NOMINATION	END OF CURRENT TERM OF OFFICE
Paulo Sérgio Jesus das Neves (President)	2015	2020
Américo Agostinho Martins Pereira (Permanent)	2015	2020
Mária Maria Machado Lapa de Barros Peixoto (Permanent)	2018	2020
António Baia Engana (Alternate)	2015	2020

32. Details of the members of the Supervisory Board

Currently, Martifer's Supervisory Board has the following composition:

PRESIDENT	Paulo Sérgio Jesus das Neves
MEMBERS	Américo Agostinho Martins Pereira Mária Maria Machado Lapa de Barros Peixoto
ALTERNATE	António Baia Engana

33. Professional qualifications of each one of the members of the Supervisory Board and other relevant curricular elements

The experience and knowledge of the Members of the Supervisory Board, currently in office, are better described in their curricula presented in the document attached to this report and Annexe I and indicate in a rigorous and specific manner, their ability to carry out the duties attributed to them.

The Supervisory Board of the company is constituted by independent members, and they are subject to legal and regulatory requirements regarding incompatibilities, independence and expertise in force, in particular those stated in Article no. 414-A of the CCC, as well as the criterion of independence included in paragraph no. 5 of article no. 414 of the CCC.

The elements that compose the Supervisory Board of the Company comply with the rules of incompatibility and independence identified above, being that on 31 December 2019, its members were not holders of Martifer shares, following Article no. 447 of the CCC.

b) Functioning

34. Where the regulation can be consulted

The competencies of the Supervisory Board are indicated in the Regulation that can be consulted on the Company's website at <http://www.martifer.pt> (Tab: Investor, Section Corporate Governance, Articles of Association).

35. Number of meetings held and the attendance report of each member of the Supervisory Board

The Supervisory Board meets, at the very least, once every quarter, whenever its President decides or whenever any of the members request the schedule of a meeting. The President is responsible for calling and running the meetings. Resolutions are passed when the majority of the members are present and by a majority of the votes expressed. In 2019, the Supervisory Board met 12 (twelve) times, and the minutes of all the meetings were prepared.

The attendance of each member of the Supervisory Board to the abovementioned meetings was as follows:

	ATTENDANCE
Paulo Sérgio Jesus das Neves	100%
Américo Agostinho Martins Pereira	100%
Mária Maria Machado Lapa de Barros Peixoto	100%



36. The availability of each member of the Supervisory Board, indicating the positions held simultaneously in other companies, in and outside the Group, and other relevant undertaken activities

All the members of the Supervisory Board demonstrated throughout the 2019 financial year full availability to exercise the functions attributed to them, having regularly attended the convened meetings as well as having been present whenever such presence was considered convenient. The President is adequately supported by the remaining members of the Supervisory Board.

In so far as the activities of the members of the Supervisory Board are concerned, all the members of the Supervisory Board are Certified Public Accountants and develop their activity in different entities, as described in the curricula presented in the annexe of this report, endowing this board with operational knowledge on the Company's business areas. Within the scope of the most relevant activities of the members of the Supervisory Board, we refer to the information indicated in Item 33.

c) Powers and duties

37. Description of the procedures and criteria applicable to the supervisory body to hire additional services to be rendered by the external auditor

The Company's External Auditor has been the company PricewaterhouseCoopers & Associados, SROC, SA (PwC) since the 2010 financial period. The change in the External Auditor was a consequence of a market consultation that year, which was analysed and assessed by the Supervisory Board.

Services falling outside the statutory and external audit scope requested by Martifer Group companies to the External Auditor and to other entities belonging to the same company, in 2019, did not represent relevant amounts. The Supervisory Board approved the service contracting outside the scope of the statutory and external audit to be rendered by the External Auditor, considering that these services do not impair the External Auditors' independence, in addition to not exceeding a relative weight above 30% of the total services rendered to the Company.

Additionally, any new service to be rendered by PwC and its companies (national or international) to Martifer Group is subject to the prior approval of both the management of Martifer and the PwC Partner responsible for the PwC work at Martifer Group, within the scope of its quality control system.

Martifer's Supervisory Board, within the scope of its supervisory duties to the Company's activity, has analytical and appraisal responsibilities over the most significant aspects of the relationship with the External Statutory Auditor, namely in the aspects concerning the independence of the External Statutory Auditor's work, according to paragraph 11 of article no. 77 of the Articles of the Portuguese Institute of Statutory Auditors, approved by Law no. 140/2015 of 7 September. During 2019, the Company's Supervisory Board appraised the activity carried out by the External Auditor, having concluded that it was conducted in a manner consistent with applicable regulations and norms and that it had acted with technical rigour, transparency and civilness.

Additionally, the Supervisory Board reflects, whenever necessary or adequate, according to the developments at the Company or the market configuration in general, on the adequacy of the External Auditor in what concerns the performance of the duties attributed to it.

38. Other duties of the supervisory body

In addition to the duties described in the previous item, the Supervisory Board has the powers set forth by law and in the Articles of Association; amongst others, those relating to the monitoring of the Company's operations, the compliance with the applicable legislation, the Articles of Association and regulations, as well as to issue opinions on the budget, the balance sheet, inventories and the annual financial statements.

Following the operation of the Company, the supervisory body promotes the participation of its members in the meetings of the Board of Directors, as well as with the Certified Public Accountant.

Hence, in exercising its powers and carrying out its duties, the Supervisory Board proposes to the General Meeting:

- To nominate the Company's effective and alternate Statutory Auditors;
- To monitor the Statutory Auditors' independence, namely regarding the rendering of additional services and the scope of these, and concerning the statutory audit of the Company's financial statements;
- To examine the Company's bookkeeping, whenever it considers it convenient and regularity;
- To monitor the Company's activity and compliance with the applicable laws, the Articles of Association and the regulations;
- To represent itself at the Board Meetings whenever it considers such presence convenient;
- To request the call of the Shareholders General Meeting whenever it considers such call convenient;
- To examine situations presented by the Board of Directors, periodically, during its term of office;
- To issue opinions on the budget, the balance sheet, inventories and the annual accounts.

The Supervisory Board is also responsible for representing the Company vis-à-vis the External Auditor, and for:

- proposing the supplier of these services and the respective remuneration;
- ensuring that conditions adequate for the rendering of these services are made available to the Company;
- annually appraising the services rendered as well as acting as the Company's interlocutor, receiving simultaneously with the Board of Directors, the respective reports; and
- proposing the destitution of the External Auditor with just cause.

Finally, Martifer's Supervisory Board is responsible for supervising and appraising the effectiveness of the risk management system and monitoring the activity of internal audit, including the functioning of the internal control and risk management systems. Both are object of regular monitoring and appraising by the Supervisory Board within the scope of its functional and legal powers, as can be inferred from the minutes of the meetings and the annual report and opinion issued by the Supervisory Board.

IV. STATUTORY AUDITOR

39. Details of the statutory auditor and the partner that represents it

The Certified Public Accountant, effective and alternate, were elected for the 2-year period 2018-2019 at the 18 May 2018 General Meeting; and those elected were:

EFFECTIVE	PRICEWATERHOUSECOOPERS & Associados – Sociedade de Revisores Oficiais de Contas, Lda., as Certified Public Accountant.
ALTERNATE	José Miguel Dantas Maio Marques, as Certified Public Accountant.

The Certified Public Accountant may only be elected at a General Assembly, for terms of 2 (two) years, according to legal terms. If a vacancy occurs in this body it shall be filled by the alternate member, and, if the latter does not remain in that function, it can only be filled through the election of a new member at a Shareholders General Meeting.

The Statutory Auditor can be represented by Joaquim Miguel de Azevedo Barroso or by António Joaquim Brochado Correia, being certain that in the year of 2019 the representative of the Statutory Auditor of the Company was Joaquim Miguel de Azevedo Barroso.



40. Indication of the number of years that the certified public accountant consecutively carries out duties in the Company and/or Group

As better described in the previous item, the current Certified Public Accountant, PricewaterhouseCoopers & Associados, SROC, Lda, was appointed at the General Meeting on 10 April 2013, having carried out its duties since then.

41. Description of other services that the certified public accountant provides to the company

The Certified Public Accountant also provides the Company with External Audit services, as described in the following items.

V. EXTERNAL AUDITOR

42. Identification of the external auditor appointed following Article no. 8 and of the partner that represents the external auditor in carrying out these duties, and the respective registration number at CMVM

The External Auditor is the company PricewaterhouseCoopers & Associados, SROC, SA (PwC) currently registered as no. 20161485 in CMVM (the Portuguese Securities Market Commission). PwC has been represented since 2019 by Joaquim Miguel de Azevedo Barroso.

43. Indication of the number of years that the external auditor and respective partner that represents it have consecutively carried out duties at the Company and/or Group

As better described in the previous item, the External Statutory Auditor PricewaterhouseCoopers & Associados, SROC, Lda. has exercised duties at the Company consecutively since 2010, for around 9 years. The respective partner of the Statutory Auditor, which represents it in the fulfilment of those duties, Joaquim Miguel de Azevedo Barroso, has been in office since 2019.

44. Rotation policy and schedule of the external auditor and the respective partner that represents the auditor in carrying out such duties

In so far as a rotation schedule of the External Auditor is concerned, Martifer Group has no formal policy regarding External Auditor rotation.

The Supervisory Board carries out an annual assessment on the External Statutory Auditor's work, ensuring compliance with the provisions of article no. 54 of the Articles of the Portuguese Institute of Statutory Auditors, approved by Law no. 140/2015 of 7 September, regarding the rotation of the partner responsible for the execution of the work.

On 27 September 2017 the Supervisory Board issued an opinion in favour of the proposed extension of the exercise of functions for two more years of PricewaterhouseCoopers & Associados - Sociedade de Revisores Oficiais de Contas, Lda as Statutory Auditor and External Statutory Auditor in the years 2018 and 2019, that is, up to the maximum limit indicated in paragraph 4 of article no. 54 of the Articles of Association of the Portuguese Association of Certified Accountants, approved by Law no. 140/2015 of 7 September.

The Supervisory Board conducted a thorough analysis, having concluded that the competence, reputation and experience of the current Statutory Auditor and External Auditor, and the independent manner with which they have been exercising their functions, underpin the option for their continuance in office, since this continuity doesn't question their independence, and prevent the

incurring of replacement costs arising from the loss of the historical knowledge and its importance for the effectiveness of the audit and review, provided that the independence and impartiality are ensured, as has been the case.

Additionally, the partner representing the Statutory Auditor Company in office took office in 2017 under a rotation policy, which is done in accordance with the best compliance practices.

In preparing the proposal, the Supervisory Board took into account what is indicated in paragraph 4 of article no. 54 of the Portuguese Association of Certified Accountants, approved by Law no. 140/2015 of 7 September, which foresees that the term of office may have a maximum period of 10 years provided that it is duly substantiated.

Thus, the Company complies with the rules currently in force, in what concerns the External Auditor and the partner of the Statutory Auditor that represents it in the fulfilment of these functions.

45. The body responsible for appraising the external auditor and periodicity of the appraisal

The Supervisory Board, in the conduct of its functions, carries out an annual appraisal of the External Auditor's independence.

Additionally, the Supervisory Board, throughout each financial period and whenever necessary or adequate according to the developments in the activity of the Company or to the general market configuration, reflects on the adequacy of the External Auditor vis-à-vis the conduct of its duties.

46. Services, other than auditing, carried out by the External Auditor for the Company and/or companies in a control relationship and indication of the internal procedures for approving the contracting of such services and indication of the reasons for contracting such services

In addition to auditing services, for the Company and/or companies of the Group, tax advisory and accounting services were rendered to foreign companies.

The approval and contracting of the services provided by the External Auditor, different from the audit services, was based on the procedures described in number 37, due to the lack of internal resources of the Company.

Additionally, any new service to be rendered by PwC and its companies (national or international) to Martifer Group is subject to the prior approval of both the management of Martifer and the PwC Partner responsible for the PwC work at Martifer Group, within the scope of its quality control system.

47. Annual remuneration paid by the Company and/or legal entities in a control or group relationship to the auditor and other natural or legal persons pertaining to the same network and description of the services in question

During the 2019 financial period, the annual remuneration paid to the auditors and other private or corporate bodies belonging to the same network, by the Company and/or legal entities in a control or group relationship, amounted to 209,564 Euros (including expenses and remuneration paid by foreign subsidiaries). The breakdown of that remuneration is as follows:



OTHER	2019	%	2018	%	2017	%
Statutory audit and audit services	128,105	97.08%	173,019	87.72%	166,658	97.64%
Other reliability assurance services	2,000	1.52%	2,100	1.06%	2,000	1.17%
Tax consultancy services	0	0.00%	6,968	3.53%	0	0.00%
Other services other than statutory audit	1,842	1.40%	15,163	7.69%	2,026	1.19%
Total	131,947	100.00%	197,250	100.00%	170,684	100.00%

MT SGPS	2019	%	2018	%	2017	%
Statutory audit and audit services	78,200	99.49%	48,200	100.00%	48,200	99.08%
Other reliability assurance services	0	0.00%	0	0.00%	0	0.00%
Tax consultancy services	0	0.00%	0	0.00%	0	0.00%
Other services other than statutory audit	404	0.51%	0	0.00%	450	0.92%
Total	78,604	100.00%	48,200	100.00%	48,650	100.00%

GLOBAL TOTAL	2019	2018	2017
	210,551	245,450	219,334

** Including individual and consolidated financial statements

C. INTERNAL ORGANISATION

I. ARTICLES OF ASSOCIATION

48. Rules applicable to the amendment of the Company's Articles of Association (Article no. 245-A, no. 1, h)

Martifer's Articles of Association do not foresee special rules applicable to the amendment of the Articles of Association, thus applying the rules set out in the CCC. Thus:

- Constitutive Quorum, the provisions of paragraph 2 of article no. 383 of the CCC shall apply. For the General Meeting to be able to decide, on the first call, on the amendment of the Company's agreement, shareholders must be present or must be represented by shareholders who hold at least one-third of the share capital;
- Deliberative quorum, the rule of paragraph 3 of article no. 386 of the CCC due to paragraph 1 of article no. 18 of the Articles of Association, namely the corporate resolutions to be taken at the General Meeting, regarding proposals for amendments to the Articles of Association, shall be taken, either on the first call, or on the second call, by two-thirds of the cast votes.

II. COMMUNICATION OF IRREGULARITIES

49. Means and policy for reporting irregularities in the Company

The Irregularities Reporting Policy indicates as the responsible entity for receiving and managing complaints or reporting irregularities the Ethics and Conduct Committee, without prejudice to the powers of the Supervisory Board in this matter.

Additionally to the Supervisory Board, the Ethics and Conduct Committee pursues, applies and handles procedures on complaints about internal irregularities, giving appropriate internal treatment to the complaints and reports on irregularities, ensuring a speedy resolution of the reported facts.

Thus, Martifer Group aims to ensure the existence of conditions that allow any employee to freely communicate his/her concerns in these areas to the Ethics and Conduct Committee and to facilitate early detection of irregular situations that, if true, can cause damage to Martifer Group, as well as to its stakeholders.

The Ethics and Conduct Code defines the principles and values of Martifer Group, namely respect for the law, corporate social integrity and responsibility and a set of standards of conduct such as non-discrimination and equal opportunities, loyalty in negotiations with suppliers, the prevention of conflicts of interest, among others.

