

CORPORATE GOVERNANCE





# information about the corporate governance structure and practices

## Introduction

In 1999 the Board of the Commission of the Security Market (*CMVM - Comissão de Mercado de Valores Mobiliários*) approved the first package of recommendations concerning the governance of quoted companies, that set out to improve mechanisms to protect investors in the security markets. In December 2001 they approved their reformulation as well as the transformation of some of the recommendations into binding obligations, in the terms proposed by regulation no. 7/2001 of the CMVM. Regulation no. 11/2003 was approved at the end of 2003, and introduced some important alterations, namely in the content of the annual report on the company governance structure and practices that had been implemented.

In November 2005, after a process of public consultation, CMVM Regulation no. 10/2005 was approved, establishing an important set of alterations, whose its main objectives were to reinforce the auditing system within the company, extend transparency and adapt intermediate information to International Accounting Standards/International Financial Reporting Standards terms of reference.

CORTICEIRA AMORIM welcomed the initial recommendations, as well as subsequent reflections and consequent alterations to the applicable framework of regulations, as an opportune and pertinent contribution whose adoption will favour all entities, private or collective, whose interests are involved in the company activity, having made a critical analysis of its position in the matter of company governance in the light of these recommendations, giving due consideration to the effective advantages of their total implementation and the circumstances in which it operates.

With attention to the latest alterations introduced by CMVM Regulation no. 10/2005 and the project to alter the Portuguese Companies' Act (*Código das Sociedades Comerciais*) in the matters of structure and company governance, a process of profound reflection is underway, which, in the light of these alterations to the legislation, aims to review and improve the standards and internal procedures of company governance, guaranteeing their efficiency in safeguarding the respective interests. The subjects under consideration include those which concern the encouragement of the active exercise of the right to vote by Shareholders (Recommendation no. 2), the autonomisation and attribution of competences in evaluating structure and company governance to a commission specifically created for that purpose (Recommendation no. 6), new ways of disseminating information and reporting the activity of the Compensation Committee (Recommendation no. 8-A) and definition of a concrete policy for communicating irregularities (Recommendation no. 10).

The present Report has thus been drawn up in accordance with the provisions of no. 1, article 1 of CMVM Regulation no. 11/2003, incorporating the alterations introduced by CMVM Regulation no. 10/2005.

## **CHAPTER O: DECLARATION OF COMPLIANCE**

The analysis carried out makes it possible to state that CORTICEIRA AMORIM shows a good degree of adoption of the Recommendations issued by the CMVM on the Governance of Companies, as may be inferred from the explanations presented in the following notes:

### **“I Disclosure of information**

1. The company must ensure the existence of permanent contact with the market, respecting the principle of equality of shareholders and preventing asymmetries in access to information by the Investors. To such an effect the company must create an investor relations office.”

### **RECOMMENDATION FULLY ADOPTED.**

CORTICEIRA AMORIM has a Department of Investor Relations, described in paragraph 8 of Chapter 1, which guarantees complete fulfilment of this recommendation.

### **“II Exercise of the Right to Vote and Shareholders' Proxy**

2. The active exercise of the right to vote must not be restricted, either directly, namely by correspondence, or by proxy. Considered, for this purpose, as restrictions on the active exercise of the right to vote, are:

- a) the imposition of a period of antecedence greater than 5 working days before the deposit or blocking of shares for participation in a Annual General Meeting;
- b) any statutory restriction on the vote by correspondence;
- c) the imposition of a period of antecedence greater than 5 working days for reception of the declaration of the vote issued by correspondence;
- d) the non-existence of voting papers available to the shareholders for exercising the vote by correspondence”.

### **RECOMMENDATION PARTIALLY ADOPTED.**

In accordance with the company statutes, in the Annual General Meetings the Shareholders' vote by correspondence is admitted only in specific situations (in the alteration of the company statutes and in the election of members of the Board of Directors).

In these cases, the reception of the vote declaration must occur within five working days before the holding of the Annual General Meeting, thus adopting the period of time proposed by the Recommendation.

A model for exercising the right to vote by correspondence, in compliance with the regulation, is available at company headquarters.

The blocking of shares for participation in the Annual General Meeting must be carried out for a period not less than twenty days.

### **“III Company Rules**

3. The company must create a internal control system for the effective detection of risks linked to the company's activity, to safeguard its assets, benefiting the transparency of its company governance”.

### **RECOMMENDATION FULLY ADOPTED.**

CORTICEIRA AMORIM has at its disposal a manual of internal control procedures, drawn up in collaboration with PricewaterhouseCoopers, that clearly defines responsibilities and procedures in order to prevent and reduce situations of risk. Furthermore, the organic units considered necessary to reduce risk and improve the quality and integrity of the information disseminated to the market have been created, as described in paragraph 3 of Chapter 1.



“4. The measures to be adopted in order to prevent successful public acquisition offers must respect the interests of the company and its shareholders. Restrictive clauses, namely, whose effect is automatically to cause an erosion in the assets of the company in the case of transition of control or a change in the composition of the Board of Directors, thus prejudicing the free transmissibility of shares and free evaluation by shareholders of the performance of the members of the Board of Directors, are considered to be contrary to these interests.”

**RECOMMENDATION FULLY ADOPTED.**

To the best of CORTICEIRA AMORIM's knowledge, there are no limits to the voting rights, restrictions on the transmissibility of shares, special shareholders' rights and para-social agreements.

**“IV Administrative Body**

5. The Board of Directors must be composed of a plurality of members who exercise effective direction in respect of the management of the company and those responsible for it.

5-A. The Board of Directors must include sufficient non-executive administrators whose role is to continuously monitor and assess the management of the company by the executive members.

Members of other boards may carry out a complementary role or, at most, substitute role, if the respective auditing competences are equivalent and exercised in fact”.

**RECOMMENDATION FULLY ADOPTED.**

The Board of Directors, the body which is responsible for effective direction in managing the company, is made up of seven members, four of whom are not executives and three of whom have executive functions, thus proving the existence of an adequate number of non-executive directors.

“6. Among the non-executive members of the board of directors must be included a sufficient number of independent members. When there is only one non-executive director this person must also be independent. Independent members of other boards may carry out a complementary role or, at most, a substitute role, if the respective auditing competences are equivalent and in fact exercised.”

**RECOMMENDATION NOT ADOPTED.**

In the meeting of the General Assembly, held 31 March 2005, the board members were elected for the mandate of three years in course (2005-2007). No independent director was part of this.

It is important to mention that, at the date of the election referred to above, the CMVM recommendation in force at that date was fully adopted, in respect of the existence of independent members in the board of directors, namely through the nomination of Dr José Fernando Maia de Araújo e Silva, member of the Board of Directors with executive functions not associated with any other interest group. Nevertheless, given the alteration to the Recommendation, in November 2005, the non-adoption of the same is noted, insofar as the above mentioned director exercises executive functions.

“7. The Board of Directors must create internal control committees with attribution of competences in evaluating of company structures and governance.”

**RECOMMENDATION NOT ADOPTED.**

CORTICEIRA AMORIM does not have committees as set out in the terms of this recommendation, although the Board of Directors shows all interest in adopting and implementing the rules of company governance which best harmonise with the transparency of the stock market and with the confidence of those who have interests in the company, namely through participation in its share capital.

To this end, the Board of Directors periodically promotes reflection on these matters, both encouraging comparison of those which are considered best practice, with the policies and measures actually applied in the Company, and through its determination to match company practice to the evolving circumstances in which it operates.

“8. The remuneration of members of the Board of Directors must be structured in such a way as to permit the aligning of their interests with the interests of the company, and must be the object of annual divulgation in individual terms.”

**RECOMMENDATION PARTIALLY ADOPTED.**

CORTICEIRA AMORIM makes known the remuneration received by the members of the Board of Directors, identifying the remunerations received by the group of executive members, as well as those received by the group of non-executive members. The company considers that this level of detail is an adequate response to the interests and transparency that the Recommendation is intended to safeguard and so the remuneration received by individual members of the Board of Directors is not made known.

“8-A. A declaration on the remunerations policy of the board members must be submitted for the scrutiny of the Annual General Shareholders Meeting.”

**RECOMMENDATION NOT ADOPTED.**

The remunerations committee will not submit for the scrutiny of the next Annual General Meeting, to be held 31 March 2006, a declaration on the remunerations policy of board members, in the terms suggested by the Recommendation.

“9. The members of the Remunerations Committee or equivalent must be independent in relation to the members of the administrative body.”

**RECOMMENDATION PARTIALLY ADOPTED.**

Since the Remunerations Committee has been elected in the Shareholders' Annual General Meeting, it is believed that the effective possibility and capacity that the respective members would have, for the duration of their respective mandate, to carry out independently the functions that were attributed to them, that is, in pursuance of the interests of CORTICEIRA AMORIM, have been duly assessed. However, in the light of the concept of independence defined in the Recommendations, one of the members of this committee does not fulfil the condition of independent person in relation to the Board.

“10. The proposal submitted to the Annual General Meeting in respect of the approval of plans to attribute shares, and/or options for share acquisition or based on variations in the price of the shares, to members of the Board of Directors and/or workers must be submitted to the general assembly. The proposal must contain all the elements necessary for a correct assessment of the plan. The regulation of the plan, if it is already available, must accompany the proposal or, if it has not yet have been drawn up, the general conditions which it must obey.”

**RECOMMENDATION FULLY ADOPTED.**

Although this specific situation has not yet arisen in CORTICEIRA AMORIM, it is the policy of the company to facilitate all elements relevant for an adequate and well founded appreciation of the proposals presented for discussion and deliberation in the Shareholders' General Assembly.

“10-A. The company must adopt a policy of communicating irregularities which have allegedly occurred in the company, with the following elements: indication of the means whereby the communication of irregular practices may be done internally, including the persons entitled to receive communications, indication of the treatment to be given to the communications, including confidential treatment, if so desired by the person making the declaration. The general lines of this policy must be disseminated in the Corporate Governance Report.

#### **RECOMMENDATION NOT ADOPTED.**

CORTICEIRA AMORIM does not have a policy of communicating irregularities in the terms of this Recommendation.

However, given the interests that this subject seeks to safeguard, the Board of Directors is giving due thought to the means most suitable for such communications, in order to assure the protection of data and workers, as well as the attribution of competences for receiving communications and overseeing the policy to be implemented.

#### **“V Institutional Investors**

11. Institutional investors must take account of their responsibilities in respect of a diligent, efficient and critical use of the rights inherent to the assets which they hold or whose management is entrusted to them, namely in respect of entitlement to information and the right to vote.”

#### **RECOMMENDATION NOT APPLICABLE TO CORTICEIRA AMORIM.**

### **CHAPTER I - DISSEMINATION OF INFORMATION**

#### **1. Information regarding the distribution of competencies between the various bodies and departments of the company within the framework of the company decision-making process.**

The Board of Directors of CORTICEIRA AMORIM is responsible for the effective control in directing the activity of the company, being the body competent to take decisions of a strategic nature.

In addition to the members who constitute the Board of Directors, meetings of this body include the presence of their Adviser. The role of Adviser to the Board of Directors was created in 2001, and has to date been carried out by Mr Américo Ferreira de Amorim.

The Board of Directors of CORTICEIRA AMORIM is made up of four non-executive members and three executive members. In addition to the decision-making referred to in the first paragraph of this paragraph, in its meetings the Board of Directors scrutinises the most important aspects of the company's activity, including the relevant matters which have been decided, or simply analysed by the Executive Board.

<b>Board of Directors</b>			<b>Adviser to the Board of Directors</b>
Executive Directors	António Rios de Amorim José Fernando Maia de Araújo e Silva Nuno Filipe Vilela Barroca de Oliveira	Chairman Member Member	Américo Ferreira de Amorim
Non-executive Directors	José Américo Amorim Coelho Joaquim Ferreira de Amorim Luísa Alexandra Ramos Amorim Rui Miguel Duarte Alegre	Vice-Chairman Member Member Member	

CORTICEIRA AMORIM's operating activity is structured in six Business Units (BU):

Adopting a management model based on the concept of Strategic-Operational Holding, the Business Units are co-ordinated by the Executive Board of CORTICEIRA AMORIM, which consists of the Chairman of the Board of CORTICEIRA AMORIM and the Presidents of the Boards of the principal Business Units (Cork Stoppers and Floor and Wall Covering), which has wide-ranging powers of management, with the exception of those powers reserved law or by statute for the Board of Directors.

The Executive Commission is made up of three members, being constituted, on 31 December 2005, by:

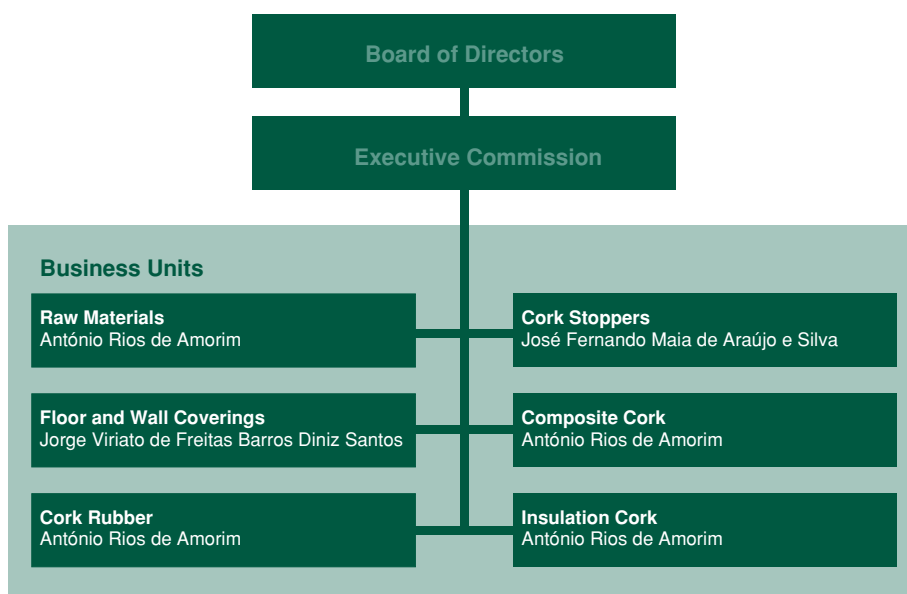
- António Rios de Amorim (Chairman);
- José Fernando Maia de Araújo e Silva;
- Jorge Viriato de Freitas Barros Diniz Santos.