Concerning conflicts of interest, the Ethics and Conduct Committee shall take into account the guidelines set out in the approved corruption prevention plans, among other things, by the Corruption Prevention Council at the Court of Auditors (<http://www.cpc.tcontas.pt/>). The policy reflected in the Ethics and Conduct Code of the Company determines the immediate communication of the existence of the conflict and the failure to practice any act or decision-making in respect of which the conflict is manifested. Under this Code, all employees who have knowledge or suspicion based on situations that do not comply with the provisions of the Ethics and Conduct Code of the Company shall report such situations hierarchically and, in case of doubt as to the existence of a conflict of interest, Consult the Ethics Committee.

The participation, communication or report of irregularities occurred within Martifer Group is received directly in an email account, with exclusively accessed by the President of the Ethics and Conduct Committee. The anonymity and confidentiality are guaranteed whenever requested in the participation or complaint. This channel was considered the most appropriate and independent to receive the complaints, without prejudice to them being sent by post.

Communications of irregularities addressed directly to the Supervisory Board, and all others that fall within the exclusive competence of the Supervisory Board, shall also be immediately communicated by its President, to the President of the Ethics and Conduct Committee.

During 2019 no irregularities were reported to the Ethics and Conduct Committee of Martifer Group.

The Company's communication and reporting of irregularities policy is posted on the Company's website, on the Internet at <http://www.martifer.pt/>, as well as on the Company's intranet.

Martifer's irregularity reporting policy covers the entire perimeter of Martifer Group.

III. INTERNAL CONTROL AND RISK MANAGEMENT

50. Persons, bodies or committees responsible for internal audit and/or implementation of internal control systems

Board of Directors

The Board of Directors defines the risk policy based on risk analysis and measurement, and the Board also coordinates and develops risk management processes to ensure integrated risk management in accordance with Martifer Group's strategy and objectives. The Management Board is, therefore, the body responsible for ensuring the effectiveness of the Company's internal control, risk management and internal audit systems, fostering a culture of control throughout the organisation, based on an internal control system that aims to ensure efficient and sustainable business and operations management, resources and asset protection, and compliance with applicable policies, plans, procedures and regulations, as well as:

- Continuous monitoring and improvement processes based on the assessment and mitigation of critical risks, provided by Internal Audit and the Risk Committee, together with the corporate and business areas;
- Internal information and communication mechanisms that enable monitoring, overseeing and improving the performance of the entire organisation, also provided by the Internal Contractual and Compliance Management Committee;
- Processes for identifying and responding to risks to pursue the strategic objectives of the Company defined by this body.

Risk Committee

Martifer's Risk Committee, which is a specialized committee at the service of the Board of Directors, is responsible for compliance with the guiding principles of Martifer Group's Risk Policy, assisting the Board of Directors in setting the Company's strategic objectives in matters concerning risk-taking, also issuing recommendations or opinions, among others, on the definition of a Risk



Policy for Martifer Group and the creation of identification, monitoring, control and risk management systems of (i) a legal and contractual nature, (ii) a financial nature, (iii) a technical-operational nature, (iv) a commercial nature, (v) an environmental nature, (vi) a political nature and (vii) of any other nature.

The composition, functioning, duties and powers of the Risk Committee are described in Item 29 above and can be found in the Risk Committee Regulation available on the Company's website at <http://www.martifer.pt/> (Tab: Investors, Section: Corporate Governance/ Articles of Association).

Supervisory Board

The evaluation of internal control and of the risk management system is subject to regular analysis and discussion by Martifer's Supervisory Board within its scope of legal competences.

External Audit

Among its functions, it assesses the reliability and integrity risks of the accounting and financial information, reporting them to the Supervisory Board.

Internal Audit Department

In its organisational structure, Martifer has an Internal Audit Department that carries out its activity to evaluate the effectiveness and efficiency of the internal control system and the business processes of the entire Martifer Group independently and systematically, to verify whether the assets of Martifer Group are appropriately registered and adequately protected against possible risks and losses, to examine and assess the rigour, quality and application of operational, accounting and financial controls, by promoting a cost-effective control and by proposing necessary measures to address any deficiencies in the internal control system.

During the year 2019, due to some employees having left the group, the Internal Audit Department's activity was very reduced. However, the Company is actively endeavouring to ensure that the Internal Audit Department can be provided with the necessary human resources in the short term to carry out the functions assigned to it as part of the Company's organisational structure.

Planning and Management Control Department and Consolidation and Reporting Department

The Company also has a Planning and Management Control Department, which supported by the company's IT systems, produces, monitors and analyses management information raising questions on each business area.

The consolidated financial statements are prepared by Martifer's Consolidation and Reporting Department, which ensures consistency in the application of the adopted accounting policies.

It should be noted that the reliability and integrity risks of the accounting and financial information are also evaluated and reported by the Statutory Auditors and by the External Auditor.

The existence of an Ethics and Conduct Code and a system of communication of irregularities which allow the improvement of Martifer Group's control culture should also be noted.

Contractual Management and Compliance Committee

Martifer's Risk and Compliance Management Committee, which is a specialized committee within the Internal Audit, has as its main duties the rigorous assessment of the risks of each operation, prior to the signing of contracts, based on the assessment of a risk matrix and the consequent timely and prior negotiation of these contracts with clients, as well as the monitoring of the intra-group contracting inherent to it, in an integrated and transversal way in Martifer Group, through the strict articulation with the corporate back-office structures.

Under the motto "to optimise performance, we have to understand how to improve risk management", the composition of this internal committee is as follows: (i) a representative of the Executive Committee; (ii) bicepheline management: Legal director and Director of Management Planning and Control, (iii) members: Commercial Director; International Finance Director; Finance Director for Portugal; Tax; the Project Manager.

51. Explanation, by the inclusion of an organisational chart, of hierarchical and/or functional dependency relationships with other bodies or committees of the Company

In what regards the relations of dependency and/or functional hierarchy between the corporate bodies and the departments responsible for the implementation and monitoring of the internal control systems and better described in the previous item:

- The Risk Committee is a committee formed by the Board of Directors, formed mainly by non-executive members of the Board of Directors and/or the Supervisory Board, and presided by an independent member;
- The Supervisory Board is elected at a Shareholders General Meeting of the Company and is an independent body;
- The External Auditor, proposed by the Supervisory Board, is elected at the Company's Shareholders General Meeting and the results of its activity are appraised by the Supervisory Board;
- The Internal Audit Department reports functionally to the independent non-executive Member of the Board of Directors;
- The Management Planning and Control Department and the Consolidation and Reporting Department report to the Company's Board of Directors.
- The Contractual and Compliance Management Committee is an internal committee formed mostly by the Group's corporate directors, and chaired by an executive director, who reports hierarchically to the Executive Board.

52. Existence of other functional areas with risk control responsibilities

We understand that this item is already explained in detail in the previous paragraph, so we refer to the answer given in the previous paragraph.

53. Identification and description of the main types of risks (financial, operational and legal) to which the Company is exposed in the exercise of its activity

The management of risks within Martifer Group is based on the permanent identification and analysis of the exposure to different types of risks inherent to its activities (metallic constructions; naval industry and renewables), in the various countries where it is present, and that are transversal to the whole Company - financial risks; currency exchange risks, interest rate risk, liquidity risks, credit risks, operational risks and legal risks, among others - and in the adoption of strategies to maximize profitability.

In a separate chapter of the Management Report, which is considered an integral part of this report by reference, the main risks to which Martifer Group is exposed in its business are described in detail (Chapter 8 of the Management Report).

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

RISK MANAGEMENT SYSTEMS

Risk Management is one of the components of Martifer's culture, being present in all management processes and representing a responsibility for all managers and employees at different levels of the organisation.

The risk policy is defined by the Board of Directors based on risk analysis and measurement, and it also coordinates and develops risk management processes to ensure integrated risk management in line with the Group's strategy and objectives, a continuous risk assessment process, being an integral part of the normal decision-making process and management processes.



In parallel, Martifer continues to implement internal control and risk management procedures of international standards to strengthen the integrated management of the risks, establishing a strategy for risk prevention and management across the Group, to reduce the exposure to risk and to safeguard Martifer Group's value. The procedure is characterised, briefly, by the identification of risks in each of the business areas, and in generic contracting with clients, accompanied, in parallel, by the formalization of an assessment, management, risk prevention and mitigation process to be carried out by the Board of Directors of the Company, supported by the Risk Committee and the other members of the internal committees and the Internal and External Audits.

Risk management comprises the processes of identifying current and potential risks, analysing their possible impact on the strategic objectives of the organisation and predicting the likelihood of their occurrence, to determine the best way to manage the exposure to these risks.

All these risks are appropriately identified, assessed and monitored. The different structures within the Company manage and/or mitigate them.

Risk management in Martifer Group begins with the identification and calculation and analysis of the different risks to which it is exposed, with particular attention to operational and market risks, the probability of occurrence of the various factors that determine them and their potential impact on the business of the company or activity in question.

Without prejudice to the definition of the risk strategy by Martifer's Board of Directors, the managers responsible for operational activities are also responsible for the implementation of risk control mechanisms, which are subject to the scrutiny of the competent Financial, Supervisory and Legal departments.

Risk identification is a responsibility that is transversal to the different levels of the organisation. Templates have been created to identify and categorize the main risks of each Business Area, as well as of new ones that arise as the activities are developed, including:

- (i) economic and business risks,
- (ii) financial risks, and
- (iii) legal risks.

The Company's Risk Committee is also responsible for assessing and issuing opinions, which are submitted to the Board of Directors, among others, about new investments by Martifer Group above a certain amount and about new countries of the Group.

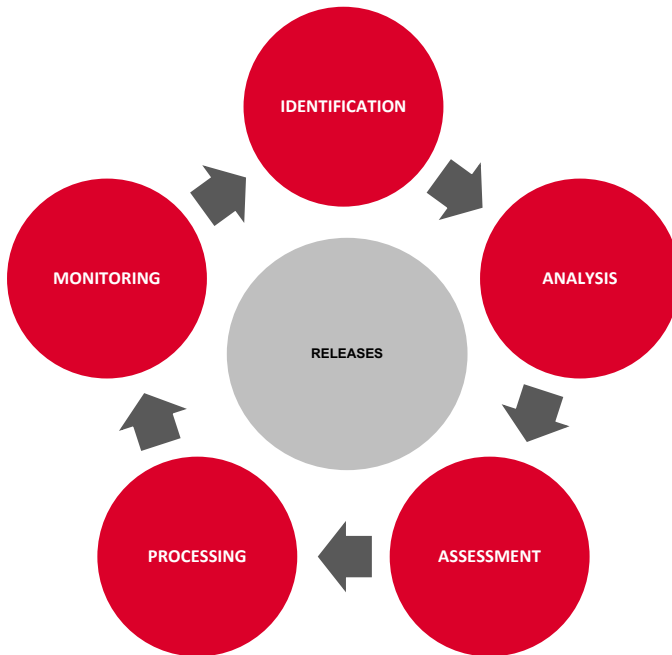
The effectiveness of these mechanisms is periodically assessed by the holding company through the Internal Audit department, in compliance with a financial auditing plan and with IT, process and compliance systems with the approved procedures. This audit plan is prepared and carried out annually, based on a prior assessment of business risks, and the mechanisms and assessments of the internal audit department are monitored and supervised by the Company's Supervisory Board within the scope of its functional competencies.

The Planning and Management Control Department also promotes and supports the integration of risk management in the planning and management control process of the companies.

The role of the Risk Management and Compliance Committee is to promote the prior and rigorous contractual assessment of commercial, financial, tax and legal risks, based on the assessment of a risk matrix submitted to the Executive Board.

It is objective of the Holding to obtain an integrated view of the risks which the Group faces in each of its different activities or business areas and to ensure the consistency of the resultant risk profile with the Group's overall strategy and, in particular, what it believes to be an acceptable risk level, given its capital structure.

In this sense, the operations of greater relevance and impact in Martifer Group, as well as those more of a financial nature are directly assessed and validated by the Financial, Tax and Legal Departments of the holding company, following the risk policies and strategies set by the administration and based on a risk matrix implemented for that purpose.



Martifer Group's risk management is based on a cross-sectional process consistent with the particularities of the various business areas, structured around five main phases (identification, analysis, assessment, processing and monitoring), always contextualized in the circumstances in which they are part of in the activities of the Company; and always supported by communication between all the bodies, committees and departments with cross-sectional responsibility for risk management at the different levels of the organisation.

	IDENTIFICATION
BUSINESS	ANALYSIS
AREAS	ASSESSMENT COMMUNICATION
	PROCESSING
	MONITORING

The tasks of preparing and approving the Strategic Plan of the Company by the Board of Directors motivate the overall annual review of the risk management system, taking into account the need to assess the various risk indicators. This drives the implementation of updates and improvements integrated into the system itself.

55. Core details on the internal control and risk management systems implemented in the Company regarding the procedure for reporting financial information (Article no. 245-A, no. 1, m)

Concerning the release of financial information, Martifer Group promotes strict cooperation amongst all the bodies, the departments and remaining participants in the process, so that the financial information is prepared following the legal requirements in force, complying with the best practices concerning transparency, relevance and reliability; it is subject to an effective verification, both an internal analysis and an analysis by the supervisory bodies and the External Auditor; it is approved by the responsible corporate body, and its disclosure complies with all the legal requirements and recommendations, namely those of CMVM.

In the financial information disclosure process, we highlight:

- The use of accounting policies that are explained in the Notes to the Financial Statements;
- The financial information is analysed by the persons responsible for the management of the respective business areas, seeking to exercise permanent monitoring and the respective budget control;
- The accounting records and the preparation of the financial statements are prepared by the Financial, Accounting and Corporate Planning and Management Control Departments, that guarantee control over the recording of the transactions of the business processes and over the balances of the asset, liability and equity accounts;
- The consolidated financial statements are prepared periodically, on a half-yearly basis, by the Consolidation and Reporting Department and validated by the Planning and Management Control Department;
- The Management Report is prepared by the competent internal departments, with the contribution and additional review of the various business and support areas. The Statutory Auditor also reviews the content of this report and its conformity with the supporting financial information;



- The Group's financial statements are prepared under the supervision of the executive directors of the Group. The documents comprising the annual report are sent for the review and approval of the Board of Directors. After their approval, the documents are sent to the External Auditor, who issues the Legal Certification of the Accounts and the External Audit Report;
- The Statutory Auditor carries out quarterly analytical revisions to the consolidated accounts, accompanying and supporting the Supervisory Board and the Board of Directors;
- The Statutory Auditor carries out an annual audit following the Auditing Standards in force.

The tasks carried out during 2019 by the Supervisory Board in this area aimed, above all, to supervise the adequacy of the process of preparing and disseminating financial information and to ensure that internal and external audits were able to develop their activity independently and objectively.

In turn, to issue the legal certification of accounts and the audit report, the Certified Public Accountant assessed the mechanisms for internal control of the main business processes of the Group companies with effects on financial reporting.

IV. INVESTOR SUPPORT

56. Department responsible for investor relations, composition, functions, information made available and contact details

Martifer has always privileged a permanent contact with the capital market, seeking to guarantee continuous access to information on the Group in a continued and consistent manner, be it through the disclosure of periodic financial information or through contacts with institutional investors, namely by participating in roadshows and conferences, or through permanent contact with financial analysts.