The strategic alignment of the whole organisation is powered by the use of the balanced scorecard methodology, in CORTICEIRA AMORIM and in its Business Units. In this context, approval of the strategic objectives, strategic initiatives and priority actions of CORTICEIRA AMORIM and each Business Unit falls to the Board of Directors of CORTICEIRA AMORIM.

Each member of the Executive Commission of CORTICEIRA AMORIM is further responsible for permanently accompanying at least one Business Unit. Periodically there is a rotation of the executive directors in respect of the Business Units which they accompany, as a mean to promote a better alignment of the company's strategies with the respective alignment at the level of the Business Units.

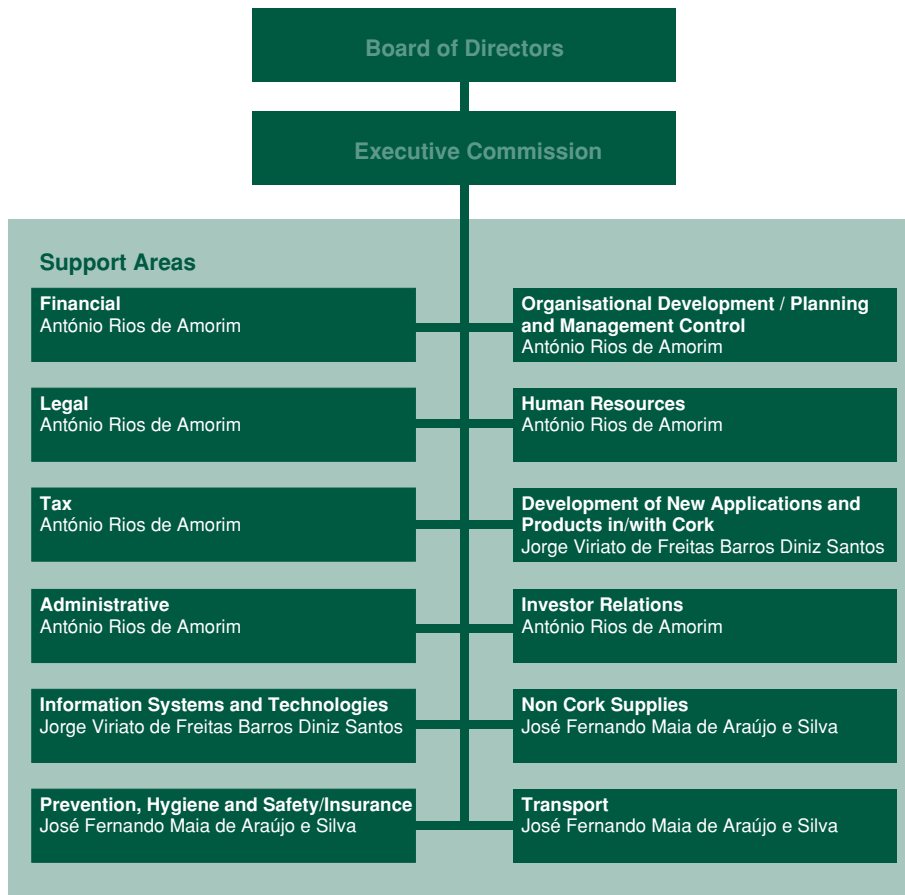
This interaction between the Executive Commission of CORTICEIRA AMORIM and the Business Units allows regular monitoring of the goals defined for the strategic objectives, strategic initiatives and respective priority actions, in co-ordination with the Managing Directors of each Business Unit, but safeguarding the principal of its management autonomy.

The following scheme demonstrates how the management structure of the business is organised, indicating the member of the Executive Commission responsible for accompanying each Business Unit.





The support areas, reporting to the Executive Commission, are directed towards monitoring and co-ordinating the activity of the Business Units and their respective functional areas. While in two of these areas - internal audit and control of investments and disinvestment - the monitoring is done by the director Dr. Nuno Filipe Vilela Barroca de Oliveira, in the remaining areas monitoring is carried out by members of the Executive Commission, as shown in the following diagram:



## 2. Specific committees created in the company.

CORTICEIRA AMORIM does not have committees as set out in the terms of this Recommendation, although the Board of Directors shows all interest in adopting and implementing the rules of corporate governance which best harmonise with the transparency of the stock market and with the confidence of those who have interests in the company, namely through participation in its share capital.

## 3. System of risk control implemented in the company.

At the level of the Board of Directors and the Executive Commission, the main objective consists of the integrated vision of those factors considered critical, because of the possible yield and/or associated risks, for the creation of sustained value for the company and the Shareholder.

At an operating level, because of the specific characteristics of CORTICEIRA AMORIM'S operating activity, two critical factors have been identified, namely the market and business risks and the raw material factor (cork).

### Market risk and business risk in operating activities:

The management of the market and business risks begins by being assured by the five Business Units that intervene in the market of CORTICEIRA AMORIM end products, that is, Cork Stoppers, Floor and Wall Coverings, Composite Cork, Cork Rubber and Insulation Cork.

In the strategic planning of these Business Units, supported by the balanced scorecard methodology, the key factors for the creation of value have been identified, following a multi-perspective logic that encompasses finance, market/Clients, processes and infrastructure.

Following this logic, strategic objectives and respective goals are defined, as well as the initiatives to be developed in order to achieve them.

The methodology adopted makes it possible to strengthen the alignment between the delineated strategy and the operational planning, where priority actions to be developed in order to reduce risk and create sustained value are defined for a shorter period. The processes which permit the systematic monitoring of these actions are implemented in the Business Units, and are subject to periodic monitoring and monthly evaluation at the headquarters of the Business Unit's Board of Directors.

#### **The raw material factor (cork):**

Aware of how critical this factor is, cutting across all of the Business Units, the management of purchasing, storage and preparation of the single variable common to all of CORTICEIRA AMORIM's activities, which is the raw material (cork), has been brought together in one autonomous Business Unit, thus making possible:

- specialisation of a team dedicated exclusively to the raw material;
- making the most of synergies and the integration of processing of all the kinds of raw material (cork) transformed in the remaining units;
- management of the raw materials from a multinational perspective;
- reinforcement of presence in producer countries;
- maintaining a historical register of production, updating records of cork-producing forest units;
- reinforcement of the dialogue with production, promoting forest certification, enhancing the technical quality of the product and development of partnerships in the areas of research & development applied to the forest;
- preparing, discussing and deciding within the Board of Directors the direction and pluriannual supplies policy to be developed;
- ensuring the mix of raw materials best suited to the needs of the end products market;
- ensuring the stability of this variable, critical for CORTICEIRA AMORIM's activity, over the course of time.

Within the dependency of the Board of Directors, accompanied by the Executive Commission or an executive director, are Support Areas that act decisively in managing critical factors, including risk prevention and detection. The Financial, Organisational Development/Planning and Management Control and Internal Auditing Areas intervene in this sphere.

#### **Finance:**

Because it is one of the most internationalised Portuguese companies, in addition to managing liquidity and interest rate risks, CORTICEIRA AMORIM pays special attention to managing exchange rate risk.

While responsible for prevention, monitoring and management of the above mentioned risks, the Financial Area has as its principal objectives to support the definition and implementation of global strategies at the financial level, and to co-ordinate the financial management of the different Business Units.

#### **Organisational Development/Planning and Management Control and Area of Internal Audit:**

Within the dependency of the Executive Commission, these two support area work together to reduce the functioning risks of the Organisation. Their two main functions are to assess and

review the internal control systems, aiming both to optimise resources and safeguard assets, and to scrutinise the activities carried out, allowing management a reasonable level of certainty that business targets will be met.

#### **4. Description of the stock market behaviour of the shares.**

As described in Paragraph VI B) of the Consolidated Management Report.

#### **5. Information about the policy of distributing dividends adopted by the company.**

In each financial year, CORTICEIRA AMORIM gives due consideration, in the light of the context of its activity, to the proposal for application of results of the financial year to be submitted for the approval of the Annual General Meeting.

Given the exceptional results obtained in 2001, the strategic and operational restructuring in progress and the unfavourable macroeconomic framework of the company's activity, it was proposed and deliberated in the Annual General Meeting of Shareholders not to award dividends for the financial years 2001, 2002 and 2003, thus prioritising the need to reinforce the financial balance of the Company.

With respect to the financial year of 2004, given the net results obtained and the significant reduction of the company's indebtedness, the Annual General Meeting of Shareholders held on 30 March 2005 approved the distribution of an illiquid dividend of € 0.035 per share.

With respect to the financial year under consideration, given the net results obtained, which rise to 15.7 million euros, and the consistency observed in the company's financial balance, the Board of Directors will propose to the Shareholders' Annual General Meeting the distribution of a gross dividend per share of 0.05 euros.

#### **6. Plans to award shares and plans to award options to acquire shares adopted or in force during the financial year.**

In respect of the financial year 2003, CORTICEIRA AMORIM did not adopt nor has in force any plan to award shares or to award options to acquire shares.

#### **7. Business and operations carried out between the Company and members of its Board of Directors and Auditors, and stakeholders or directors of Companies with which there is a dominating or group relationship.**

No significant operations or business were carried out in the terms set out in this paragraph.

#### **8. Market and Investor relations.**

CORTICEIRA AMORIM ensures the existence of permanent contact with the Market, respecting the principle of equality of shareholders and preventing asymmetries in access to information by the Investors.

Thus, the Department of Market Relations, supervised by CORTICEIRA AMORIM'S Representative for Market Relations, performs the following duties, namely:

- periodic dissemination of analysis of the evolution of the company's activity and the results obtained, including the co-ordination and preparation of their twice-yearly public presentation delivered in the company headquarters (in person or through audio-conferencing);
- dissemination of relevant facts;
- dissemination of communiqués about main stakeholders;
- reception and centralisation of all questions formulated by the investors and the explanations made available;
- participation in conferences and meetings with investors and analysts.

The Department may be reached at telephone number +351 22 747 54 00, by fax +351 22 747 54 07 or through the email address corticeira.amorim@amorim.com.

CORTICEIRA AMORIM has been using the information technology at its disposal for the periodic dissemination of economic and financial information, namely the reports analysing the evolution of the activity and results obtained, as well as in response to specific questions raised by the Investors.

In conformity with the stipulations of CMVM Regulation no. 11/2003, CORTICEIRA AMORIM makes available on its website [www.amorim.com/cortica.html](http://www.amorim.com/cortica.html) a vast array of information about its company structure, its activity and the evolution of its business.

The role of Representative for CORTICEIRA AMORIM's Investor Relations is carried out by Dr. Cristina Rios de Amorim Baptista.

Of the actions carried out in 2005, regarding contact with investors, the following should be highlighted:

- Participation in various international events, such as the *ESN Small and Mid Cap Conference* (London, April), the *UBS Portugal reverse road show* (Oporto, June), the *Paris Midcap Events* conference (Paris, September), the *Espírito Santo Iberian Event* conference (Madrid, November) and the *ESN Small & Mid Cap Conference* (London, December);
- Road show held in November, in Madrid, which permitted an interesting approach to important institutional investors;
- Presentation of the activity and half-yearly results, through an audio-conference, thus promoting interaction in the dissemination of that information;
- One-to-one meetings held by invitation in investment bank premises;
- Meetings in company premises, with various investors and teams of analysts, who were shown the main industrial units.

#### **9. Composition of the remunerations committee or equivalent body.**

CORTICEIRA AMORIM'S Remunerations Committee is composed of a Chairman and two Board Members, positions occupied as of 31 December 2005 by:

President - Cristina Rios de Amorim Baptista (directly related up to the third degree to two of the members of the Board of Directors);

Member - José Manuel Ferreira Rios;

Member - not occupied, because of the death of the holder of this position, José Manuel de Jesus Araújo Faria.

#### **10. Amount of the annual remuneration of the auditor and other individual and collective persons belonging to the same network, supported by the company and/or by collective persons in a dominating or group relationship.**

Service	Value (thousand euros)	%
Legal reviewing of accounts	352	84.6%
Other services to guarantee trustworthiness	12	2.9%
Tax consultancy	0	0.0%
Other services	52	12.5%
<b>Total</b>	<b>416</b>	<b>100%</b>

The heading “Other services” essentially comprises support for the implementation of administrative mechanisms for the fulfilment of formalities established by law. As far as these services are concerned, these entities do not assume leadership of the subjacent projects, which is always taken on by the appropriate department of CORTICEIRA AMORIM, therefore there can be no question as to the independent functioning of the same.

## **CHAPTER II - EXERCISE OF THE RIGHT TO VOTE AND SHAREHOLDERS' PROXY**

CORTICEIRA AMORIM encourages participation by the Shareholders in the Annual General Meetings of the company, namely by making available, as stipulated in the Portuguese Companies' Act (*Código das Sociedades Comerciais*), the information required by law for consultation prior to the holding of the General Meeting, with the intention of making available to the Shareholder the information required to make decisions on the matters placed on the agenda for each General Meeting, whether this decision is expressed by the Shareholder himself, by correspondence or by proxy. In order to facilitate this access, in accordance with the Regulations of the CMVM, such information is also available on the website [www.amorim.com/cortica.html](http://www.amorim.com/cortica.html).