In general, shareholders and investors can obtain all the relevant information on the Group at Martifer's website <http://www.martifer.pt/>, in particular in the INVESTORS page, where information of a corporate and financial nature can be found. Shareholders and investors may also make use of the Investor Relations Office, which permanently ensures contact with the market, ensuring a regular flow of relevant information between the company, investors, shareholders, analysts and the general public.

The Investor Relations and Communications Office seeks to ensure the disclosure of information on Martifer Group in a continued, timely and balanced manner to the market, to shareholders, to investors, to analysts and to journalists.

The main functions of the Investor Assistance Office are, amongst others:

- Assuring, vis-à-vis the authorities and the market, compliance with the legal and regulatory reporting obligations applicable to Martifer SGPS, S. A.. The disclosure of information falling within the scope of "the disclosure of privileged information", the announcement of quarterly and annual information on the activities and results of the Group and the preparation of the annual and half-yearly financial statements, are to be highlighted;
- Satisfying (institutional and private) investors, financial analysts and other agents' requests for information;
- Supporting and advising Martifer's Executive Committee in aspects relating to the Company's publicly-traded company status, an example being the monitoring of the evolution of Martifer's share price in the market, in its multiple aspects, supporting the Executive Committee with the direct contacts it maintains with financial analysts and institutional (national and foreign) investors, in conferences, in meetings and road-shows. At an organic level, the Investor Relations Office reports directly to the Executive Committee of the Board of Directors of Martifer SGPS.
- Information made available by the Investor Relations Office:
 - Investor Kit
 - General Information
 - Main Indicators
 - Corporate Governance



- Corporate Bodies
- Articles of Association
- Ethics and Conduct
- General Meetings
- Agenda
- Publications
- Financial Information
- Presentations
- Releases

The Investor Relations Office may be contacted at:

Martifer SGPS,
Apartado 17
3684-001 Oliveira de Frades, Portugal
Tel.: +351 232 767 700
Fax: +351 232 767 750
Email: investor.relations@martifer.pt

57. Market Relations Officer

For purposes of the Securities Code, currently the Market Relations Officer is Pedro Nuno Cardoso Abreu Moreira, whose contact information is:

Pedro Moreira
Martifer SGPS,
Apartado 17
3684-001 Oliveira de Frades, Portugal
Tel.: +351 232 767 700
Fax: +351 232 767 750

58. Data on the extent and deadline for replying to information requests received throughout the year or pending from preceding years

- Requests for information to the Investor Relations Office increased in the fourth semester of 2019, which is justified by the extraordinary general meeting held on 18 December 2020. Information requests were largely made by institutional investors, but some information requests were also placed by small investors, journalists and financial institutions.
- Registered requests for information have been placed via email and telephone, and in the vast majority of cases they have been given immediate response when the information is public.
- The Investor Relations Office aims to minimise the most possible the request-response time. When an immediate response is not possible, it shall not exceed 24 hours, except for exceptional circumstances.



V. WEBSITE

59. Website

Martifer has the website <http://www.martifer.pt/> and it contains a wide range of information on Martifer Group.

60. Place where information is available on the company, the public company status, the registered office and other elements referred to in article no. 171 of the Commercial Companies Code

Information can be consulted at the following link: <https://www.martifer.pt/pt/politica-privacidade>. In the section: "Terms of Use".

61. Place where the Articles of Association and regulations on the functioning of the bodies and/or committees are available

Information can be consulted at the following link: <https://www.martifer.pt/pt/investors/corporate-governance/estatutos>.

62. Place where information is available on the members of the corporate bodies, on the Market Relations Officer, on the Investor Relations Office or comparable structure, respective functions and contact details

Information can be consulted at the following links:

<https://www.martifer.pt/pt/investors/corporate-governance/orgaos-sociais>

<https://www.martifer.pt/pt/investors/gabinete-investidores>

63. Place where the documents are available and relate to financial accounts reporting, which should be accessible for at least five years and the half-yearly calendar of company events that are published at the beginning of every six months, including, among other things, General Meetings, disclosure of annual, biannual and where applicable, quarterly financial statements

Information can be consulted at the following link:

<https://www.martifer.pt/pt/investors/kit-investidor>

64. Place where the notice convening the General Meeting and all the preparatory and subsequent information related thereto is disclosed

Information can be consulted at the following link:

<https://www.martifer.pt/pt/investors/corporate-governance/assembleias-gerais>

65. Place where the historical archive on the resolutions passed at the company's General Meetings, share capital and voting results relating to the preceding three years are available

Information can be consulted at the following links:

<https://www.martifer.pt/pt/investors/corporate-governance/assembleias-gerais>

D. REMUNERATION

I. Power to establish

66. Details of the powers for establishing the remuneration of corporate bodies, members of the executive committee and board members of the company

The remuneration policy and the remuneration of the Company's Corporate Bodies are established by a Remuneration Setting Committee, elected at the Shareholders General Meeting. This policy is reviewed annually and submitted for approval at the Company's Annual Shareholders General Meeting, where at least one representative of the said Remuneration Setting Committee is present.

The Remuneration Setting Committee's activity is dedicated to the preparation of master guidelines and the determination of the remuneration policy of the Company's corporate bodies, to monitor the execution of that policy and to guarantee the alignment of the actions of those bodies with the interests of the Company.

The Remuneration Setting Committee has as its main duties:

- To define the remuneration policy of the Corporate Bodies of the Company, particularly of the executive members of the Board of Directors, fixing the criteria to determine the variable component of the remuneration;
- To determine the various components of the fixed and variable remuneration, possible benefits and complements, as well as the annual remuneration payable to the members of Martifer's Corporate Bodies;
- To monitor the performance of the executive members of the Board of Directors for the purposes of determining the variable remuneration;
- To monitor the performance of the non-executive members of the Board of Directors;
- To submit, in an advisory manner, an informative exposition on the company's remuneration policy to the annual General Meeting.

The Remuneration Setting Committee sporadically requests, if necessary, from Martifer's internal departments (namely the Human Resources Department, the Planning and Management Control Department and the Legal Department) specific information and data of a technical nature, amongst others, relating to the structure of the Company, the results of the Group and members and activities of the corporate bodies. The information requested and received by the Remuneration Setting Committee is aimed at the compilation of a set of information and technical data that allows the definition and implementation of the Group's remuneration



policy. The requested information is provided free of charge. Although it is in its capacity and decision to hire natural or legal persons for the performance of their duties, this was not necessary in the financial year 2018.

The External Auditor is also obliged to verify the application of the policies described and the remuneration systems of the corporate bodies, having to report any potential non-conformity detected to the Supervisory Board.

II. Remuneration Setting Committee

67. Composition of the Remuneration Setting Committee, including details of persons, natural or legal, recruited to provide such services and a statement on the independence of each member and advisors

The composition of the Remuneration Setting Committee elected at a Shareholders General Meeting for a three-year term of office (2018- 2020) is as follows:

PRESIDENT	António Manuel Queirós Vasconcelos da Mota
MEMBERS	Maria Manuela Queirós Vasconcelos Mota dos Santos Júlia Maria Rodrigues de Matos Nogueirinha

The members of the Remuneration Setting Committee are independent of the management body, considering the explanation contained in the paragraph that follows.

In 2019, a member of the Remuneration Setting Committee - Júlia Maria Rodrigues de Matos Nogueirinha - was also a member of a corporate body of a commercial company whose share capital is held directly and/or indirectly by two non-executive directors of the Company, namely Carlos Manuel Marques Martins and Jorge Alberto Marques Martins. However, the Company considers that the independence of the Remuneration Setting Committee is safeguarded not only by the professional training of this member in particular, but also by the fact that the remaining members of the Committee, which form the majority, are independent from the executive members of the management body of the Company.

No persons were hired to integrate the Remuneration Setting Committee,

Even though no external consultancy was contracted because the Remuneration Setting Committee did not consider it necessary in 2018, whenever such a need arises, the Remuneration Setting Committee will take into account, in particular, the respective curriculum and client portfolio, so that the chosen consultant offers guarantees of independence and the conflict check is carried out to confirm that such entity is not in progress to provide any other services to the Company itself or to others that are in a controlling or group relationship without express authorisation from the Committee.

68. Knowledge and experience of the members of the Remuneration Setting Committee in matters of remuneration policy

The Company considers that all the persons comprising this Remuneration Setting Committee are totally competent to carry out their duties with excellence, due to their professional training and based on previously held positions.

Maria Manuela Queirós Vasconcelos Mota dos Santos was President of the Human Resources Development Committee of Mota-Engil Group.

The experience and knowledge of the members of the Remuneration Setting Committee are better described in their curricula presented in the document attached to this report and attest their ability to carry out the duties attributed to them.

III. Remuneration structure

69. Description of the remuneration policy of the Board of Directors and Supervisory Board as set out in Article no. 2 of Law no. 28/2009 of 19 June

The remuneration of the members of the Board of Directors and the Supervisory Board of the Company is determined, according to the terms of the Articles of Association, by the Remuneration Setting Committee, which submits an annual document to be appraised at the General Meeting, containing the general guidelines to be followed in establishing the specific amounts to attribute to the members of the various Corporate Bodies.

In general terms, the said remuneration policy of the management and supervisory bodies seeks to strictly follow the applicable provisions of the CCC and the applicable recommendations of the Corporate Governance Code, and is reflected in the statement submitted for approval at the General Meeting referred to in the following item.

In defining the remuneration policy for the year 2019, the legal provisions foreseen in (i) the CCC, namely in Article no. 399; (ii) Law no. 28/2009 of 19 June; (iii) the Corporate Governance Code; and (iv) the special regime set out in the Company's Articles of Association were considered.

70. Information on how remuneration is structured to enable the aligning of the interests of the members of the Board of Directors with the Company's long-term interests and how it is based on performance assessment and how it discourages excessive risk-taking

Martifer's remuneration policy aims to promote the convergence of the interests of the board members, those of the other corporate bodies and of the managers with the Company's interests, namely those regarding the creation of value for the shareholder and real growth for the Company, privileging a long-term perspective.

Hence, the Committee structured the components of the remuneration of the Management bodies to reward their performance in achieving high and, simultaneously, sustained growth, discouraging, however, excessive risk-taking. Additional determining factors include the Company's economic situation and general market conditions practised for equivalent positions.

The remuneration of the executive members of the Board of Directors shall comprise a fixed and, when so deliberated by the Remuneration Setting Committee, a variable component, with the latter variable part of the remuneration not exceeding 5% (five per cent) of the results for the period, as set out in law and in paragraph 3 of article no. 20 of the Articles of Association.

The informative principles observed by the Committee in establishing the remuneration are:

- a) The DUTIES CARRIED OUT, degree of complexity inherent to the duties and responsibilities attributed, time spent and the added value to the Company of the work produced. Other duties carried out in group companies are also relevant, in virtue of the increased responsibilities and because they constitute additional sources of income.
- b) The ALIGNMENT OF THE INTERESTS OF THE MEMBERS OF THE MANAGEMENT BODY WITH THOSE OF THE COMPANY, performance assessment of the members of the management body and the creation of value for the shareholders.
- c) The ECONOMIC SITUATION OF THE COMPANY, present and future, privileging the interests of the Company in a long-term perspective and the achievement of real growth for the Company and the creation of value for its shareholders, based on criteria defining the economic situation of the Company, amongst others, those of financial nature.
- d) GENERAL MARKET CONDITIONS FOR EQUIVALENT SITUATIONS, considering that the remuneration shall be aligned with market practice, allowing it to serve as a means to achieve high individual and collective performance, assuring the interests of the member but essentially those of the Company and the shareholders.

The general guidelines governing the remuneration policy followed by the Remuneration Setting Committee during the 2019 financial period were those contained in the Remuneration Policy Statement, which was subject to resolution at the Company's General Meeting on 27 May 2019, and can be consulted in Annexe III of this report.



71. Reference, where applicable, to a variable remuneration component and information on any impact of the performance appraisal on this component

As described in more detail in the preceding item, the remuneration of the executive members of the Board of Directors shall comprise a fixed and, when attributed, a variable component.

The fixed component of the remuneration of the members of the Board of Directors with executive functions, as well as of the non-independent non-executive Members (when attributed), shall consist of a monthly amount payable fourteen times a year; and the variable part cannot exceed five per cent of the results for the financial period, as set out in law and in paragraph 3 of article no. 20 of the Articles of Association.

In setting all remunerations, namely including the distribution of the total amount of the variable remuneration amongst the members of the Board of Directors, the general principles indicated above shall be observed: duties carried out, alignment with the interests of the Company, privileging the long-term, the situation of the Company and market criteria.

The process of attributing variable remuneration (VR) to the executive members of the Board of Directors shall follow the criteria indicated by the Remuneration Setting Committee, namely their position in the hierarchy, the performance assessment carried out, the company's real growth; seeking in determining those criteria to strengthen the convergence of the interests of the Management bodies with those of the Company, privileging the long-term perspective; this perspective is considered in the performance criteria applied to the Management. Thus, it will be considered decisive for the assessment and measurement of the VR:

- the contribution of the Executive Directors to the obtained results;
- the profitability of the businesses from the shareholder perspective;
- the evolution of the share price quotation;
- the extent to which the projects integrated and measured by the Balanced Scorecard of the Group are executed.

During 2019, no contracts were celebrated, be it with the Company, or with third parties, to mitigate the risk inherent to the variable remuneration established by the Company for the members of the management board.

72. The deferred payment of the remuneration's variable component, specifying the relevant deferral period

During the 2019 financial year, no variable remuneration was attributed to the directors of Martifer; so, consequently, the issue of deferral of this remuneration component did not arise. On the other hand, the Remuneration Policy of the management and supervisory bodies, drawn up by the Remuneration Setting Committee and approved at the General Meeting on 27 May 2019 does not foresee the deferral of variable remuneration, when attributed.

Therefore, during the relevant financial year the Company's board members did not receive variable remuneration and, consequently, the deferred payment of this remuneration component did not occur.

73. The criteria where the allocation of variable remuneration on shares is based on, and also on maintaining company shares that the executive board members have had access to, on possible share contracts, including hedging or risk transfer contracts, the corresponding limit and its relation to the total annual remuneration value

Martifer's existing Remuneration Plan on Stock Options was constituted and attributed in the 2008 corporate period, foreseeing the deferral of the exercising of the options for a period of 4 years; consequently, the exercising of the options related thereto expired during the 2013 financial period.

Regarding Martifer's 2008 Stock Option Plan, none of the board members exercised their option rights during the deferral period of their term of office.

During the course of the 2019 financial year, the Company neither implemented nor attributed a share allocation plan and/or share purchase option plan and, consequently, no variable remuneration was allocated as shares to the board members and no criteria were established for the maintenance of those shares by the executive board members.

74. The criteria on which the allocation of variable remuneration on options is based and details of the deferral period and the execution price

As better described in the preceding paragraph, and given that during the financial year 2018, the Company has not implemented, nor attributed a share allocation plan and/or share purchase option plan. The Company considers this item not applicable.

75. The key factors and grounds for any annual bonus scheme and any additional non-financial benefits

The Company has neither implemented any annual bonus scheme nor any additional non-financial benefits.