In relation to the process of representation, the Presiding Committee of the General Meeting checks the validity and compliance of the proxy documents presented, in accordance with what is stipulated by Law and by the company's statutes.

### **1. Statutory rules on the exercise of the right to vote.**

CORTICEIRA AMORIM actively encourages Shareholders to exercise their right to vote in the General Meetings of the company, whether by direct vote, by correspondence or by proxy, namely by clarifying the legal procedures necessary for the right to vote to be exercised.

As established in the company statutes, in the General Meetings the Shareholders' vote by correspondence is admitted in the alteration of the company statutes and in the election of members of the Board of Directors.

### **2. Existence of a model for exercising the right to vote by correspondence.**

In situations in which this mode of voting is allowed, as set out in the preceding paragraph, CORTICEIRA AMORIM makes available in its headquarters to Shareholders a model for exercising the right to vote by correspondence.

### **3. Possibility and exercise of the right to vote by electronic means.**

The statutes of CORTICEIRA AMORIM do not allow voting by electronic means. This limitation has not yet been altered because it is believed that the technical conditions that would make it possible to assure verification of the authenticity of the vote declarations and guarantee the integrity and confidentiality of their content do not exist.

### **4. Period of antecedence required for deposit or blocking of shares for participation in the Annual General Meeting.**

The period of antecedence established by the statutes of CORTICEIRA AMORIM is twenty days before the date designated for the Annual General Meeting.

### **5. Minimum interval between the reception of the declaration of vote by correspondence and the date when the Annual General Meeting is held.**

In the cases in which voting by correspondence is permitted, as established by no.1 above, the reception of the vote declaration must occur within five working days prior to the date when the General Assembly is held.

### **6. Number of shares to which one vote corresponds.**

One vote corresponds to every group of one thousand shares.



## CHAPTER III - COMPANY REGULATIONS

### 1. Existence, at the level of the internal organisation, of specific rules destined to regulate situations of conflict of interests between the members of the Board of Directors and the company.

Although there are no formal codes of conduct or internal regulations that correspond directly to this note, CORTICEIRA AMORIM considers that the principles of good business practice are part of the entrepreneurial values upheld by both the members of the company boards and by the other employees.

### 2. Internal measures adopted to control risk in the company's activity.

In accordance with the provisions of paragraph no. 3 of Chapter 1 of this Report.

### 3. Measures that may interfere with the success of public acquisition offers.

To the best of CORTICEIRA AMORIM's knowledge, there are no limits to the voting rights, restrictions on the transmissibility of shares, special shareholders' rights and para-social agreements.

## CHAPTER IV - ADMINISTRATIVE BODY

### 1. Composition and characterisation of the Administrative Body.

The Board of Directors of CORTICEIRA AMORIM is composed of the Chairman, Vice-Chairman and five Board Members. As of 31 December 2005, these duties are carried out by:

#### Executive Members:

<b>Chairman:</b>	António Rios Amorim
<b>Vice-Chairman:</b>	José Fernando Maia de Araújo e Silva
<b>Member:</b>	Nuno Filipe Vilela Barroca de Oliveira

#### Non-executive Members:

<b>Vice-Chairman:</b>	José Américo Amorim Coelho
<b>Member:</b>	Joaquim Ferreira de Amorim
<b>Member:</b>	Rui Miguel Duarte Alegre
<b>Member:</b>	Luísa Alexandra Ramos Amorim

In the Shareholders' General Meeting, held on 31 March 2005, the Board Members including the Board of Directors of the company, were elected for a mandate of three years. It should be stated that, on this date, the CMVM recommendation concerning the existence of independent members in the administrative body was fully adopted, concretely through the nomination of Dr José Fernando Maia de Araújo e Silva, member of the Board of Directors with executive functions not associated with any specific interest groups. Nevertheless, given the alterations introduced by CMVM Regulation no. 10/2005, since that director carries out executive duties, there is non independence of the non-executive members, because they fit into at least one of the categories listed under no. 2 of article 1 of CMVM Regulation no. 11/2003.

The members of the Board of Directors of CORTICEIRA AMORIM, in post, carry out the following duties in other companies:

#### **António Rios de Amorim (Chairman):**

Chairman of the Board of Directors and Executive Commission of CORTICEIRA AMORIM since March 2001. He was Delegated Director of Amorim & Irmãos (1996-2001), Administrator of Sociedade Figueira-Praia (1993-2006), responsible for operations in Amorim - Empreendimentos Imobiliários - which promoted the Torres de Lisboa and Arrábida Shopping projects (1993-1995), Executive Administrator of Amorim Hotéis, SA, with responsibility for developing the Ibis and Novotel chains in Portugal. He was awarded as degree in Commerce by the Faculty of Commerce and Social Sciences of the University of Birmingham (1989), and attended *The Executive Program in Business Administration: Managing the Enterprise* - Columbia University Graduate School of Business (1992)

and Managerial Skills for International Business - INSEAD (2001). He was an associate of the European Round Table of Industrialists - the only Portuguese entrepreneur to belong to this association (1991-1995). President of the Portuguese Cork Association (from 2002) and of the Confédération Européenne du Liège (since 2003). In February of 2006 he was honoured, by His Excellency the President of the Republic, with the title of *Comenda de Grande-Oficial da Ordem de Mérito Agrícola, Comercial e Industrial*.

Date of first appointment to the Board of Directors: 29 March 1990

Date of first appointment as Chairman of the Board of Directors: 31 March 2001

Date of end of mandate: 31 December 2007

#### Positions held in other companies:

Company	Position
<b>Group CORTICEIRA AMORIM</b>	
Amorim Florestal - Indústria, Comércio e Exploração, SA	Chairman of the Board of Directors
Amorim Florestal España, SL	Chairman of the Board of Directors
Amorim & Irmãos IV, SA	Chairman of the Board of Directors
Amorim & Irmãos, SA	Chairman of the Board of Directors
Amorim & Irmãos, SGPS, SA	Chairman of the Board of Directors
Amorim & Irmãos VI, SA	Chairman of the Board of Directors
Amorim Florestal - Espanha, SA	Member of the Board of Directors
Amorim Industrial Solutions - Indústria de Cortiça e Borracha I, SA	Vice-Chairman of the Board of Directors
Amorim Industrial Solutions - Indústria de Cortiça e Borracha II, SA	Vice-Chairman of the Board of Directors
Amorim Industrial Solutions - SGPS, SA	Vice-Chairman of the Board of Directors
Amorim Isolamentos, SA	Member of the Board of Directors
Amorim Isolamentos II, Lda	Manager
Amorim Revestimentos, SA	Vice-Chairman of the Board of Directors
Corticeira Amorim - Indústria, SA	Vice-Chairman of the Board of Directors
Equipar - Participações Integradas, Lda	Manager
Equipar - Indústria de Cortiça, SA	Chairman of the Board of Directors
Equipar - Rolha Natural, SA	Chairman of the Board of Directors
Inter Champanhe - Fabricante de Rolhas de Champanhe, SA	Chairman of the Board of Directors
Korken Schiesser GmbH	Manager
<b>Other Companies</b>	
Afaprom - Sociedade Agro-Florestal, SA	Member of the Board of Directors
Amorim, SGPS, SA	Member of the Board of Directors
Amorim Capital, SGPS, SA	Member of the Board of Directors
Amorim Desenvolvimento, SGPS, SA	Member of the Board of Directors
Amorim - Investimentos e Participações, SGPS, SA	Member of the Board of Directors
Amorim - Serviços e Gestão, SA	Chairman of the Compensation Committee
Amorim - Viagens e Turismo, SA	Member of the Board of Directors
Cimorim - Sociedade Agro-Florestal, SA	Member of the Board of Directors
Corpóreo - Compra e Venda de Imóveis, SA	Member of the Board of Directors
Interfamília II, SGPS, SA	Member of the Board of Directors
Interfamília III, SGPS, SA	Member of the Board of Directors
Luxor, SGPS, SA	Member of the Board of Directors
Resiféria - Construções Urbanas, SA	Member of the Board of Directors
S21 - Sociedade de Investimento Imobiliário, SA	Member of the Board of Directors
Seguro e Pensões GERE, SGPS, SA	Member of the Supervisory Board
<b>Other Bodies</b>	
Associação Portuguesa da Cortiça	Chairman of the Board of Directors
Confédération Européenne du Liège	Chairman of the Board of Directors

#### José Américo Amorim Coelho (Vice-Chairman):

He studied in the Faculty of Economics of Oporto University (1974-1976). He is Vice-Chairman of the Board of Directors of CORTICEIRA AMORIM, non-executive from September 2005. Up to this date he was Vice-Chairman of the Executive Board of the company, with responsibility for permanently accompanying the Composite Cork, Rubber and Insulation Cork Business Units and joint responsibility for accompanying the Raw Materials Business Unit. In the last 27 years he has been executive director of various affiliates of the company. His leadership of the Composite Cork Business Unit (1982-1992) and the Floor and Wall Coverings Business Unit (1992-2002) stand out.

Date of first appointment to the Board of Directors: 9 October 1987

Date of end of mandate: 31 December 2007

### Positions held in other companies:

Company	Position
<b>Group CORTICEIRA AMORIM</b>	
Amorim Belgium Natural Coverings NV	Director
Amorim Flooring Austria Gesmgh	Manager
Amorim Florestal - Indústria, Comércio e Exploração, SA	Vice-Chairman of the Board of Directors
Amorim Florestal Espanha, SA	Chairman of the Board of Directors
Amorim & Irmãos, SA	Vice-Chairman of the Board of Directors
Amorim & Irmãos, SGPS, SA	Member of the Board of Directors
Amorim Industrial Solutions - Inc	Chairman of the Board of Directors
Amorim Industrial Solutions - Indústria de Cortiça e Borracha I, SA	Chairman of the Board of Directors
Amorim Industrial Solutions - Indústria de Cortiça e Borracha II, SA	Chairman of the Board of Directors
Amorim Industrial Solutions - SGPS, SA	Chairman of the Board of Directors
Amorim Isolamentos, SA	Chairman of the Board of Directors
Amorim Isolamentos II, Lda	Manager
Amorim Revestimentos, SA	Member of the Board of Directors
Amorim (UK) Limited	Director
Comatral - Compagnie Marocaine de Transformation du Liège, SA	Director
Corticeira Amorim France, SAS	Chairman of the Board of Directors
Corticeira Amorim - Indústria, SA	Chairman of the Board of Directors
Dom Korkowy, Sp. Zo. O.	Administrator
Inter Champanhe - Fabricante de Rolhas de Champanhe, SA	Vice-Chairman of the Board of Directors
<b>Other Companies</b>	
Amorim Capital, SGPS, SA	Member of the Board of Directors
Amorim Desenvolvimento, SGPS, SA	Member of the Board of Directors
Amorim - Entertainment e Gaming International, SGPS, SA	Member of the Board of Directors
Amorim - Investimentos e Participações, SGPS, SA	Second Vice-Chairman of the Board of Directors
Amorim Participações Mobiliárias, SGPS, SA	Chairman of the Board of Directors
Amorim Trading - Comércio de Importação e Exportação, SA	Member of the Board of Directors
Amorim Turismo, SGPS, SA	Member of the Board of Directors
Amorim - Viagens e Turismo, SA	Member of the Board of Directors
Interfamília II, SGPS, SA	Member of the Board of Directors
Interfamília III, SGPS, SA	Member of the Board of Directors
Soamco - Investimentos, Lda	Manager
Sociedade Figueira Praia, SA	Member of the Compensation Committee

### Joaquim Ferreira de Amorim (Member):

Entrepreneur and company director. He belongs to the third generation of the Amorim Family and has around fifty years of professional activity in the area of cork in the Group. He joined the management team which undertook the verticalisation of the cork business in the 1060's, and in the 80s and 90s, he invested in the internationalisation of the business, taking CORTICEIRA AMORIM to world leadership in the cork sector.

Date of first appointment to the Board of Directors: 9 October 1987

Date of end of mandate: 31 December 2007

### Positions held in other companies:

Company	Position
<b>Group CORTICEIRA AMORIM</b>	
Amorim & Irmãos, SGPS, SA	Vice-Chairman of the Board of Directors
Amorim & Irmãos, SA	Member of the Board of Directors
Moraga - Comércio e Serviços, SA	Chairman of the Board of Directors
S.A.M. Cignet & Cie	Chairman of the Supervisory Board
<b>Other companies</b>	
Amorim - Investimentos e Participações, SGPS, SA	First Vice-Chairman of the Board of Directors
Amorim Capital, SGPS, SA	Member of the Board of Directors
Amorim Desenvolvimento, SGPS, SA	Member of the Board of Directors
Amorim - Entertainment e Gaming Internacional, SGPS, SA	Member of the Board of Directors
Amorim Turismo, SGPS, SA	Vice-Chairman of the Board of Directors
Ancarin Investimentos Imobiliários e Financeiros, SA	Chairman of the Board of Directors
Casa de Mozelos Gestão de Imóveis, SA	Chairman of the Board of Directors
Famorin Sociedade Financeira e Mobiliária, SGPS, SA	Chairman of the Board of Directors
Interfamília II, SGPS, SA	Member of the Board of Directors
Interfamília III, SGPS, SA	Member of the Board of Directors
Interfamília VI, SGPS, SA	Chairman of the Board of Directors
Investife - Investimentos Imobiliários e Financeiros, SA	Chairman of the Board of Directors
Norbrasin, Investimentos Imobiliários, SA	Chairman of the Board of Directors
Resinfe - Investimentos e Promoção Imobiliária, SA	Member of the Board of Directors
Return - Investimentos Hoteleiros e Jogo, SA	Member of the Board of Directors
Sociedade Agrícola Triflor, SA	Chairman of the Board of Directors
Sociedade Figueira Praia, SA	Director
Telepri - Telecomunicações privadas, SGPS, SA	Vice-Chairman of the Board of Directors
Vatrya - Consultadoria e Marketing, Lda	Manager

**Rui Miguel Duarte Alegre (Member):**

He studied Business Science at ISLA; was Director and Chairman of the Executive Board of Amorim Imobiliária, from 2005. He was Executive Director of Amorim Imobiliária, Amorim Turismo and Amorim Desenvolvimento, between 1998 and 2005. He carried out executive functions in CORTICEIRA AMORIM between 1995 and 1997. Director of Amorim - Investimentos e Participações since 1999.