76. Key characteristics of the supplementary pensions or early retirement schemes for board members and date when the said schemes were approved at the General Meeting, on an individual basis

The Company does not have supplementary pensions or early retirement schemes for the members of the management and supervisory bodies and for other managers, as defined in no. 3 of Article 248-B of the Securities Code.

77. Details on the amount relating to the annual remuneration paid as a whole and individually to members of the Company's Board of Directors

Board Member	EXECUTIVE DIRECTOR	FIXED REMUNERATION	VARIABLE REMUNERATION	STOCK OPTIONS	ATTENDANCE FEES	TOTAL (€)
Carlos Manuel Marques Martins (President)	No	95,200.14	-	-	-	95,200.14
Jorge Alberto Marques Martins (Vice President)	No	-	-	-	-	-
Arnaldo Nunes da Costa Figueiredo (Vice President)	No	-	-	-	-	-
Pedro Miguel Rodrigues Duarte	Yes	176,000	-	-	-	176,000
Pedro Nuno Cardoso Abreu Moreira	Yes	169,000	-	-	-	169,000
Maria Sílvia da Fonseca Vasconcelos da Mota	No	-	-	-	15,000	15,000
Vítor Manuel Álvares Escária	No	-	-	-	20,000	20,000
Mariana França Gouveia	No	-	-	-	20,000	20,000

Note: value in Euros.

78. Amounts in any kind paid by other companies in a control or group relationship or which are subject to common control

During 2019, there were no members of the Board of Directors to receive remuneration for companies in a controlling or group relationship or subject to common control with the Company.



79. Remuneration paid in the form of profit sharing and/or bonus payments and the reasons for the said bonuses and/or profit sharing being awarded

During the 2019 financial period, no remuneration was paid in the form of profit sharing and/or bonus payments.

80. Compensation paid or owed to former executive board members concerning contract termination during the financial year

During 2019, no compensation was paid, nor is it owed, to any former executive board member due to contract termination.

81. Details of the annual remuneration paid, as a whole and individually, to the members of the Company's Supervisory Board for the purposes of Law no. 28/2009 of 19 June

PAULO SÉRGIO JESUS DAS NEVES	4,800
AMÉRICO AGOSTINHO MARTINS PEREIRA	4,800
MÁRIA MARIA MACHADO LAPA DE BARROS PEIXOTO	4,800
ANTÓNIO BAIA ENGANA	-
TOTAL	14,400

Note: value in Euros.

82. Details of the remuneration for the year in question to the President of the Board of the General Meeting

JOSÉ JOAQUIM NEIVA NUNES DE OLIVEIRA	2,400
LUIS LEITÃO MARQUES VALE LIMA	
LUIS NEIVA DE OLIVEIRA NUNES DE OLIVEIRA	800
TOTAL	2,200

Note: value in Euros.

V. Agreements with remuneration implications

83. Contractual limitations foreseen for compensation to be paid for unfair dismissal of a board member and its relationship with the variable component of remuneration

The Company has not established nor agreed to any contractual limitation relating any compensation possibly due to a Company Board Member in the event of dismissal without just cause other than that provided by law. The Company shall make use of the legal instruments available by law adequate to this situation, particularly if there is inadequate performance of a Board Member. On

the other hand, there is no legal instrument signed with Board Members that commits the company, in the cases referred to in Recommendation V.3.6 of the Corporate Governance Code of the Portuguese Institute for Corporate Governance IPCG (2018), to the payment of any indemnity or compensation beyond what is legally required.

84. Reference to the existence and description, with details of the sums involved, of agreements between the Company and members of the Board of Directors and managers, pursuant to Article no. 248-B/3 of the Securities Code that envisages compensation in the event of resignation or unfair dismissal or termination of employment following a takeover bid (Article no. 245-A/1/I)

The Company is not part of any agreement with the members of the management body or other managers, as defined in no. 3 of Article 248-B of the Securities Code, that foresees compensation in the event of resignation, unfair dismissal or employment termination following a takeover bid of the Company.

VI. Stock Attribution Plan or Stock Option Plan (“Stock Options”)

85. Details of the plan and the number of persons included therein.

Currently, Martifer has no active Stock Attribution Plan or Stock Option Plan.

86. Characteristics of the plan (allocation conditions, non-transfer of share clauses, criteria on share-pricing and the exercising option price, the period during which the options may be exercised, the characteristics of the shares or options to be allocated, the existence of incentives to purchase and/or exercise options)

The Company does not have any active Stock Attribution Plan or Stock Option Plan.

87. Option rights granted for the acquisition of stocks of which the employees and collaborators of the company are beneficiaries

The Company does not have any active Stock Attribution Plan or Stock Option Plan.

88. Foreseen control mechanisms for a possible employee-shareholder system inasmuch as the voting rights are not directly exercised by the said employees (Article no. 245-A, paragraph 1, subparagraph e)

The Company has no active Stock Attribution Plan or Stock Option Plan; consequently, the information determined in this item is not applicable.



E. RELATED-PARTY TRANSACTIONS

I. Control mechanisms and procedures

89. Mechanisms implemented by the Company for the purpose of controlling transactions with related parties (for this purpose, reference is made to the concept resulting from IAS 24)

Transactions with Martifer board members or with companies that are in a group or control relationship with that in which the intervener is a Board Member, and transactions with related parties, regardless of the amount, are subject to prior authorisation by the Board of Directors preceded by the favourable opinion of the supervisory body, according to paragraph 2 of article no. 397 of the CCC.

In the event of a conflict of interest between a board member, for himself/herself or in representation and the Company, the provisions of the Ethics and Conduct Code referred to in paragraph 49 shall apply, without prejudice to the above. A board member who has an interest in the execution of a contract, transaction or agreement with the Company shall declare the nature of such interest to the Board of Directors.

In such cases, the provisions of paragraph 6 of Article no. 410 of the CCC also apply, and that board member may not vote in the deliberations that the Board of Directors of the Company will adopt on any matter in respect of which there is a difference between direct or indirect interest, of the Trustee, and the interest of the Company, and such board member shall inform the President of the Board of Directors of such a conflict situation.

90. Details of transactions that were subject to control in the referred year

Although there was a prior opinion issued by the Supervisory Board and a decision by the Board of Directors, the transaction was not concluded until 31 December 2019

Thus, In 2019, no economically significant deals or transactions were carried out between the Company and the Board of Directors or the Supervisory Board.

91. Description of the procedures and criteria for the intervention of the supervisory body for the purposes of prior assessment of the business to take place between the Company and holders of qualified holdings or entities with which they are in any relationship, following Article no. 20 of the Securities Code

The Supervisory Board defined procedures or criteria necessary for the definition of the relevant level of significance of business between the Company and the holders of qualifying shareholdings, or entities with which they are in any control or group relationship, or transactions with related parties, from which the intervention of the supervisory body is required, that were adopted by the Board of Directors.

Thus, without prejudice to the provisions set out in Article no. 397 of the CCC, businesses or transactions between, on the one hand, the Company or the companies that are members of the Group and, on the other hand, the holders of qualifying holdings or entities with which they are in a relation, are subject to assessment and prior opinion of the Supervisory Board, that fulfil one of the following criteria:

- a) Have a value greater than or equal to half a million Euros, or, being a lower value, when added to the value of other business transacted with the same Shareholder holder of qualifying holdings during the same financial year, totalling an accumulated value equal to or exceeding one million Euros, except those related to the current activities of the companies;



- b) Regardless of the amount, they may have a material impact on the reputation of the Company in what concerns its independence from relationships with holders of qualifying holdings.

II. Elements relating to business

92. Indication of where the accounting documents are, which information is available on the business with related parties, in accordance with IAS 24, or, alternatively, reproduction of this information

Businesses with related parties is described in Note 42 to the consolidated financial statements, part of the 2019 Consolidated Annual Report, available on the company website at <http://www.martifer.pt/> (Tab: Investors, Section: Investor Kit).

CORPORATE GOVERNANCE REPORT

PART II

**CORPORATE
GOVERNANCE
ASSESSMENT**

PART II

CORPORATE GOVERNANCE ASSESSMENT

1. Details of implemented Corporate Governance Code

Martifer, as the issuer of shares admitted to trading in the regulated market, is subject to the provisions of the Regulation of the Portuguese Securities Market Commission (hereinafter "CMVM") no. 4/2013 of 18 July 2013 and is governed by the recommendations in the Corporate Governance Code of the Portuguese Institute of Corporate Governance IPCG (2018), that can be consulted on the website www.cgov.pt.

Martifer has not voluntarily adhered to any other Corporate Governance code.

This report was prepared and compiles, in accordance with paragraph 2 of article no. 4 of the CMVM Regulation no. 4/2013, with the model contained in the annexe to said Regulation, with reference to the Corporate Governance Code of the Portuguese Institute of Corporate Governance IPCG (2018), currently in force.

2. Analysis of compliance with the Corporate Governance Code implemented

In what concerns corporate governance and as a publicly-traded company, Martifer has sought to promote the implementation and to adopt the best corporate governance practices, including those in the new Corporate Governance Code of the Portuguese Institute of Corporate Governance - IPCG (2018), guiding its policy along with the highest standards of conduct, ethics and social responsibility, which are intended to be transversal to the Group.

It is an objective of the Board of Directors to implement integrated and effective management of the Group, enabling the Company to create value by promoting and guaranteeing the legitimate interests of its shareholders, clients, suppliers, employees, the capital market as well as of the community in general, permanently seeking transparency in its relations with the investors and with the market.

Martifer considers that, even though it does not comply fully with the recommendations in the Corporate Governance Code of the Portuguese Institute of Corporate Governance IPCG (2018), as comprehensively justified in the following chapters of this report, the degree of adoption of the recommendations is considerable and thorough.

According to and for the purposes of that laid down in subparagraph (o) of paragraph 1 of article no. 245-A of the Securities Code, the recommendations included in the Corporate Governance Code of the Portuguese Institute of Corporate Governance IPCG (2018), with the indication of whether or not adopted, whenever applicable to Martifer's structure, and references to the text in the report where the form of adoption is described in greater detail, are listed below:

RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
PART I GENERAL		
CHAPTER, TITLE, SECTION		
I.1. THE COMPANY'S RELATIONSHIP WITH INVESTORS AND DISCLOSURE		
I.1.1. 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.	Adopted	C, III, 54 and 55; C, IV, 56 to 58; C, V, 59 to 65
I.2. DIVERSITY IN THE COMPOSITION AND FUNCTIONING OF THE COMPANY'S GOVERNING BODIES		



RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
<p>I.2.1. 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.</p>	Adopted	B (introduction); B, I, 11; B, II, 16 a 19; 21 e 26; B, III, 33 and 36; D, II, 67, and 68
<p>I.2.2. 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 —, and detailed minutes of the meetings of each of these bodies should be carried out.</p>	Adopted	B, II, 21; 22; 23; 27; 29. B, III, 34 and 35;
<p>I.2.3. The internal regulations of the governing bodies — the managing body, the supervisory body and their respective committees — should be disclosed, in full, on the company's website.</p>	Partially adopted	B, II, 22; B, III; 34; C, V, 61
<p>I.2.4. The composition, 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.</p>	Adopted	B, II, 17; 21; 22; 23; 27; 28 and 29; B., III; 31 and 35
<p>I.2.5. The company's internal regulations should provide for the existence and ensure the functioning of mechanisms to detect and prevent irregularities, as well as the adoption of a policy for the communication of irregularities (whistleblowing) that guarantees the suitable means of communication and treatment of those irregularities, but safeguarding the confidentiality of the information transmitted and the identity of its provider, whenever such confidentiality requested.</p>	Adopted	C, II, 49.
1.3. RELATIONSHIP BETWEEN THE COMPANY BODIES		
<p>I.3.1. The bylaws, or other equivalent means adopted by the company, should establish mechanisms that, within the limits of applicable laws, permanently ensure the members of the managing and supervisory boards are provided with access to all the information and company's collaborators, in order to appraise the performance, current situation and perspectives for further developments of the company, namely including minutes, documents supporting decisions that have been taken, calls for meetings, and the archive of the meetings of the managing board, without impairing the access to any other documents or people that may be requested for information.</p>	Adopted	B, II, 21; 29; B, III, 38; C, III, 55
<p>I.3.2. 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.</p>	Adopted	B, II, 21; 29;
1.4. CONFLICTS OF INTEREST		
<p>I.4.1. The duty should be imposed, to the members of the company's boards and committees, of promptly informing the respective board or committee of facts that could constitute or give rise to a conflict between their interests and the company's interest.</p>	Adopted	B, II, 21; 26 and 29;
<p>I.4.2. 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.</p>	Adopted	B, II, 21; 26 and 29; D, II, 67.
1.5. RELATED PARTY TRANSACTIONS		

RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
<p>I.5.1. The managing body should define, in accordance with a previous favourable and binding opinion of the supervisory body, the type, the scope and the minimum individual or aggregate value of related party transactions that: (i) require the previous authorization of the managing board, and (ii) due to their increased value require an additional favourable report of the supervisory body.</p>	Adopted	E. I, 89 and 91.
<p>I.5.2. The managing body should report all the transactions contained in Recommendation 1.5.1. to the supervisory body, at least every six months.</p>	Adopted	E, I 89 to 91.
II. SHAREHOLDERS AND GENERAL MEETINGS		CHAPTER, TITLE, SECTION
<p>II.1. 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.</p>	Adopted	B, II, 12
<p>II.2. 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.</p>	Partially adopted	B, II, 14
<p>II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.</p>	Partially adopted	B, II, 12
<p>II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.</p>	Not Adopted	B, II, 12
<p>II.5. 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.</p>	Not applicable.	-
<p>II.6. 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.</p>	Adopted	A, I, 4.
III. NON - EXECUTIVEMANAGEMENT, MONITORING AND SUPERVISION		CHAPTER, TITLE, SECTION
<p>III.1. 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 (lead independent director), 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.</p>	Not Adopted	B, II, 21
<p>III.2. The number of non-executive members in the managing body, as well as the number of members of the supervisory body and the number of the members of the committee for financial matters should be suitable for the size of the company and the complexity of the risks intrinsic to its activity, but sufficient to ensure, with efficiency, the duties which they have been attributed.</p>	Adopted	B, II,17 and 18; B, III, 31
<p>III.3. In any case, the number of non-executive directors should be higher than the number of executive directors.</p>	Adopted	B, II, 17 and 18.



RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
<p>III.4. Each company should include a number of non-executive directors that corresponds to no less than one third, but always plural, who satisfy the legal requirements of independence. For the purposes of this recommendation, an independent person is one who is not associated with any specific group of interest of the company, nor under any circumstance likely to affect his/her impartiality of analysis or decision, namely due to:</p> <p>(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;</p> <p>(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;</p> <p>(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;</p> <p>(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 who are direct or indirect holders of qualifying holdings, or;</p> <p>(vi) having been a qualified holder or representative of a shareholder of qualifying holding.</p>	Adopted	B, II, 18.
<p>III.5. 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).</p>	Not Applicable	-
<p>III.6. Non-executive directors should participate in the definition, by the managing body, of the strategy, main policies, business structure and decisions that should be deemed strategic for the company due to their amount or risk, as well as in the assessment of the accomplishment of these actions.</p>	Adopted	B, II, 21
<p>III.7. The supervisory body should, within its legal and statutory competences, collaborate with the managing body in defining 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.</p>	Not Applicable	-
<p>III.8. The supervisory body, in observance of the powers conferred to it by law, should, in particular, monitor, evaluate, and pronounce itself on the strategic lines and the risk policy defined by the managing body.</p>	Adopted	B, II, 21; B,III, 35 and 38
<p>III.9. Companies should create specialised internal committees that are adequate to their dimension and complexity, separately or cumulatively covering matters of corporate governance, remuneration, performance assessment, and appointments.</p>	Partially adopted	B,II, 21
<p>III.10. Risk management systems, internal control and internal audit systems should be structured in terms adequate to the dimension of the company and the complexity of the inherent risks of the company's activity.</p>	Adopted	C, III, 50 to 55.
<p>III.11. The supervisory body and the committee for financial affairs should supervise the effectiveness of the systems of risk management, internal control and internal audit, and propose adjustments where they are deemed to be necessary.</p>	Adopted	C, III, 50 and 51.
<p>III.12. The supervisory body should provide its view on the work plans and resources of the internal auditing service, including the control of compliance with the rules applied to the company (compliance services) and of internal audit, and should be the recipient of the reports prepared by these services, at least regarding matters related with approval of accounts, the identification and resolution of conflicts of interest, and the detection of potential irregularities.</p>	Adopted	B, II, 29; B, III, 30 and 38; C, II, 49. C, III, 50 and 54.

RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
IV. EXECUTIVE MANAGEMENT		CHAPTER, TITLE, SECTION
<p>IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.</p>	Partially adopted	B,II, 21 and 26.
<p>IV.2. 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.</p>	Adopted	B,II, 21
<p>IV.3. In matters of risk assumption, the managing body should set objectives and look after their accomplishment.</p>	Adopted	C, III, 50 to 55.
<p>IV.4. 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.</p>	Adopted	B, III, 30 C, III, 50.
V. EVALUATION OF PERFORMANCE, REMUNERATION AND APPOINTMENT		CHAPTER, TITLE, SECTION
V.1 ANNUAL EVALUATION OF PERFORMANCE		
<p>V.1.1. The managing body should annually evaluate its performance as well as the performance of its committees and delegated 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.</p>	Adopted	B, II, 24; 25; 27 and 29.
<p>V.1.2. The supervisory body should supervise the company's management, especially, by annually assessing the accomplishment of the company's strategic plans and of the budget, 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.</p>	Adopted	B. III 30 and 38 C, III, 50
V.2 REMUNERATION:		
<p>V.2.1. The remuneration should be set by a committee, the composition of which should ensure its independence from management.</p>	Partially adopted	D, II, 67 to 69
<p>V.2.2. The remuneration committee should approve, at the start of each term of office, execute, and annually confirm the company's remuneration policy for the members of its boards and committees, including the respective fixed components. As to executive directors or directors periodically invested with executive duties, in the case of the existence of a variable component of remuneration, the committee should also approve, execute, and confirm the respective criteria of attribution and measurement, the limitation mechanisms, the mechanisms for deferral of payment, and the remuneration mechanisms based on the allocation of options and shares of the company.</p>	Adopted	D, II, 66 D, III, 69 Annexe III
<p>V.2.3. The statement on the remuneration policy of the managing and supervisory bodies, pursuant to article 2 of Law no. 28/2009 of 19 June, should additionally contain the following:</p>	Partially adopted	D, III, 69 to D, IV, 81



RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
<p>(i) the total remuneration amount itemised by each of its components, the relative proportion of fixed and variable remuneration, an explanation of how the total remuneration complies with the company's remuneration policy, including how it contributes to the company's performance in the long run, and information about how the performance requirements were applied;</p> <p>(ii) remunerations from companies that belong to the same group as the company;</p> <p>(iii) the number of shares and options on shares granted or offered, and the main conditions for the exercise of those rights, including the price and the exercise date;</p> <p>(iv) information on the possibility to request the reimbursement of variable remuneration;</p> <p>(v) information on any deviation from the procedures for the application of the approved remuneration policies, including an explanation of the nature of the exceptional circumstances and the indication of the specific elements subject to derogation;</p> <p>(vi) information on the enforceability or non-enforceability of payments claimed in regard to the termination of office by directors.</p>		
<p>V.2.4. For each term of office, the remuneration committee should also approve the directors' pension benefit policies, when provided for in the bylaws, and 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.</p>	<p>(1) Not applicable (2) Adopted</p>	<p>Annexe III. Item VI.</p>
<p>V.2.5. 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.</p>	<p>Adopted</p>	<p>B, II, 21.</p>
<p>V.2.6. 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. 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.</p>	<p>Adopted</p>	<p>D, II, 66 and 67.</p>
<p>V.3 DIRECTOR REMUNERATION</p>		
<p>V.3.1. 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.</p>	<p>Partially adopted</p>	<p>D, II, 69 D, III, 71</p>
<p>V.3.2. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.</p>	<p>Not adopted</p>	<p>D, III, 72.</p>
<p>V.3.4. 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.</p>	<p>Not applicable</p>	<p>-</p>
<p>V.3.5. The remuneration of non-executive directors should not include components dependent on the performance of the company or on its value.</p>	<p>Adopted</p>	<p>D, II, 69 D, IV, 77</p>
<p>V.3.6. The company should be provided with suitable legal instruments so that the termination of a director's time in office before its term does not result, directly or indirectly, in the payment to such director of any amounts beyond those foreseen by</p>	<p>Adopted</p>	<p>D, II, 69</p>

RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
law, and the company should explain the legal mechanisms adopted for such purpose in its governance report.		
V.4 APOINTMENTS:		
V.4.1. 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.	Adopted	B, II, 16 to 19, 21
V.4.2. 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.	Not adopted	B, II, 16 to 19, 21
V.4.3. This nomination committee includes a majority of nonexecutive, independent members.	Not applicable	-
V.4.4. 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.	Not applicable	-
VI. RISK MANAGEMENT		CHAPTER, TITLE, SECTION
VI.1. The managing body should debate and approve the company's strategic plan and risk policy, which should include a definition of the levels of risk considered acceptable.	Adopted	B, II, 21, 24, 25 and 27 C, III, 50 to 55.
VI.2. Based on its risk policy, the company should establish a system of risk management, 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; (iv) the monitoring procedures, aiming at their accompaniment; and (v) the procedure for control, periodic evaluation and adjustment of the system.	Adopted	C, III, 53 and 54.
VI.3. The company should annually evaluate the level of internal compliance and the performance of the risk management system, as well as future perspectives for amendments of the structures of risk previously defined.	Adopted	C, III, 54 and 55
VII. FINANCIAL STATEMENTS AND ACCOUNTING		CHAPTER, TITLE, SECTION
VII.1 FINANCIAL INFORMATION		
VII.1.1. 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, judgments, relevant disclosure and its consistent application between financial years, in a duly documented and communicated form.	Adopted	B, III, 30 and 38. C, III, 55.
VII.2 STATUTORY AUDITIT OF ACCOUNTS AND SUPERVISION		
VII.2.1. Through the use of internal regulations, the supervisory body should define:	Adopted	B, III, 37 and 38.
(i) the criteria and the process of selection of the statutory auditor;		



RECOMMENDATIONS IPCG (2018)	ADOPTION	REFERENCE
(ii) the methodology of communication between the company and the statutory auditor;		
(iii) the monitoring procedures destined to ensure the independence of the statutory auditor;		
(iv) the services, besides those of accounting, which may not be provided by the statutory auditor.		
VII.2.2. 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.	Adopted	B, III, 38.
VII.2.3. 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.	Adopted	B, III, 37, and 38
VII.2.4. The statutory auditor should, within their powers, verify the application of policies and systems of remuneration of governing bodies, the effectiveness and the functioning of the mechanisms of internal control, and report any irregularities to the supervisory body.	Not applicable	-
VII.2.5. The statutory auditor should collaborate with the supervisory body, immediately providing information on the detection of any relevant irregularities as to the accomplishment of the duties of the supervisory body, as well as any difficulties encountered whilst carrying out their duties	Not applicable	-

CLARIFICATIONS AS TO DIVERGENCES BETWEEN THE COMPANY'S GOVERNANCE PRACTICES AND THE IPCG RECOMMENDATIONS

In this chapter, the grounds for the partial adoption or non-application of each individual recommendation, which should be read together with the table presented in the preceding chapter, are explained.

Recommendation I.2.3. The internal regulations of the governing bodies — the managing body, the supervisory body and their respective committees — should be disclosed, in full, on the company's website.

Martifer has not made the Strategic Coordination Council Regulation available on its website, so it is not possible to consult this document.

Martifer believes that the regulation of this internal committee, as an advisory committee, goes beyond the mere functioning of the bodies, containing a reserved content, which is why it does not make it available to the public. However, the main functions and responsibilities of this internal committee are explained in this report, for example in Item 21.

Recommendation II.2. 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.

Hence, Martifer considers it has adopted this Recommendation, except as to the provision in the Articles of Association that requires a greater quorum than that foreseen in the CCC for resolutions on the unfair dismissal of Board Members.

The reason for the inclusion in the Articles of Association of a quorum greater than that foreseen in the CCC for unfair dismissal of Board Members was to protect the interests of the Company, namely to mitigate the risk of the Company to be obliged to compensate Board Members for unfair dismissal as laid down in no. 5 of Article no. 403 of the CCC. Indeed, considering the gravity and impact of an unfair dismissal of Board Members, the intention was to avoid the occurrence of such a resolution passed by a

simple majority of shareholders as opposed to one based on grounds approved by a more expressive and representative majority of the Shareholders.

Martifer considers that this is the model that best defends corporate interests.

Recommendation II.3. The company should implement adequate means for the exercise of voting rights through postal votes, including by electronic means.

Under Article no. 17 of Martifer's Articles of Association, postal voting is permitted, without any restriction, in respect of all matters subject to the appreciation of the Shareholders.

Martifer considers it has only adopted this Recommendation partially due to the fact that the company's Articles of Association do not foresee the possibility of voting by electronic means. It should be noted that Martifer has adopted flexible acceptance of documentation in respect of postal or proxy voting sent via electronic means.

On the other hand, up until the present date, the Company has received no request or manifestation of interest from any Shareholder or Investor as to the availability of voting by electronic means, as a result of which Martifer considers that the postal voting system in force, as foreseen in the Articles of Association, totally safeguards all of the Shareholders' access to participation in the decisions submitted for deliberation.

Recommendation II.4. The company should implement adequate means in order for its shareholders to be able to digitally participate in general meetings.

Not adopted. The Articles of Association do not enshrine the participation in meetings of the Shareholders General Assembly by electronic means.

For the reasons mentioned above, the company understands that, at present, it is unjustified to adopt the referred to recommendation, because the objectives underlying it have already been materially affected, and the uncertainty as to the results of this system does not justify that it incurs in an administrative overload for the installation of an additional system.

Recommendation II.5. 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.

Not applicable. The Articles of Association do not foresee such limitation of the number of votes that may be held or exercised by a single shareholder, individually or in coordination with other shareholders.

Recommendation III.1. 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 (lead independent director), 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.

Not adopted. The objectives concerned are considered to be fully safeguarded (i) by judicious and collegial action of the Board of Directors, both in the quarterly meetings in which all relevant issues to the Company are discussed with the presence of its President (attendance: 100 %); (ii) the implemented system ensures, on one hand, the timely report of the Executive Committee to all members of the Board of Directors and, on the other hand, the preparation of the meetings of the Board of Directors by scheduling them in advance and circulating the agenda and the support documents with the necessary time for their study and interpellation; (iii) the assessment is carried out collectively by all the members of the Board of Directors.

In addition, the coordination of non-executive directors within the Company is ensured through the Strategic Coordination Council, in a continuous and permanent manner.



Recommendation III.5. 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).

Not applicable. The independent board members of the Company were first appointed in 2018.

Recommendation III.7. The supervisory body should, within its legal and statutory competences, collaborate with the managing body in defining 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.

Martifer considers this Recommendation as not being applicable since it relates to a governance model not adopted by Martifer. The corporate governance model adopted by the Company comprises a Board of Directors, a Supervisory Board and a Statutory Auditor.

Recommendation III.9. Companies should create specialised internal committees that are adequate to their dimension and complexity, separately or cumulatively covering matters of corporate governance, remuneration, performance assessment, and appointments.

Of all the committees provided for in this recommendation, only the Appointment Committee is not adopted.

Due to the Portuguese legal system which shifts to the shareholders the composition of the bodies of companies and due to the nature of the group which Martifer is, arising out of a family nature and with a concentration in the capital structure and members of boards of directors common to several related companies, the board of directors understands that the choice about the options for the composition of the governing bodies should be transferred to the shareholders.

It is this vision that justifies the fact that the company also chose to explain, and not apply, the recommendations regarding the existence of an Appointment Committee and criteria to be applied by it. Accordingly, the existence of a policy of diversity, should not only be seen in coherence with the existence or not of that Appointment Committee as well as, strictly speaking, it is little relevant outside the context of any organism which has the competence to propose the election of people for the corporate bodies framed that policy of diversity.

In addition to this, and as demonstrated in the introduction of Chapter B above, the reality of the facts reveals that it was possible to achieve in large measure the goals without the formal approval of the policy in question.

Recommendation IV.1. The managing body should approve, by internal regulation or equivalent, the rules regarding the action of the executive directors and how these are to carry out their executive functions in entities outside of the group.

Martifer considers the Recommendation partially adopted, since, although it does not exist formally in the internal regulations, both the Board of Directors and the Executive Committee, a provision concerning the regime to be applied to executive directors who exercise executive functions in entities outside the Group, in accordance with the provisions laid down in this recommendation: (i) there is a formal delegation of powers of the Board of Directors in the Executive Committee which, together with the legislation in force already establishes a scheme of action of members of the Executive Committee, and (ii) there are internal, clear and generally observed rules for the Board of Directors to be informed about any corporate positions, executive or not, in entities not related with Martifer Group. In addition, on this date, the executive board members are not managers of any entities outside Martifer Group.

Recommendation V.2.1 The remuneration should be set by a committee, the composition of which should ensure its independence from management.

Martifer considers this Recommendation to be partially adopted.

The Company's Remuneration Setting Committee has three members, including one with knowledge and experience in matters on remuneration policy.

In the 2019 financial year, a member of the Remuneration Setting Committee - Júlia Maria Rodrigues de Matos Nogueirinha - was also a member of a corporate body of a commercial Company whose capital is directly and/or indirectly held by two

non-executive board members of the Company, namely Carlos Manuel Marques Martins and Jorge Alberto Marques Martins.

However, the Company considers that the purpose of this Recommendation is duly safeguarded not solely because of the professional training of this member in particular, but also because all of the members of the Remuneration Setting Committee are independent from the executive members of the Company's management body, and also because the remaining provisions of this Recommendation are fully complied with.

Recommendation V.2.3 The statement on the remuneration policy of the managing and supervisory bodies, pursuant to article 2 of Law no. 28/2009, 19th June, should additionally contain the following:

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

Martifer considers that the Recommendation is partially adopted, since, although the information referred to in subparagraphs (i) and (ii) in this recommendation has not been included in the statement on the remuneration policy of the management and supervisory bodies referred to in article no. 2 of Law no. 28/2009 of 19 June - because it is a statement on the remuneration policy and not on the remuneration actually attributed, Martifer considers that the disclosure of that information in the Corporate Governance Report (Section IV of Chapter D. Remuneration) is an alternative way of complying with this recommendation since it presents for consideration and appraisal of the Shareholders General Meeting the recommended information. Therefore, the total compliance to the referred recommendation is exclusively under the Remuneration Setting Committee's powers, and this Committee decided not to comply with the recommendation, since it believes that the way that the board members' remuneration is structured is adequate and it allows the alignment of their interests with those of the Company in the long-term and is in line with the remuneration practices of most of the similar companies, keeping in mind the Company's characteristics.