Date of first appointment to the Board of Directors: 9 September 1996

Date of end of mandate: 31 December 2007

**Positions held in other companies:**

Company	Position
<b>Group CORTICEIRA AMORIM</b>	
Amorim & Irmãos, SA	Member of the Compensation Committee
<b>Other Companies</b>	
Amorim Broking - Investimentos e Participações Financeiras, SA	Chairman of the Board of Directors
Amorim Broking, SGPS, SA	Member of the Board of Directors
Amorim Capital, SGPS, SA	Member of the Board of Directors
Amorim Corporate Solutions, SGPS, SA	Chairman of the Board of Directors
Amorim Desenvolvimento, SGPS, SA	Member of the Board of Directors
Amorim Financial, SGPS, SA	Member of the Board of Directors
Amorim Imobiliária, SGPS, SA	Member of the Board of Directors
Amorim - Investimentos e Participações, SGPS, SA	Member of the Board of Directors
Amorim Projectos, SGPS, SA	Member of the Board of Directors
Amorim Residential and Development, SGPS, SA	Chairman of the Board of Directors
Amorim Retail, SGPS, SA	Chairman of the Board of Directors
Amorim - Serviços e Gestão, SA	Member of the Board of Directors
Amorim Trading - Comércio de Importação e Exportação, SA	Member of the Board of Directors
Amorim - Viagens e Turismo, SA	Member of the Board of Directors
Aplicação Urbana II - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana V - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana VI - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação VII - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana VIII - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana IX - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana XI - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana XII - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana XIV - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana XV - Investimento Imobiliário, SA	Chairman of the Board of Directors
Aplicação Urbana XVI - Investimento Imobiliário, SA	Chairman of the Board of Directors
Caribbean Seafood - Trading e Marketing, SA	Chairman of the Board of Directors
Dolce Vita Miraflores - Exploração de Centros Comerciais, SA	Chairman of the Board of Directors
Dolce Vita Tejo - Investimentos Imobiliários, SA	Chairman of the Board of Directors
Em Comunidade - Serviços de Telemática, SA	Chairman of the Board of Directors
Empresa Mixta Granmar, SA	Member of the Board of Directors
Encostarrábida - Investimento Imobiliário, SA	Member of the Board of Directors
Escritórios da Arrábida - Investimento Imobiliário, SA	Member of the Board of Directors
Escritórios do Tejo - Empreendimentos Imobiliários, SA	Chairman of the Board of Directors
Espaçosescritórios - Exploração de Escritórios, SA	Chairman of the Board of Directors
Espaço Urbano - Investimentos Imobiliários, SA	Vice-Chairman of the Board of Directors
ESPE - Empresa de Serviços de Engenharia Electrotécnica, Lda	Manager
Estúdios Imobiliária - Gestão e Investimento, SA	Vice-Chairman of the Board of Directors
FCP SAD	Member of the Board of Directors
GCC Antas - Gestão de Centros Comerciais, SA	Member of the Board of Directors
GCC Coimbra - Gestão de Centros Comerciais, SA	Member of the Board of Directors
GCC Douro - Gestão de Centros Comerciais, SA	Member of the Board of Directors
GCC Miraflores - Gestão de Centros Comerciais, SA	Member of the Board of Directors
Habimoselos - Sociedade de Construções, Lda	Manager
Highgrove - Clubes Residenciais, SA	Chairman of the Board of Directors
Highgrove Arrábida - Club Residencial, SA	Member of the Board of Directors
Highgrove Inglesinhos - Club Residencial, SA	Member of the Board of Directors
Highgrove - Investimentos e Participações, SGPS, SA	Chairman of the Board of Directors
Imolisboa - Projectos Imobiliários, SA	Vice-Chairman of the Board of Directors
Imovalor - Sociedade de Investimentos Imobiliários, SA	Chairman of the Board of Directors
Imovalorgest - Gestão de Património Imobiliário, SA	Chairman of the Board of Directors
Inogi - Inovação e Gestão de Investimentos Imobiliários, SA	Chairman of the Board of Directors
Interfamília I, SGPS, SA	Member of the Board of Directors
Interfamília II, SGPS, SA	Member of the Board of Directors

Company	Position
Lagoa da Vela - Empreendimentos Imobiliários e Turísticos Desportivos, SA	Chairman of the Board of Directors
Larry Smith, SA	Chairman of the Board of Directors
Monucontrol - Sociedade Imobiliária do Monumental, SA	Chairman of the Board of Directors
Morate - Investimentos Imobiliários, SA	Chairman of the Board of Directors
Morus - Sociedade de Gestão Imobiliária, SA	Chairman of the Board of Directors
Negócios Sintra - Gestão Imobiliária, SA	Chairman of the Board of Directors
Novantas - Comércio Imobiliário, SA	Chairman of the Board of Directors
Novantas II - Comércio Imobiliário, SA	Chairman of the Board of Directors
OSI - Organização e Sistemas Informáticos, Lda	Manager
Paisagem Verde - Investimento Imobiliário, SA	Chairman of the Board of Directors
Portal das Flores - Serviços e Comércio, Lda	Manager
Quinta Nova de N.º Sr.º do Carmo - Sociedade Agrícola e Comercial, Lda	Manager
Recato da Madeira - Investimentos Financeiros e Gestão, SA	Member of the Board of Directors
Retailgeste - Sociedade de Gestão Imobiliária, SA	Chairman of the Board of Directors
Sportsforum - Desenvolvimento Imobiliário, SA	Chairman of the Board of Directors
Studio Residence Ibéria	Chairman of the Board of Directors
Vertente Financeira, SGPS, SA	Member of the Board of Directors

#### **José Fernando Maia de Araújo e Silva (Member):**

Graduate in Economics from the Faculty of Economics of the University of Oporto (1974). Executive Director of CORTICEIRA AMORIM since 2002. He was Vice-Chairman of Sonae Indústria (1999-2002) and member of the Board of Directors of Spred (1998-1999), Sonae Participações Financeiras (1996-1998) and Tafisa (1993-1995). Responsible for the financial co-ordination and control of management of the industrial area of the Sonae Group (1989-1990) and the financial co-ordination of Sonae Investimentos (1991-1993). He was Director of Soserfin (1987-1988) and Director of the international department of the BESCL (1984-1986). He began his professional activity in the Faculty of Economics of the University of Oporto as a lecturer in various subjects (1975-1983). Also in this Faculty he was responsible for the subject of International Financial Management (1987-1988) in the postgraduate course for Financial Analysts. Since 1991, he has been a guest lecturer at the Catholic University of Portugal, where he is responsible for the subject of International Financial Management, in the Management course.