Recommendation V.2.4. For each term of office, the remuneration committee should also approve the directors' pension benefit policies, when provided for in the bylaws, and 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.

Not applicable. The Company does not have supplementary pensions or early retirement schemes for the members of the management and supervisory bodies and for other managers.

In accordance with the declaration on the remuneration policy approved at the Shareholders General Meeting, policy proposed by the Remuneration Setting Committee, it is not a Company policy to assign to members of its governing bodies pension benefit systems.

Recommendation V.3.1. 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.

The Company's Remuneration Setting Committee established the exact annual amount for the fixed remuneration component



payable to the board members receiving remuneration from the Company. In parallel, the Company's Articles of Association, under Article no. 20, paragraph no. 3, state that the directors' variable remuneration may not result in an allocation of more than 5% of the year's profit, as stated by law. In this manner, the maximum remuneration limits for the fixed and variable remuneration components are set.

For the 2019 financial year, the Remuneration Setting Committee chose to only allocate fixed remuneration to the board members and not a variable component, taking into account the objective of harmonizing the remuneration of the members of the Board of Directors of the Company in line with the measures implemented during the last corporate terms of office, regarding the reduction of expenses and structure costs adopted across Martifer Group to safeguard the largest number of job positions and the sustainability of the Company.

Consequently, the Company considers that it has partially adopted this Recommendation since, even though the Remuneration Setting Committee has set the exact fixed annual remuneration amount and a statutory limit has already been set for the variable remuneration component, during the 2019 financial period no variable remuneration was attributed to Martifer's board members.

Recommendation V.3.2. A significant part of the variable component should be partially deferred in time, for a period of no less than three years, thereby connecting it to the confirmation of the sustainability of the performance, in the terms defined by a company's internal regulation.

Martifer considers that this Recommendation has not been adopted as the remuneration policy established by the Remuneration Setting Committee for the management and supervisory bodies does not foresee the deferral of the variable remuneration component, when attributed.

Notwithstanding the non-adoption of this Recommendation, it should be noted that the Company's Remuneration Policy does not provide for the deferral of payment of all or part of the variable component of the remuneration, and the Remuneration Setting Committee believes that, until now, it has found alignment between the interests of executive board members and the long-term interests of the Company and shareholders, by enabling the sustained growth of its businesses and the corresponding creation of value for those, considering that the variable remuneration component, if any, which is not the case, being paid without deferral, it would not affect the long-term commitment of executive board members to the Company.

Recommendation V.3.4. 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.

Martifer considers this Recommendation as not applicable as no variable remuneration was attributed to the directors of Martifer in 2019 and, therefore, there was need for its deferral.

Furthermore, during the 2008 financial period, stock options were attributed and their exercise was deferred for a period of up to and including four years. Up until the present date, the stock options allocated as variable remuneration have not been exercised and, in fact, the possibility of such exercise expired at the end of the 2013 financial period.

Recommendation V.4.2. 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.

The Company did not proceed with the constitution of a Nomination Committee. Given its size and complexity, it does not justify it.

Recommendation V.4.3. This nomination committee includes a majority of nonexecutive, independent members.

Recommendation V.4.4. 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.

Martifer considers these Recommendations as not applicable because there is no nominated Nomination Committee.



Recommendation VII.2.4. The statutory auditor should, within their powers, verify the application of policies and systems of remuneration of governing bodies, the effectiveness and the functioning of the mechanisms of internal control, and report any irregularities to the supervisory body.

Recommendation VII.2.5. The statutory auditor should collaborate with the supervisory body, immediately providing information on the detection of any relevant irregularities as to the accomplishment of the duties of the supervisory body, as well as any difficulties encountered whilst carrying out their duties.

Martifer considers that, in view of the content of paragraph 8 of the Note on Interpretation of the IPCG 2018 Corporate Governance Code and the fact that it does not appear feasible to accurately monitor the competences of the statutory auditor and not to the Company, recommendations VII.2.4 and VII.2.5 are taken into account, in full, as not applicable.

Martifer understands that, in accordance with the content of paragraph 8 of the Note on Interpretation of the IPCG 2018 Corporate Governance Code and the fact that it does not seem feasible to monitor, with accuracy, the competencies that belong to the statutory auditor and not to the Company, recommendations VII.2.4 and VII.2.5, are considered, overall, as not applicable.



4. Other Information

Besides the information and explanations presented in the present Report, there is no additional information of relevance that should be presented for a proper understanding of the model and the governance practices adopted by Martifer.

Oliveira de Frades, 21 April 2020

The Board of Directors,

Carlos Manuel Marques Martins
(President)

Arnaldo José Nunes da Costa Figueiredo
(Vice President)

Jorge Alberto Marques Martins
(Vice President)

Pedro Miguel Rodrigues Duarte
(Member of the Board of Directors)

Pedro Nuno Cardoso Abreu Moreira
(Member of the Board of Directors)

Maria Sílvia da Fonseca Vasconcelos da Mota
(Member of the Board of Directors)

Vítor Manuel Álvares Escária
(Member of the Board of Directors)

Mariana França Gouveia
(Member of the Board of Directors)

CORPORATE GOVERNANCE REPORT

**ANNEXES TO THE
CORPORATE GOVERNANCE
REPORT**



ANNEXE I

Professional Qualifications

BOARD OF DIRECTORS

Carlos Manuel Marques Martins is member of Martifer's Board of Directors (President of the Board of Directors and non-independent member) and one of the founding shareholders of Martifer Group in 1990, having started his professional activity in 1987 at the Company Carvalho & Nogueira, Lda, as Director of Production of the iron sector. He has a degree in Mechanical Engineering from FEUP - University of Oporto Engineering Faculty.

Jorge Alberto Marques Martins is member of Martifer's Board of Directors (Vice President of the Board of Directors and non-independent member) and one of the founding shareholders of Martifer Group in 1990, having started his professional activity in 1987 at SOCARPOR - Sociedade de Cargas Portuárias (Douro e Leixões), Lda as the adjunct to the Financial Director. He graduated in Economics at FEUP - Faculty of Economics of the University of Porto and holds an MBA from the Portuguese Catholic University (UCP).

Arnaldo José Nunes da Costa Figueiredo has been a member of Martifer's Board of Directors (Vice President of the Board of Directors and non-independent member) since 30 April 2010. He has a degree in Civil Engineering by FEUP - Porto University Engineering Faculty (1977). He was President of the Board of Directors of Mota-Engil, Engenharia e Construção, S. A. and of the Board of Directors of MEITS - Mota-Engil, imobiliária e turismo, S. A.; Manager of Mota Internacional, Lda.; President of the Board of the General Meeting Board of Maprel-Nelas, Indústria de Pré-Fabricados em Betão, S. A.; Board Member of the General Meeting of Paviterra, SARL; President of the Remuneration Setting Committee (on behalf of Mota-Engil, Engenharia e Construção, S. A.) of Ferrovias e Construções, S. A.; of Aurimove – Sociedade Imobiliária, S. A.; of Nortedomus – Sociedade Imobiliária, S. A.; and of Planinova – Sociedade Imobiliária, S. A..

Pedro Miguel Rodrigues Duarte has been a member of the Board of Directors of Martifer (Member of the Board of Directors and President of the Executive Committee, independent member) since 18 May 2018. He holds a degree in Mechanical Engineering from FCTUC - Faculdade de Ciências e Tecnologias da Universidade de Coimbra (1999). He completed the Advanced Management Programme by the Kellogg School of Management/Catholic University in 2016. In 2000, he began his professional activity, having worked at Visabeira Group (Visabeira Indústria) and PSA Group - Peugeot Citroën. He has extensive international experience, initially working in Eastern Europe for Martifer Group. Firstly in Poland, where he was responsible for the implementation and start-up of the local industrial plant and then as coordinating director of industrial structures in Poland and Romania, countries where he lived in between 2004 and 2010. Between 2010 and 2013, he was CEO of Martifer Group in the area of Metallic Constructions in Africa, and was a member of the Board of Directors of several companies in the Group of which Martifer Construction Maroc SARL AU (Morocco); Martifer-Amal S.A. (Mozambique) and Construções Metálicas Angola S.A. (Angola), as well as member of the Board of Directors of Martifer Construções Metalomecânicas, S.A. (Portugal). Also in 2010, he became responsible for the naval area in Martifer Group, being since that date a member of the Board of Directors of Navalria - Docas, Construções e Reparações Navais, S.A. (Shipyard of Aveiro, Portugal) and afterwards a Manager of West Sea - Estaleiros Navais, Lda (Shipyard of Viana do Castelo, Portugal).

Pedro Nuno Cardoso Abreu Moreira has been a member of Martifer's Board of Directors (Member of the Board of Directors and Member of the Executive Committee, independent member) since 6 January 2015, date on which he was co-opted further to the resignation of Mário Rui Rodrigues Matias. He is graduated in Economics at FEUP - Faculty of Economics of the University of Porto (1999). He concluded the Advanced Management Programme by Porto Business School and an In-Company Executive Training Programme by AESE Business School. He has extensive international experience, initially part of the corporate financial coordination of Mota-Engil Group's operations in Central Europe, in Africa and in Latin America. Between 2008 and 2014 he lived in Warsaw and Budapest, and held various positions as a Board Member in several Mota-Engil Group companies in operation in Central Europe in the areas of Real Estate, PPP/PFI, M&A and Corporate Development. During this period he served as a member of the Board of Directors in several companies of the Group, with the highlight of Mota Engil Central Europe SA (Poland), Mota-Engil Real Estate Management (real estate holding in Central Europe), Mota Engil CE CZ (Czech Republic), Mota-Engil CE Slovakia (Slovakia), Mota-Engil Magyar (Hungary), Mota Engil CE RO (Romania), Mota-Engil Brand Management (Netherlands), Mota-Engil Brand Development (Ireland).



Maria Sílvia da Fonseca Vasconcelos da Mota has been a member of the Board of Directors of Martifer (Member of the Board of Directors and non-independent member) since 18 May 2018. She has a degree in Civil Engineering from School of Engineering of the University of Porto and began her professional career passing through various operational areas of Mota-Engil Group. Later, she terminated her positions within Mota-Engil Group and took office as General and Financial Director in the family *holding*. In 2016, she returned to Mota-Engil Group, where she is currently a member of the Board of Directors of several companies, of which Mota Gestão Participações, SGPS, S. A. and Mota-Engil, Engenharia e Construção, S. A., accumulating the position of Board Member with the Financial area of Mota-Engil Europa.

Vítor Manuel Álvares Escária has been a member of the Board of Directors of Martifer (Member of the Board of Directors, independent member) since 18 May 2018. He has a Master's degree in Monetary and Financial Economics from ISEG - School of Economics and Management - Technical University of Lisbon since 1997, the institution from which he graduated in 1994. He holds a PhD in Economics from the University of York, in York, United Kingdom (2004). He is Assistant Professor at the Institute of Economics and Management - ISEG, Technical University of Lisbon, since 2004 designated as University of Lisbon. He was a Visiting Professor at the Faculty of Economics, University Agostinho Neto, in Angola (2014/2015); Visiting Professor at the Faculty of Economics, Universidade Lusíada de Angola, in Angola (2014/2015); Visiting Professor at the Faculty of Economics, Universidade Eduardo Mondlane, in Mozambique (2011). He was also the Economic Adviser of the Prime Minister's Office of the 21st Government of the Portuguese Republic (2016/2017); External Senior Expert of the European Commission in the projects of sectoral dialogues EU-Brazil (2013/2014); Economic Adviser of the Prime Minister's Office of the 17th and 18th Governments of the Portuguese Republic (2005/2011) and Member of the Directive Commission of CIRIUS - Centre for Regional and Urban Research.

Mariana Machado França Gouveia Sande Nogueira has been a member of the Board of Directors of Martifer (Member of the Board of Directors and independent member) since 18 May 2018. She has been a lawyer since 2000 and is graduated in Law from the FDUL - Faculty of Law of the University of Lisbon (1997), having obtained a PhD from the FDUNL - Faculty of Law of the NOVA University of Lisbon in 2003. She has been a Professor at the Faculty of Law of the NOVA University of Lisbon since 2003 and teaches, among other subjects, Procedural Law and Arbitration. She has been a member of the Arbitration Committee of ICC Portugal since 2012 and the Professor Responsible for the Laboratory of Alternative Dispute Resolution of the Faculty of Law of the NOVA University of Lisbon since 2007. She is also the Scientific Coordinator of the Course of University Extension in Arbitration at the Law Faculty of the NOVA University of Lisbon. She was a member of the Board of Directors of the Fundação Francisco Manuel dos Santos (2013/2017); Vice President of the Board of the Centre for Commercial Arbitration of the Portuguese Chamber of Commerce and Industry (2012/2017); a Consultant for the Department of Litigation and Arbitration of SRS Advogados (2010/2016); Director of the Office of Audit and Modernisation of the Ministry of Justice (2004/2005); a Consultant for the Office of Legislative Policy and Planning of the Ministry of Justice (2002/2004) and an Advisor for the Office of the Minister of Justice (2002).

SUPERVISORY BOARD

Paulo Sérgio Jesus das Neves is a member of the Supervisory Board of Martifer (President of the Supervisory Board). He holds a degree in Accounting Audit, with Superior Specialized Studies in Audit. He holds an MBA in Finance by the Economics Faculty of Porto (FEP). He is a Certified Public Accountant registered at the Portuguese Certified Public Accountant Association as number 1342, and has been exercising his activity since February 2008. He is a company consultant, in the fields of organisation and management, financial, tax and accounting.

Américo Agostinho Martins Pereira is a member of the Supervisory Board of Martifer (Member of the Supervisory Board). He holds a degree in Accounting Audit, with Superior Specialized Studies in Audit. He is a Certified Public Accountant, registered in the Portuguese Certified Public Accountant Association as number 887, performing his activity since April 1994, initially individually and since March 2013 as a partner at the company M. PEREIRA & ASSOCIADOS, SROC, LDA.

Mária Maria Machado Lapa de Barros Peixoto is a member of the Supervisory Board of Martifer (Member of the Supervisory Board). She has a degree in Economics from the Economics Faculty of the University of Porto (1993). She has been a Certified Public Accountant since 2006, registered in the Portuguese Certified Public Accountant Association as number 1258. Between 2012 and 2014 she was a member of the Advisory Council of the Northern Regional Section of the Portuguese Certified Public Accountant Association, between 2014 and 2017 she was an adjutant to the Director of the Northern Regional Section of the



Portuguese Certified Public Accountant Association and is currently a member of the Superior Board of Governors of the Portuguese Certified Public Accountant Association.

António Baia Engana is an alternate member of the Supervisory Board of Martifer (Alternate Member of the Supervisory Board). He holds a degree in Economics from the Economics Institute (ISE – Instituto Superior de Economia) and a bachelor's degree in Accounting from Commercial Institute of Lisbon (ICL – Instituto Comercial de Lisboa). He has been a Certified Public Accountant since 1989 and is registered in the Portuguese Certified Public Accountant Association as number 612, being currently a partner at ALVES DA CUNHA, A. DIAS & ASSOCIADOS, SROC, LDA.. He has been, since 1994, a member of the General Council and of the Executive Committee of the Accounting Standards Committee, having presided the Executive Committee between 1999 and 2005. He has been a member of Supervisory Boards in insurance companies since October 2009.

REMUNERATION SETTING COMMITTEE

António Manuel Queirós Vasconcelos da Mota is President of the Remuneration Setting Committee. He has a degree in Civil Engineering (Communication Routes) from the Faculty of Civil Engineering of the University of Porto. He is currently Chairman of the Board of Directors of Mota-Engil, SGPS, S.A., a position he has held since 2000. He has already served as Chairman of the Board of Directors in other companies, namely, Mota-Engil, Engenharia e Construções, S. A. (2003-2006), at Mota-Engil Internacional, S. A. (2000-2003), at Engil – Sociedade de Construção Civil, S.A. (2000-2003) and Mota & Companhia, S. A. (1995-2003), where he also was Vice President (1987-1995). He started his professional life in 1977 as a trainee in Mota & Companhia, Lda, and between 1979 and 1981 he worked at several departments of the company, where he was also General Director of Production (1981- 1987).

Maria Manuela Queirós Vasconcelos Mota dos Santos is a member of the Remuneration Setting Committee. She holds a degree in Economics from the Faculty of Economics of Porto. Shee has held management positions in several companies of the Mota-Engil Group, and is currently Chairman of the Group's Human Resources Development Committee. Presently, she is a member of the Board of Directors at Mota-Engil, SGPS, S. A..

Júlia Maria Rodrigues de Matos Nogueirinha is a member of the Remuneration Setting Committee. She holds a degree in Law from the Law Faculty of the University of Coimbra and has been registered at the Portuguese Bar Association since 2002. She is presently the President of the Board of the General Assembly of I'M SGPS, S.A , and was Member of the Board of Directors in other companies of I'M Group, namely in Almina – Minas do Alentejo, S. A..



ANNEXE II

Positions Held and Activities Undertaken by the Members of the Board of Directors

CARLOS MANUEL MARQUES MARTINS

initial election date

a) Positions in Companies of Martifer Group:

PRESIDENT OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	29/10/2004
	Duelobrigatório S.A.	20/07/2016
	Eviva Beteiligungsverwaltungs GmbH (Austria)	07/07/2007
	Martifer Deutschland GmbH (Alemanha)	14/10/2005
MEMBER OF THE BOARD OF DIRECTORS:	Martifer Construcciones PERÚ, SA	10/01/2013
MEMBER OF THE SUPERVISORY BOARD:	Martifer Renewables, SA (Poland)	12/07/2012

b) Positions held in Companies not part of Martifer Group:

PRESIDENT OF THE BOARD OF DIRECTORS:	I'M SGPS, S.A.	31/03/2006
	Almina Holding, S.A.	09/12/2008
	Estia SGPS, S.A.	27/12/2005
	Tavira Gran Plaza, SA	09/07/2010
	Severis, SGPS S.A.	03/11/2008
	Vetor Diálogo, SGPS S.A.	31/03/2014
	Promodois – Investimentos Imobiliários, S.A.	03/10/2018
	Promovinte – Investimentos Imobiliários, S.A.	18/06/2018
	The Visitor View, S.A.	23/02/2017
	Kilometer Low Cost, S.A.	04/01/2020
MEMBER OF THE BOARD OF DIRECTORS:	Black and Blue Investimentos, S.A.	23/03/2020
	PCI - Parque de Ciência e Inovação, S.A. (representing I'M - SGPS, S.A.)	28/09/2010
	Estia RO S.R.L.	26/07/2007
	Mamaia Investments S.R.L.	04/01/2019
MANAGER:	Office Building Vacaresti SRL	13/07/2011
	Exclusipolis, SGPS, Lda.	16/09/2009
	PANNN - Consultores de Geociências, Lda.	27/02/2012
	Segmento Protagonista, SGPS, Lda.	11/06/2014
	Promoquinze – Investimentos Imobiliários, Lda.	17/07/2018
	Estiadevelopment, Unipessoal, Lda.	17/07/2018
	I'M – Serviços de Gestão, Unipessoal, Lda.	17/07/2018
	Loftmoments – Investimentos Imobiliários, Unipessoal, Lda.	04/10/2018
Promodoze – Investimentos Imobiliários, Lda.	21/11/2018	
SOLE BOARD MEMBER:	Goodasset, Lda.	22/06/2018
	Expertooption, SGPS, SA	24/03/2010
	Detalhes Urbanos – Promoção Imobiliária S.A.	03/10/2018

**JORGE ALBERTO MARQUES MARTINS**

initial election date

a) Positions in Companies of Martifer Group:

VICE PRESIDENT OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	29/10/2004
MEMBER OF THE BOARD OF DIRECTORS:	Eviva Beteiligungsverwaltungs GmbH (Austria)	07/07/2007
	Martifer Deutschland GmbH (Germany)	14/10/2005
MEMBER OF THE SUPERVISORY BOARD:	Martifer Renewables, SA (Poland)	12/07/2012
MANAGER:	Global Holding Limited (Malta)	21/08/2013
	Global Engineering & Consulting Limited	21/08/2013

b) Positions held in Companies not part of Martifer Group:

MEMBER OF THE BOARD OF DIRECTORS:	I'M SGPS, S.A.	31/03/2006
	Estia SGPS, S.A.	27/12/2005
	Tavira Gran Plaza, SA	09/07/2010
	Severis, SGPS S.A.	03/11/2008
	Vetor Diálogo, SGPS S.A.	31/03/2014
	Almina Holding, S.A.	13/03/2018
	Promovinte – Investimentos Imobiliários, S.A.	18/06/2018
	Promodois – Investimentos Imobiliários, S.A.	03/10/2018
SOLE BOARD MEMBER	BRASEME - Investimentos e Consultoria, S.A.	31/05/2017
MANAGER:	Promoquinze – Investimentos Imobiliários, Lda.	17/07/2018
	I'M – Serviços de Gestão, Unipessoal, Lda.	17/07/2018
	Estiadevelopment, Unipessoal, Lda.	17/07/2018
	Segmento Protagonista, SGPS, Lda.	27/08/2018
	Loftmoments – Investimentos Imobiliários, Unipessoal, Lda.	04/10/2018
	Exclusipolis, SGPS, Lda.	20/11/2018
	Promodoze – Investimentos Imobiliários, Lda.	21/11/2018
	Cenário Fértil, Unipessoal, Lda.	02/12/2019



ARNALDO JOSÉ NUNES DA COSTA FIGUEIREDO

initial election date

a) Positions in Companies of Martifer Group:

VICE PRESIDENT OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	24/05/2010
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MEMBER OF THE BOARD OF DIRECTORS:	Duelobrigatório S.A.	20/07/2016
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b) Positions held in Companies not part of Martifer Group:

PRESIDENT OF THE BOARD OF DIRECTORS:	Mota-Engil, Indústria e Inovação, SGPS, SA	10/02/2011
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VICE-PRESIDENT OF BOARD OF DIRECTORS:	Mota-Engil, SGPS, SA	26/05/2008
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MEMBER OF THE BOARD OF DIRECTORS:	Vetor Diálogo, SGPS S.A.	31/03/2014
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MEMBER OF THE GENERAL COUNCIL:	AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado	
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BOARD MEMBER:	PROFORUM - Associação para o Desenvolvimento da Engenharia	
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PRESIDENT OF THE BOARD OF THE GENERAL MEETING	Mercado Urbano – Gestão Imobiliária, S.A.	
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MEMBER OF THE REMUNERATION SETTING COMMITTEE	Vibeiras – Sociedade Comercial de Plantas, S.A.	
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Vice-President of the Strategic Council for Economic Cooperation, Development and Lusophonia.

Member of the General Council of Boavista Football Club.

**PEDRO MIGUEL RODRIGUES DUARTE**

initial election date

Positions within Martifer Group:

PRESIDENT OF THE BOARD OF DIRECTORS:	Martifer Metallic Constructions, SGPS, S.A.	28/04/2011
	Martifer Construções Metalomecânicas, S.A.	28/04/2011
	Sociedade de Madeiras do Vouga, S.A.	10/07/2018
	Martifer Renewables SGPS, S.A.	02/07/2018
	Martifer Renewables, S.A.	12/07/2018
	Navalria - Docas, Construções e Reparações Navais, S.A.	28/04/2011
	Martifer Construções Metálicas Angola, S.A.	26/11/2018
	Martifer Renewables Operation & Maintenance Sp. z o.o.	13/06/2019
MEMBER OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	18/05/2018
	Martifer - Visabeira, S.A. (Mozambique)	14/08/2018
	Cedilhas ao Vento - S.A.	02/09/2019
MANAGER:	Promoquatro - Investimentos Imobiliários Lda.	17/07/2018
	West Sea - Estaleiros Navais, Unipessoal, Lda.	30/12/2013
	Volume Cintilante – Unipessoal, Lda.	29/01/2020

PEDRO NUNO CARDOSO ABREU MOREIRA

initial election date

a) Positions in Companies of Martifer Group:

MEMBER OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	06/01/2015
	Martifer Metallic Constructions, SGPS, S.A.	29/01/2015
	Martifer Construções Metalomecânicas, S.A.	31/12/2014
	Sociedade de Madeiras do Vouga, S.A.	02/02/2015
	Martifer Renewables SGPS, S.A.	29/01/2015
	Martifer Renewables, S.A.	12/07/2018
	Duelobrigatório S.A.	20/07/2016
	Navalria-Docas, Construções e Reparações Navais, S.A.	31/12/2014
	Liszki Green Park Sp. Z o.o.	18/12/2014
	M-City Gliwice Sp. Z o.o.	18/12/2014
	Park Logistyczny Biskupice Sp. Z o.o.	18/12/2014
	Wind Farm Bukowsko sp. z o.o.	18/12/2014
	Wind Farm Jawornik sp. Z o.o.	18/12/2014
	Wind Farm Piersno sp. z o.o.	18/12/2014
	Wind Farm Markowa sp. z o.o.	18/12/2014
	Wind Farm Łada sp. z o.o.	18/12/2014
	Wind Farm Oborniki Śląskie sp. z o. o.	18/12/2014
	PV SOL 1 sp. z o.o.	18/12/2014
PV SOL 2 sp. z o.o.	18/12/2014	



PV SOL 3 sp. z o.o.	18/12/2014
PV SOL 4 sp. z o.o.	18/12/2014
PV SOL 5 sp. z o.o.	18/12/2014
PV SOL 6 sp. z o.o.	18/12/2014
Martifer Renewables, S.A. (Poland)	12/07/2018
Martifer Renewables Operation & Maintenance Sp. z o.o.	13/06/2019
Cedilhas ao Vento - S.A.	02/09/2019

DIRECTOR: Martifer Renewables Italy B.V. (Netherlands) 14/09/2018

MANAGER: Promoquatro - Investimentos Imobiliários Lda. 26/01/2015
West Sea - Estaleiros Navais, Unipessoal, Lda. 26/02/2015
Volume Cintilante – Unipessoal, Lda. 29/01/2020

b) Positions held in Companies not part of Martifer Group:

MEMBER OF THE GENERAL COUNCIL: AEM - Associação de Empresas Emitentes de Valores Cotados em Mercado

MARIA SÍLVIA DA FONSECA VASCONCELOS DA MOTA

initial election date

a) Positions in Companies of Martifer Group:

MEMBER OF THE BOARD OF DIRECTORS: Martifer SGPS, S.A. 18/05/2018

b) Positions held in Companies not part of Martifer Group:

PRESIDENT OF THE BOARD OF DIRECTORS: Mota Global – Planeamento, S.A. 11/08/2017

MEMBER OF THE BOARD OF DIRECTORS: Mota-Engil Europa, S.A. 01/03/2016
MESP - Mota-Engil, Serv. Partilhados Adm. e de Gestão, S.A 04/10/2016
Swipe News, S.A. 24/01/2017
ME Real Estate – Mota-Engil Real Estate Portugal, S.A. 24/07/2018
Mota Gestão e Participações – Soc. Gest. de Part. Soc, S.A. 15/11/2017
Mota-Engil Real Estate, SGPS, S.A. 18/10/2018
Oriental HUB–Rec. Expl. Ant.Matadouro Ind. do Porto, S.A. 29/11/2018
AMGP Agricultura, S.A. 04/03/2019
Belém Grid – Promoção Imob. e Animação Turística, S.A. 14/10/2019
Sociedade Agrícola Moura Basto, S.A. 26/03/2019

MANAGER: Covelas – Energia, Lda. 17/01/2013



Imogera, Lda.	17/01/2013
Cerâmica de Boialvo, Lda. (representing Mota Gestão e Participações – Sociedade Gestora de Participações Sociais, S.A.)	05/03/2018

SECRETARY OF THE BOARD OF DIRECTORS: Sunviauto México – Sociedad Anonima de Capital Variable

MEMBER OF THE SUPERVISORY BOARD: Mota-Engil Central Europe Ceská Republika, A.S.

VÍTOR MANUEL ÁLVARES ESCÁRIA

initial election date

Positions within Martifer Group:

MEMBER OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	18/05/2018
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He does not hold any position in any other Company, part or not part of Martifer Group.

MARIANA MACHADO FRANÇA GOUVEIA SANDE NOGUEIRA

initial election date

Positions within Martifer Group:

MEMBER OF THE BOARD OF DIRECTORS:	Martifer SGPS, S.A.	18/05/2018
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She does not hold any position in any other Company, part or not part of Martifer Group.



ANNEXE III

Statement on the remuneration policy of the management and supervisory bodies APPROVED at the General Meeting on 27 May 2019

I - INTRODUCTION

In the use of the legal power conferred by article no. 399 of the Commercial Companies Code, the Articles of Association of Martifer - SGPS, SA, a publicly-traded company, in its article no. 20, delegate to the Remuneration Setting Committee the competence to set the remuneration of the Management and Supervision Bodies of the Company.

According to the applicable provisions of the Articles of Association, the Remuneration Setting Committee was elected at the Shareholder General Meeting on 18 May 2018, to exercise its duties for the three-year period 2018- 2020. It is currently formed by:

António Manuel Queirós Vasconcelos da Mota (President)
Maria Manuela Queirós Vasconcelos Mota dos Santos (Member)
Júlia Maria Rodrigues de Matos Nogueirinha (Member)

To promote transparency and the legitimacy of the setting of the remuneration of the members of the corporate bodies, the Remuneration Setting Committee, in compliance with the provisions of article no. 2 of Law no. 28/2009 of 19 June, submits for the approval of the General Meeting of the Shareholders of Martifer - SGPS, S. A., a publicly-traded company, on 27 May 2019, the present statement on the remuneration policy of the management and supervisory bodies of the Company.

This statement seeks to closely follow the applicable provisions of the CCC and the Corporate Governance Code of the Portuguese Institute of Corporate Governance - IPCG (2018).