Date of first appointment to the Board of Directors: 16 September 2002

Date of end of mandate: 31 December 2007

#### **Positions held in other companies:**

Company	Position
<b>Group CORTICEIRA AMORIM</b>	
Amorim Revestimentos, SA	Chairman of the Board of Directors
Amorim & Irmãos, SGPS, SA	Member of the Board of Directors
Amorim & Irmãos, SA	Member of the Board of Directors
Amorim Florestal - Indústria, Comércio e Exploração, SA	Member of the Board of Directors
Amorim Industrial Solutions - Indústria de Cortiça e Borracha I, SA	Member of the Board of Directors
Amorim Industrial Solutions - Indústria de Cortiça e Borracha II, SA	Member of the Board of Directors
Amorim Industrial Solutions, SGPS, SA	Member of the Board of Directors
Amorim Isolamentos, SA	Member of the Board of Directors
Amorim Isolamentos II, Lda	Manager
Champcork - Rolhas de Champagne, SA	Chairman of the Board of Directors
Corticeira Amorim - Indústria, SA	Member of the Board of Directors
Portocork Internacional, SA	Chairman of the Board of Directors

#### **Nuno Filipe Vilela Barroca de Oliveira (Member):**

He graduated in Company Administration and Management from the Catholic University of Portugal. Non-executive director of CORTICEIRA AMORIM, from March 2003 until September 2005, he then proceeded to carry out executive functions from that date. Non-executive director of various companies in the Amorim Group (from 2000) and executive director of Barrancarnes (2000-2005). After a year in the commercial area of Møre Codfish (Norway), he took part in the Comett programme and held an internship in Merrill Lynch (London), then



began his professional activity in the Banco Comercial Português Group, where, for three years, he collaborated in the areas of Studies and Planning, International Area and Investment Funds.

Date of first appointment to the Board of Directors: 28 March 2003

Date of end of mandate: 31 December 2007

**Positions held in other companies:**

Company	Position
<b>Other Companies</b>	
Amorim - Investimentos e Participações, SGPS, SA	Member of the Compensation Committee
Amorim - Serviços e Gestão, SA	Member of the Compensation Committee
Natureza, SGPS, SA	Member of the Board of Directors

**Luísa Alexandra Ramos Amorim (Member):**

Degree (DESE) in Marketing from ISAG. Director of Amorim - Investimentos e Participações (since 2002). Executive Director of Natureza, S.G.P.S., S.A. (since 2002) and Director of Marketing of J. W. Burmester (2000-2002). She began her professional activity in the Amorim Group as Assistant in Hotel Management in Amorim Hotéis e Serviços and the Sociedade Figueira Praia (1996-1997), having collaborated in different business areas of the Group, in Portugal and abroad, between 1998 and 2000.

Date of first appointment to the Board of Directors: 28 March 2003

Date of end of mandate: 31 December 2007

**Positions held in other companies:**

Company	Position
<b>Other Companies</b>	
Amorim - Investimentos e Participações, SGPS, SA	Member of the Board of Directors

**2. Other bodies with management competence.**

Adopting a management model based on the concept of Strategic-Operational-Holding, the Business Units are co-ordinated by the Executive Commission of CORTICEIRA AMORIM, made up of the Chairman of the Board of Directors of CORTICEIRA AMORIM and by the chairman of the Boards of Directors of the two main Business Units (Cork Stoppers and Floor and Wall Coverings). The Executive Board possesses wide-ranging powers of management, with the exception of those powers reserved law or by statute for the Board of Directors.

The Executive Commission is made up of three members, being constituted, on 31 December 2005, by:

- António Rios de Amorim (Chairman);
- José Fernando Maia de Araújo e Silva;
- Jorge Viriato de Freitas Barros Diniz Santos.

The Activity of this Commission makes it possible to drive internal control systems, introducing continuous evaluations and implement actions intended to improve the levels of performance of the business, as well as contribute to more effective detection of risks linked to the activity, as presented in paragraphs 1 and 3 of Chapter 1 of the present Report.

### **3. Exercise of functions by the administrative body of the company.**

The Board of Directors of CORTICEIRA AMORIM is responsible for the effective control in directing the activity of the company, being the body competent to take decisions of a strategic nature.

There is no specific delimitation of competences between the Chairman of the Board of Directors and the Executive Commission, apart from that deriving from Law. Currently, the role of Chairman of these two organisms is carried out by the same person, although this is through choice, not imposed by law or statute.

The Executive Commission is prohibited from making decisions which, in legal terms, cannot be delegated by the Board of Directors, namely, the co-opting of administrators, the request for the convocation of general meetings, annual reports and accounts, to stand bail or give personal or real guarantees on behalf of the company, change headquarters, increase capital, mergers, demergers and transformations of companies.

The conditions of procedures, decision-making procedures, interaction and reporting are guaranteed, so that the Board of Directors is at all times informed of relevant matters, and decisions taken by the Executive Commission. No list has been drawn up of conflicts of interest between exercising the role of company director and any other roles carried out in other companies or organisations, just as no limit has been set for the number of positions that may be accumulated.

### **4. Remuneration policy.**

The remuneration of the Administration is structured in such a way as to promote the alignment of the board members' interests with the company's interests, on a fixed basis, with a variable component which derives from the results of the activity carried out and the economic and financial situation of the Company.

### **5. Remuneration received by the group of members of the administrative body.**

The group of members of the Board of Directors who, in the terms of paragraph 1 of Chapter IV of the present Report, carry out executive duties, received remunerations amounting to 753,000 euros, (639 thousand euros of fixed remuneration and 114 thousand variable remuneration), for the performance of duties either in the administrative body of CORTICEIRA AMORIM or in the administrative bodies of associated or affiliated companies that constitute that company. The non-executive members of this body are not remunerated.

### **6. Description of general lines of policy of communicating irregularities that have allegedly occurred in the company.**

CORTICEIRA AMORIM does not have a formal policy for communicating irregularities in terms of the CMVM recommendation. However, giving due consideration to the importance of the interests which this matter seeks to safeguard, the Board of Directors is giving due thought to the means most suitable for such communications, in order to ensure the protection of data and workers, as well as the attribution of competences for receiving communications and overseeing this practice.