It is also relevant to point out that the present statement, more than mandatory by law, it intends to be an important instrument of good corporate governance, aiming to inform the shareholders, to protect their interests and for greater transparency of Corporate Governance in matters of the remuneration of corporate bodies.

II – REGULATORY REGIME

In the definition of the remuneration policy to be established by the Remuneration Setting Committee, the legal provisions of CCC were taken into account, namely its article no. 399; Law no. 28/2009 of 19 June, concerning the regime of approval and disclosure of the remuneration policy of the management and supervisory bodies in listed companies, as well the Company Corporate Governance Code of the Portuguese Institute of Corporate Governance - IPCG (2018). Secondly, the special regime established in the Company's Articles of Association was also taken into consideration, for the definition of the remuneration policy.

The Portuguese Companies Code provides, in Article no. 399, the statutory regime of remuneration for the Board of Directors, which, in summary, establishes that:

- The setting of the remunerations is a responsibility of the Shareholders General Meeting or of a committee appointed by it for this purpose and shall take into account the duties performed and the economic situation of the Company;
- The remuneration may be fixed or partially represent a percentage of the financial year's profit; nevertheless, the maximum percentage allocated to the directors shall be authorized by a clause of the Articles of Association of the Company and shall not be levied on the distribution of reserves or on any portion of the profits not legally available for distribution to the shareholders.

Regarding the members representing the Supervisory Board and the Board of the General Meeting, the Portuguese Commercial Companies Code states that the remuneration shall consist of a fixed amount which is equally determined either at a Shareholders



General Meeting or by a committee appointed by it for this purpose, taking into consideration each member's position and the company's economic situation.

Moreover, Articles no. 13 and no. 20 of the Articles of Association state the following:

- The remuneration of the members of the Corporate Bodies shall be fixed by the Remuneration Setting Committee;
- The General Meeting that elects the corporate bodies shall also elect the Remuneration Setting Committee;
- The remuneration of the Board of Directors may be formed by a fixed part and a variable one, the latter representing a percentage that can never exceed five per cent of the net profits for the year, according to the law; and
- The remuneration of the Supervisory Board shall consist of a fixed amount.

III – GENERAL PRINCIPLES

The Remuneration Committee has tried, in its remuneration policy, to promote the convergence of the interests of Directors, of other Corporate Bodies and Managers with the participation in the Company, namely value creation for the shareholders and actual Company growth, privileging a long-term perspective.

Pursuing this aspiration, and subsequent to the policy adopted in previous years, the Committee structured the integrant components of the income of the Board of Directors to reward their performance, discouraging, however, excessive risk-taking by them. This way, it is intended to promote high-level sustained growth.

Finally, it is relevant to say that the economic position of the Company as well the general market practices for similar positions are very important in this Committee's mission.

Materialising the general policy herein stated, we hereby present the principals to be observed by this Committee in the definition of remuneration:

a) Occupied Position

In the decision of the remuneration of each member of the Board of Directors, it shall be taken into account, for every single member, the position occupied by each member, the complexity of his/her duties, the responsibilities that are, in fact, attributed to him/her, the time dedicated and the added-value resulting from his/her work to the Company.

In this extent, the remuneration between the Executive Board members and the non-Executive Board members needs to be differentiated, as well as the remuneration amongst each Board Member of each category, after evaluation of the abovementioned elements.

There are also duties performed in other controlled companies which cannot be excluded from this consideration, as this means, on one side, there is an increase in terms of responsibility and, on the other, it is another source of income.

b) Alignment of interests of the management and supervisory bodies with those of the Company – Performance evaluation

In order to guarantee alignment of interests of the Management and Supervisory Bodies with the ones of the Company, this Committee shall not fail to pursue the adoption of a policy that rewards the Board Members for the performance of the Company in the long-term perspective and in the creation of value for the shareholder.

c) Economic Situation of the Company

This criterion has to be understood and interpreted cautiously. The size of the company and the inevitable management complexity associated is clearly one of the relevant aspects in determining the economic situation of the company, in the broad sense. To a higher level of complexity, corresponds a higher remuneration; but, the remuneration will have to be adjusted considering other criteria that characterize the economic situation of the Company (financial, related to human resources, etc).



The Committee takes into account the current and future economic situation of the Company, giving priority to the Company's interests in a long-term perspective and to the actual growth of the company and the creation of value for its shareholders.

d) General Market Criteria for Equivalent Situations

The setting of any remuneration has to follow supply and demand, and the situation regarding members of the Corporate Bodies is no exception. Only respect for market practices allows professionals to maintain a level of performance adequate to the complexity of their positions and responsibilities. It is important that the remuneration is aligned with market practices and that it is stimulant, allowing it to become an instrument to help achieve an individual and collective high-level performance; thus, ensuring not only the individual interest but mostly the interests of the Company and of the shareholders.

IV – CONCRETE OPTIONS

Based on the abovementioned principles, the Committee presents the information regarding the concrete remuneration policy options, which are hereby submitted for the Company 's shareholders's consideration:

- 1st The remuneration of the Executive Members of the Board of Directors shall be made up of a fixed and, when so determined by the Remuneration Setting Committee, a variable part; and, according to the law and article no. 20., no. 3 of the Articles of Association, the variable part cannot exceed 5% (five per cent) of the annual net profit.
- 2nd The remuneration of the non-Executive Independent Members of the Board of Directors, the Members of the Supervisory Board and the Members of the Board of the General Meeting shall only consist of a fixed part.
- 3rd The fixed part of the remuneration of the Executive members of the Board of Directors, as well the non-Executive Members non-Independent (when applicable), shall consist of a monthly amount payable fourteen times per year.
- 4th The fixed remuneration for each participation in the meetings of the Board of Directors shall be set for the non-Executive and Independent Board members.
- 5th The fixed remuneration of members of the Supervisory Board shall be set in a monthly value payable twelve times per year.
- 6th In setting all remunerations, including the distribution of the global amount of the variable remuneration of the members of the Board of Directors, the general principles referred to above shall be observed: positions carried out, alignment with the interests of the Company, privileging the long term, the Company situation and market criteria.
- 7th The fixed remuneration of the members of the Board of the General Meeting will be a predetermined value for each meeting.
- 8th The process of attribution of the variable remuneration to Executive members of the Board of Directors must follow the criteria proposed by the Remuneration Setting Committee, namely their hierarchal position, the performance assessment made and the real growth of the Company, seeking to promote convergence of the interests of the Management Body with those of the Company, with emphasis on the long-term performance; and this will be considered in the performance assessment criteria of the Board. Thus, they will be considered decisive for the assessment and measurement of the variable remuneration:
 - the contribution of the Executive Directors for the obtained results;
 - the profitability of the businesses from the shareholder perspective;
 - the evolution of the share price quotation;
 - the extent to which the projects integrated and measured by the Balanced Scorecard of the Group are executed.
- 9th Notwithstanding the abovementioned policies to protect the shareholders and the Company's interests in the long term, the Committee, in its search of the best Corporate Governance practices regarding remuneration policies of the Corporate Bodies, continues: (i) to promote a study and comparative analysis of remuneration policies and practices of other groups of companies in the same sector regarding the fixing of remuneration for future implementation and adoption at Martifer, as well as (ii) study the possibility of adoption of a policy that, shown to be feasible and balanced to all parties involved, foresees the possibility of the variable remuneration - when attributed - to be payable, in part or totally, only after the financial accounts of the entire term of office are cleared and, on the other hand, that allow a limitation to the variable remuneration (when this is fixed and actually



earned by the Board Members) in case the results show a relevant deterioration of the company's performance in the last cleared financial year or when it is expected in the present year.

V – LIMITS

In case of verification of a permanent and not exceptional increase of the volume of activity associated with the exercise of functions by the General Meeting and the Supervisory Board members, the maximum amount payable to the members of the governing bodies, in particular the members of the General Meeting and the Supervisory Board may not exceed, respectively, either individually or in aggregate, 25% of the average amount paid in the last 3 financial years, for the corresponding member of the governing body.

VI – OTHER RESPONSIBILITIES

Regarding the process of hiring or appointing members to its governing bodies, the Company shall not enter into any contracts or agreements with such members that allow the recognition or assignment of the right to receive payment of any damage or compensation beyond the amounts legally payable, in the event of dismissal or termination of service.



ANNEXE IV

STATEMENT OF THE BOARD OF DIRECTORS ON THE REMUNERATION POLICIES TO BE APPLIED TO DIRECTORS OF MARTIFER GROUP REGARDING PARAGRAPH 3 OF ARTICLE NO. 248-B OF THE SECURITIES CODE

I - INTRODUCTION

Following Recommendation V.2 of the Corporate Governance Code of the IPCG - Portuguese Institute of Corporate Governance (2018) about the relevance of the remuneration policy covering the managers in the sense of paragraph 3 of article no. 248-B of the Securities Code, the principles and general rules in force are presented, which are extensive to the universe of Martifer Group employees, which include other employees whose professional activity may have a relevant impact on the risk profile of the Company. In relation to the options on remuneration applicable to members of the management and supervisory bodies, whose requirement is provided for in Law no. 28/2009 of 19 June, the respective concrete options are referred to in the Statement of the Remuneration Committee.

II – GENERAL PRINCIPLES

The remuneration policy of Martifer Group comprises a set of operating principles that aim to guarantee its contribution to the achievement of the strategic vision and culture advocated for the Group, as well as the alignment of the interests of the managers with the long-term interests of the Group.

a) Ability to capture and retain:

Martifer Group intends, through its remuneration policy, to ensure the attraction and retention of talent, adopting a competitive market positioning, taking into account the degree of responsibility and the contribution of the employees to value creation.

b) Alignment of remuneration practices with short and long-term performance:

The remuneration policy of Martifer Group and its rules of application are indexed to the performance assessment model in force, aligned with the Strategic Plan of the Group that was defined for a long-term horizon.

c) Fairness/ competitiveness:

The remuneration policy is segmented in functional groups that result from an evaluation of the function, allowing, on the one hand, to internally even the remuneration practices according to criteria of responsibility, complexity and autonomy and, on the other hand, to ensure competitiveness with the practices of the reference market.

d) Meritocracy:

The criteria that establish the increment of remuneration components are based on the success achieved by Martifer Group in the several business areas, as well as the performance assessment of individual collaborators, in order to recognise and reward merit and excellence.

e) Transversality/ verticality:

Martifer Group intends to associate its management model to a common policy for executive and management functions, promoting transversal alignment and convergence for the strategy, culture and goals of the Group.



In order to safeguard the specificity of the different businesses, the remuneration policy also incorporates rules for vertical application, business area by business area, from company to company, in order to adapt their practices to the context of the respective reference activity and market sector.

The remuneration policy of Martifer Group is segmented into functional groups, which aggregate functions in accordance with parameters, such as the degree of knowledge, complexity and required responsibility/ autonomy, and which are structured as follows: (i) Executive Board Members; (ii) Coordinating Directors; (iii) Directors; (iv) Technicians and (v) Administrative and Operational Staff

The functional groups listed constitute the fundamental support to the definition of human resources policies, particularly the remuneration policy, establishing, for each functional group, the remuneration components and conditions, whether they are of a fixed or variable nature and/or benefits, taking into account the recommended positioning strategy and the salary practices of the determined reference markets.

III – CONCRETE OPTIONS

1. The overall structure of the remuneration policy of the Group

Martifer Group's remuneration policy includes two remuneration components that are defined taking into account the function, the alignment with market salary practices and the performance demonstrated by employees:

- Fixed remuneration, which is composed by a gross base salary paid during a one-year period. Each functional group has associated a salary range, being established minimum, average and maximum values, taking into account the function, the level of experience, the performance of the person and the reference market salary practices and those of Martifer.
- Benefits, which recommends a portfolio of benefits applicable per position and the respective functional group.

2. Plans for the attribution of shares or stock options

There are no plans for the attribution of shares or stock options to the managers in the sense of paragraph 3 of article no. 248-B of the Portuguese Securities Code.



ANNEXE V

STATEMENT REFERRED TO IN ARTICLE NO. 245, PARAGRAPH 1, SUBPARAGRAPH (C) OF THE PORTUGUESE SECURITIES CODE

Subparagraph (c) of paragraph 1 of article no. 245 of the Portuguese Securities Code states that every one of the people responsible for the issuers must make a set of statements provided for therein. In the case of the Company, a standard statement was adopted, with the following content:

I declare, under the terms and for the purposes provided for in subparagraph (c) of paragraph 1 of article no. 245 of the Portuguese Securities Code which, to my knowledge, the management report, the annual accounts, the legal certification of accounts and other documents of accountability of Martifer SGPS, S.A. – a publicly-traded company, all relating to the financial year of 2019, were drawn up in accordance with the applicable accounting standards, giving a true and fair view of the assets and liabilities, financial position and results of that company and the companies included in its scope of consolidation, and that the management report exposes faithfully the development and performance of the business and of the position that that company and the companies included in the scope of consolidation, containing a description of the main risks and uncertainties that they face.

Considering that the members of the Supervisory Board and the Statutory Auditor subscribe an equivalent statement within the scope of the documents which are of their responsibility, the independent statement with that text was only signed by the members of the Board of Directors, because only those that are members of the governing bodies are considered to be the ones "responsible for the issuer". In terms of the mentioned legal provision, the names of the subscribers are indicated and their position:

NAME	POSITION
Carlos Manuel Marques Martins*	PRESIDENT OF THE BOARD OF DIRECTORS
Jorge Alberto Marques Martins	VICE PRESIDENT OF THE BOARD OF DIRECTORS
Arnaldo Nunes da Costa Figueiredo	VICE PRESIDENT OF THE BOARD OF DIRECTORS
Pedro Miguel Rodrigues Duarte	MEMBER OF THE BOARD OF DIRECTORS
Pedro Nuno Cardoso Abreu Moreira	MEMBER OF THE BOARD OF DIRECTORS
Maria Sílvia da Fonseca Vasconcelos da Mota	MEMBER OF THE BOARD OF DIRECTORS
Vítor Manuel Álvares Escária	MEMBER OF THE BOARD OF DIRECTORS
Mariana Machado França Gouveia Sande Nogueira	MEMBER OF THE BOARD OF DIRECTORS



ANNEXE VI

QUALIFYING HOLDINGS

In compliance with the provisions of article no. 2, paragraph 4, of CMVM Regulation no. 7/2018, the following is a list of the holders of qualifying holdings on 31 December 2019, indicating the number of shares held and the percentage of corresponding voting rights, calculated under article no. 20 of the Portuguese Securities Code:

SHAREHOLDERS	NO. OF SHARES	% OF SHARE CAPITAL	% OF VOTING RIGHTS ¹
I'M – SGPS, SA	38,005,689	38.01%	38.86%
Carlos Manuel Marques Martins*	2,455,028	2.46%	2.51%
Jorge Alberto Marques Martins*	2,430,260	2.43%	2.48%
Total Imputable to I'M – SGPS, SA	42,890,977	42.89%	43.86%
Mota-Engil – SGPS, SA	37,500,000	37.50%	38.35%
Arnaldo José Nunes da Costa Figueiredo **	3,000	0.00%	0.00%
Total Imputable to Mota-Engil, SGPS, SA	37,503,000	37.50%	38.35%

¹ % of voting rights = No. of Shares Held / (No. of Total Shares - Own Shares)

* Member of a corporate body of I'M SGPS, SA; ** Member of a corporate body of Mota-Engil SGPS, SA